

## Clear cane arrears by May 5, UP govt warns sugar mills

VIRENDRA SINGH RAWAT  
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**I**n the backdrop of the Uttar Pradesh sugar output inching towards seven million tonnes (mt) and mounting cane payment arrears to farmers, the state government has set a deadline of May 5 for the mills to settle the latter.

Cane arrears on mills, especially private millers, has already breached ₹6,500 crore. Since 48 of the 118 mills in the state are still crushing, both output and arrears are bound to increase each passing day.

On Saturday, a meeting to review the situation was held here, after which the chief minister's office issued its May 5 warning. The payment schedules of all the defaulting mills have been. These include all the big names — Bajaj Hindusthan, Bira, Wave, Triveni, Dhampur, Dalmia, Indian Potash, Balrampur Chinand DSCL.

Against the total payables of ₹16,030 crore, state sugar mills had paid ₹9,505 crore. Mills had crushed nearly 71.6 million tonnes of cane, with sugar recovery at 9.54 per cent.

**Mills stop crushing when the cane crop in the area allocated to them during the crushing season gets exhausted** crushing when the cane crop in the area allocated to them during the crushing season gets exhausted. The crushing is expected to continue till end-April.

The private sector accounts for 94 of the 118 units in the state. The cooperative sector comprises 23 units and one is owned by Uttar Pradesh State Sugar Corporation.

Uttar Pradesh Sugar Mills Association Secretary Deepak Guptara said the primary reason for the mounting arrears was falling retail sugar prices, as against a higher cane price. Industry also blames the glut in the international market for subdued exports. At the start of the crushing season, UP had retained the earlier cane price at ₹280 a quintal, allowing mills to pay ₹240 a qtl upfront and deferring payment of the remaining ₹40 a qtl till the end of the season.

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