

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 599
TO BE ANSWERED ON 3rd FEBRUARY, 2026**

COOPERATIVE SUGAR MILLS:

599. Smt. Sangeeta Kumari Singh Deo:

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

(a) whether the Government has assessed the current operational and financial status of the 312 Cooperative Sugar Mills (CSMs) across the country, including the number of mills that are inoperative or facing financial distress, and the regions most affected;

(b) whether details are available regarding loans disbursed under the Central Sector Scheme “Grant-in-aid to NCDC for strengthening of CSMs”, including the amounts allocated for ethanol plants, cogeneration power projects, and working capital and the number of CSMs benefitted;

(c) whether the Government has data on the impact of the scheme on the livelihoods of sugarcane farmers and workers, particularly in rural and tribal belts such as those in Odisha and surrounding regions; and

(d) if so, the details thereof along with the interest subvention, repayment performance and the measures taken to ensure efficient monitoring and recovery of NCDC loans under this scheme?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) The Ministry, to alleviate the operational & financial distress of Cooperative Sugar Mills, unveiled a scheme titled “Central Sector Scheme-Grant-in-aid to NCDC for strengthening of Cooperative Sugar Mills”. The Ministry while conducting third party evaluation of the scheme, found out 102 of the 312 cooperative sugar mills to be non-functional. The Ministry in consultation with States concerned is working for revival of viable non-functional mills.

(b) Under Central Sector Scheme “Grant-in-Aid to NCDC for strengthening of CSMs” grant of ₹1000 Cr. was provided by Central Government to NCDC to enable it to provide loans of ₹10,000 Cr. to CSMs by leveraging the grant-in-aid. NCDC in turn has disbursed ₹10,005 Cr. to CSMs under the scheme.

- The amount disbursed for ethanol plants is ₹251.40 Cr.

- The amount disbursed for Cogen power is ₹97.12 Cr. &
 - The amount disbursed for working capital is ₹9656.90 Cr.
- Totally 56 Cooperative Sugar mills have benefitted under the scheme.

(c) The Ministry got a 3rd party evaluation conducted for the impact of the scheme. It was found that the NCDC assistance offered relatively lesser rate of interest than counterparts and set a benchmark for other banks and financial institutions in terms of transparency, documentation and easy access enabling CSM easy access to finance. As a result, outstanding Cane bills reduced significantly indicating smooth business operations and timely payout to farmers & workers.

(d) The scheme did not have any interest subvention component. NCDC, as the nodal implementation agency for the scheme has robust guidelines for recovery monitored by its Board of Management.
