

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

UNSTARRED QUESTION NO:711
ANSWERED ON:05.03.2007
DEDUCTION IN PAYMENTS BY SUGAR MILLS
Barman Shri Hiten

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

- (a) whether several co-operative sugar mills in Uttar Pradesh have been enforcing deductions from payments due to farmers supplying sugarcane, as deposits to be utilized for modernization/expansion of mills and promising refunds thereof with interest at a later date;
- (b) if so, the details thereof indicating the names of such mills, amount collected and conditions stipulated for their return;
- (c) the details of mills where such funds were utilized for modernization/expansion of mills during last three years;
- (d) the mills which have since repaid these deposits with interest to respective sugarcane suppliers and those who defaulted to repay the dues indicating the sums outstanding against each mill; and
- (e) the action taken against such defaulters?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a)&(b): As per the information received from the Cane Commissioner, Government of U.P., two co-operative sugar mills in Uttar Pradesh, namely, the Kisan Sahakari Chini Mills Ltd., Satha (Aligarh) and the Kisan Cooperative Sugar Factory Ltd., Majhola (Pilibhit) had collected Rs.41.20 lakhs (during sugar seasons 2000-01 and 2001-02) and Rs.140 lakhs (during sugar seasons 1996-97 to 1999-2000), respectively, towards share capital for modernization/expansion of the mills. There was no condition stipulated for return of share capital.

(c): None of the above two cooperative sugar mills could utilize the funds for modernization/expansion during the last three years as the financial institutions did not sanction loan for modernization/expansion of the mills.

(d)&(e): In view of the non-sanction of funds by financial institutions, the Kisan Sahakari Chini Mills Ltd. Satha has since repaid the full amount with interest to the farmers. The Kisan Cooperative Sugar Factory Ltd. Majhola has deposited the amount collected with interest amounting to Rs.282.40 lakhs in fixed deposit receipts with banks.