

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:4489
ANSWERED ON:22.05.2006
DEDUCTION IN PAYMENT TO SUGARCANE FARMERS
Baxla Shri Joachim

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether several cooperative sugar mills in Maharashtra have been enforcing deductions from payments due to farmers supplying sugarcane, as deposits to be utilized for modernization/expansion of the mills;
- (b) if so, the details thereof indicating the names of such mills, amount collected and conditions for return;
- (c) the details of mills where such funds were utilised for modernization/expansion during the last three years;
- (d) the mills which have repaid the said deposits alongwith interest and those who defaulted to repay indicating the sums outstanding against each mill; and
- (e) the action taken against defaulters?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a),(b),(c),(d)&(e): The question pertains to the Government of Maharashtra who have informed that as per the provisions of bye-laws of respective cooperative sugar factories and on the basis of policy adopted by the Minister's Committee headed by Hon'ble Chief Minister of the State of Maharashtra, the sugar factories deduct deposits from sugarcane payment of sugarcane growers. The maximum period of deposits as per bye-laws is 10 years. The rate of interest to be paid to the cane growers has to be decided by the Board of Directors of respective cooperative sugar factories. The deposits so collected are to be utilized for the purpose of undertaking expansion, bye-product units and other capital expenses. After expiry of period of deposits, the repayment thereof is normally made in five yearly equal instalments. In the State of Maharashtra, at end of 31.3.2005, in all 27 sugar factories have deducted Rs.14,826.28 lakhs for expansion and Rs.2939.19 lakhs for modernization of which, after repayment, outstanding amount of deposit for expansion is Rs.9,501.24 lakhs and for modernization Rs.1,034.98 lakhs.