

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 2506
TO BE ANSWERED ON 10th DECEMBER, 2024**

Cooperative industries operational

2506 SHRI SANJAY UTTAMRAO DESHMUKH:

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

- (a) the details of the cooperative sector industries operational in Yavatmal-Washim constituency;
- (b) the details of the cooperative sector industries closed in the said constituency;
- (c) the total number of workers engaged in all of the cooperative sector industries in the said constituency;
- (d) the total number of workers working in sugar factories in the said constituency;
- (e) the current status of Mungsaji Jai Kisan Sahakari Sakhar Karkhana Ltd. Bodhegaon;
- (f) the efforts made by the Central Government and the Maharashtra State Government to start the above sugar factory; and
- (g) the time by which the factory is likely to be made operational along with the details thereof?

ANSWER

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

(a) to (d): As per the data made available by RCS Maharashtra on NCD portal, the details of Agro processing/Industrial cooperatives which are functional or non-functional/dormant and under liquidation in districts of Yavatmal and Washim are as under:

Data as on 05.12.2024

Districts	Functional		Non-Functional / dormant		Under liquidation	
	No. of Societies	Members	No. of Societies	Members	No. of societies	Members
Washim	72	1575	1	765	0	0
Yavatmal	158	63465	1	0	6	59
Multi-State Cooperative Societies registered in Washim and Yavatmal	0	0	0	0	0	0

However, Ministry of Cooperation does not maintain data of workers in the cooperatives regulated under State Cooperative Act of Maharashtra.

(e) to (g): As per the details provided by National Federation of Cooperative Sugar Factories Limited (NFCSFL), Mungsaji Jai Kisan Sahakari Sakhar Karkhana Ltd. Bodhegoan is not operational and is under liquidation as per the provisions of the SARFAESI Act, 2002. The said cooperative sugar mill has not cleared its outstanding dues of ₹232.48 crore owed to the Maharashtra State Cooperative Bank Ltd. (MSC Bank), Mumbai and consequently bank has attached its property and issued a public tender for leasing the facility to recover the dues. The timeline for the operationalization or otherwise of said cooperative sugar mill depends on completion of process initiated by MSC Bank.

For strengthening of Cooperative Sugar Mills including those in Maharashtra, the Government of India has taken following initiatives:

1. Revival of Cooperative Sugar Mills through relief under Income Tax Act, 1961:
 - (i) Relief from Income Tax to Sugar Cooperative Mills: Through Finance Act, 2015 Section 36(1)(xvii) was inserted in Income Tax Act 1961 to provide for deduction on account of the amount of expenditure incurred by a cooperative society engaged in the business of manufacture of sugar i.e Cooperative Sugar Mills (CSMs). The measure came into force w.e.f. 1.4.2016 i.e. assessment year 2016-17. However, the issue of treatment of additional payment for sugarcane price by CSMs as an income distribution to farmer members and resultant tax liabilities remained uncovered which was clarified by Central Board of Direct Taxes vide Circular No 18/2021 dated 25.10.2021. Accordingly, resultant tax liabilities on CSMs on additional payment for sugarcane price by them were mitigated w.e.f. 1.4.2016.
 - (ii) Resolution of decades old pending issues related to Income Tax of Sugar Cooperative Mills: An opportunity has been provided to sugar co-operatives to claim payments made to sugarcane farmers for the period prior to assessment year 2016-17 as expenditure. Accordingly, section 155 of the IT Act has also been amended to insert a new sub-section (19) vide Finance Act, 2023, w.e.f. 1st April 2023. In order to standardize the manner of filing application to the Jurisdictional Assessing Officer under sub-section (19) of section 155 of the Act and its disposal by the Jurisdictional Assessing Officer under the said section, CBDT vide Circular No. 14 of 2023 dated 27.07.2023 has issued Standard Operating Procedure for making application by the concerned Cooperative Sugar Mills. This has resolved the income tax issues in this matter pending for decades. This is expected to provide relief of almost ₹10,000 crore.
2. Government of India has formulated a scheme namely “Grant-in-aid to National Cooperative Development Corporation (NCDC) for strengthening of Cooperative Sugar Mills (CSMs)”. The Scheme provides for grant of loans to CSMs to the tune of Rs.10,000 crore for setting up of Ethanol plants / Cogeneration plants and for meeting their working capital requirement. NCDC has so far sanctioned ₹.8040.38 crore to 58 cooperative sugar mills.

Besides, the Government of Maharashtra has issued a resolution on 05th September, 2020 providing guidelines for leasing, partnering, or collaborating with financially weak cooperative sugar factories. The resolution focuses on transparency, sustainable operations, financial discipline, and prioritizing stakeholders such as farmers and workers. The resolution enables MSC Bank to take steps under SARFAESI to recover dues while providing an opportunity for external expertise to revive the factory.
