

Media/LKO/04/2015

'Tax soft drinks to pay cane farmers'

PankajShah@timesgroup.com

Lucknow: Pressed under bulky cane arrears due towards the cane growers in the state, UP government has come up with a solution that could eventually pinch the soft drink companies hard.

UP's cane development department has approached the Centre to get tax imposed on the soft drink manufacturing companies and the revenue recovered may be passed on to the millers for being paid to the farmers.

Cane commissioner Subhash Chandra Sharma confirmed of the suggestion being made to the Union ministry of consumer affairs, food and public distribution to rationalize and prioritize the timely payment of dues to the cane growers. "It is the soft drinking companies which are benefitted most by the sharp fall in the prices of sug-



ar. They need to be taxed," he said. The cane commissioner said that out of the total sugar production, 70% is consumed by the soft drink manufacturers, while barely 30% is used in domestic households.

The suggestion comes at a time when UP sugar mills have erred on the payment of over Rs 9,000 crore, the highest in the country, due to farmers. The mills have already come on the radar of the high court which has asked the state government to get the dues paid by July-end. The cane development department has also been asked to

The suggestion comes at a time when UP sugar mills have erred on the payment of over Rs 9,000 crore, the highest in the country, due to farmers

present an action taken report before the high court. The arrear, if not cleared, would be carried into the next crushing season which is expected to start by October-end later this year. Chief secretary Alok Ranjan has summoned UP sugar millers on Friday for some straight talk.

Recent figures available with the Centre's directorate of sugar show that nationally UP accounts for highest cane arrears of over Rs 9,000 crore. Maharashtra follows next with arrears mounting to over Rs 3,691 crore. Industry sources said lower arrear for Maha-

rashtra, in comparison to UP, is because of a lesser compensation to the farmers. In UP, the state advisory price (SAP) is of Rs 280 per quintal, while Maharashtra pays in terms of fair and remunerative price (FRP) which is Rs 220 per quintal. Karnataka, another sugar producing state, accounts for Rs 1,727 crore of arrears.

Sharma said the department has been taking all possible steps including initiating action like registering FIRs and issuing recovery challans against the millers. Already, FIRs have been registered against six mills. The millers, however, insist that they are not in a position to pay dues as per SAP given the sharp plunge in the prices of raw sugar. A senior office-bearer in UP Sugar Mills Association (UPSMA) said even Centre's grant of Rs 6,000 crore to the industry may not be of much help in the current scenario.