

# Relief for Maharashtra coops as purchase tax on cane goes

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The Maharashtra government on Tuesday waived purchase tax on sugarcane price given to farmers by the State-based cooperative sugar factories for the current fiscal.

The purchase tax on sugarcane for 2014-15 was fixed at three per cent, while it was five per cent in 2013-14.

As a relief to sugar cooperatives, the purchase tax in the crushing season of 2013-14 had been waived. Similarly, sugar cooperatives doing power co-generation projects were given concession for an additional year.

An official in the Chief Minister's Office said in view of the financial difficulties faced by the sugar cooperatives, they are not even able to pay fair and remunerative price (FRP) to farmers although it is legally mandatory.

"If sugar cooperatives close down, the standing cane crop



The State contingency fund has been increased by ₹2,000 crore temporarily to provide compensation to farmers for crop loss due to insufficient rains.

cannot be crushed. So in view of the interest of farmers, purchase tax for 2014-15 has been waived," the official said.

He said the proposal was moved by the Finance Minister Sudhir Mungantiwar and was approved by the Cabinet.

In another decision, the State contingency fund has been in-

creased by ₹2,000 crore temporarily to provide compensation to farmers for crop loss due to insufficient rains.

The official said a fund of ₹4,803 crore is required for providing compensation to farmers affected by crop loss due to insufficient rains. Currently, the contingency fund is ₹150 crore.

*Business Line.*

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