

# Sugar mills make farmers sign waiver forms to avoid paying interest on dues

**FE BUREAU**  
Pune, December 27

**SUGAR MILLS IN Maharashtra** have begun signing agreements with farmers to avoid paying interest on dues. Agreements say that farmers are willing to give up the interest component on delayed cane payments made to them.

The move comes in the wake of the directives issued by the Aurangabad bench of the Bombay High Court to the state sugar commissioner for starting the process of calculation of interest, following a litigation filed by farmer leader Prahlad

Ingole seven years ago.

During the 2014-15 season, 20 mills in Maharashtra's Nanded division had defaulted on payment of basic FRP. Ingole approached the Aurangabad bench of the Bombay High Court with demands including payment of 15% interest on late payment of fair and remunerative price (FRP) to farmers.

Shekhar Gaikwad, sugar commissioner, who started the process in 2019 and appointed government auditors to calculate the interest, said the process has been finally completed. The interest adds up to ₹26 crore. The commissioner

said his office will begin issuing notices to 20 defaulting factories to pay the pending interest component on the FRP and hearings on this issue will commence soon. Ingole said factories are, therefore, getting farmers to sign interest component waiver forms so that they are not caught on the wrong foot. He urged farmers not to sign any such declaration.

Gaikwad said if farmers sign such forms waiving off their rights to interest payments, the sugar commissionerate can do little about it. Earlier, mills in Maharashtra had started getting farmers to sign agreements

to accept the basic FRP in three instalments. This was done to avoid litigation. Now, with the interest component coming up, mills have gone a step ahead and are getting farmers to sign similar waivers.

Almost all sugar factories in the state, both cooperative and private, have signed agreements with farmers for payment of FRP in three instalments, senior officials of the commissionerate said. The Sugarcane Control Order of 1966 mandates that mills pay the basic FRP within 14 days of purchase, failing which mills are to pay 15% yearly interest.

