Ministry of Cooperation

Cooperative Sugar Mills

Posted On: 03 FEB 2026 6:44PM by PIB Delhi

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.

This information was given by Union Minister for Home and Cooperation Shri Amit Shah in a written reply in Lok Sabha.

*****

AK/AP