

**GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION**

**RAJYA SABHA
UNSTARRED QUESTION NO. 671
TO BE ANSWERED ON 04TH MARCH, 2013**

SETTING UP OF COOPERATIVE SUGAR FACTORIES

671. SHRI HUSAIN DALWAI:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the objectives behind setting up of cooperative sugar factories in Maharashtra was to prevent exploitation of sugarcane farmers;
- (b) if so, whether the existing cooperative sugar factories have failed in their objectives;
- (c) if not, the reasons behind the recent agitation of sugarcane growers which claimed two lives;
- (d) whether a number of sugar factories in cooperative sector has been either closed or turned as sick;
- (e) if so, the details thereof; and
- (f) the steps taken to strengthen cooperative sugar factories?

A N S W E R

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(PROF. K.V. THOMAS)**

(a): The State Government has informed that objective behind setting up of Co-operative sugar factories in Maharashtra was inter-alia to prevent exploitation of sugarcane farmers.

(b): No, Sir.

(c): The Government of Maharashtra has informed that some farmers organizations recently had agitated for higher sugar cane prices.

(d) & (e): The State Government has informed that in Maharashtra, 34 co-operative sugar factories are in liquidation and 13 co-operative sugar factories are given on rental/partnership basis for production of sugar.

(f): The Government of India had approved a package in September, 2005 for restructuring the outstanding term loans of cooperative sugar mills by providing the facility of upto 3% interest subvention to the cooperative banks / commercial banks and financial institutions, during the period 2005-06 to 2019-2020, through NABARD. As per information received from NABARD, an amount of Rs. 231.87 crore has been utilized, till 22/02/2013, for restructuring the term loans of 75 cooperative sector sugar mills in Maharashtra.

Further, loans at concessional rate to sugar factories, including those in cooperative sector, are provided, from Sugar Development Fund by Govt. of India, to modernize and expand their capacity and utilize the by-products like bagasse and molasses to improve revenue generation and their viability.

The steps taken by the Government of Maharashtra to strengthen cooperative sugar factories are at **Annexure**.

ANNEXURE REFERRED TO IN REPLY TO PART (f) OF THE UNSTARRED QUESTION NO. 671 DUE FOR ANSWER ON 04/03/2013 IN THE RAJYA SABHA

The State Govt. of Maharashtra has undertaken the following measures for rehabilitation of sick and closed sugar factories –

- i. The Maharashtra Government raised Rs. 590 Crore as Outside Money Borrowings (OMB) and given as loan (10 yrs repayment schedule with 5 years moratorium) to these units in order to pay off the cane price (SMP) arrears for crushing season 2002-03.
- ii. It waived off sugarcane purchase tax for the season 2002-03, 2003-04, 2004-05 and 2006-07.
- iii. It has made mandatory, the cost audit and financial audit for all co-operative sugar factories under Maharashtra cooperative societies act 1960, so as to cut down conversion costs and bring efficiency in sugar factories.
- iv. Under the Special Plan program, as per Govt. Resolution dated 13/05/2011, it has provided that the sick/closed Cooperative Factories in the State can avail a total waiver of penal interest in case of one time settlement of their dues of Sales Tax, Central Excise, VAT, Sugarcane Purchase Tax and profession tax.
