

**Appendix-I***(Reference: Paragraph 1.5; Page 4)***Statement showing the details of the samples test-checked**

<b>Sr. No</b>	<b>Name of the CSF</b>	<b>Name of Chief Promoter and Present Chairman</b>	<b>Region</b>	<b>Present Status</b>
1	Shree Siddheshwar SSK, Solapur	a) Appasaheb Kadadi b) Meghraj M Kadadi	Western Maharashtra	Working
2	Rajarambapu Patil SSK, Sakharale, Walwa, Sangli	a) Rajarambapu Patil b) Pandurang R.Patil	Western Maharashtra	Working
3	Vasantdada Shetkari SSK, Sangli	a) Vasantdada Patil b) Madan Vishwanath Patil	Western Maharashtra	Working
4	Shriram SSK, Phaltan	a) Malojiraje Naik Nimbalkar b) Shivajiraje Naik Nimbalkar	Western Maharashtra	Working
5	Sant Tukaram SSK, Kasarsai, Pune	a) Vidurji Navale b) -----do-----	Western Maharashtra	Working
6	Padmashri Dr. V.V. Patil, Pravaranagar, Ahmednagar	a) Dr. Vithalrao Eknath Patil b) Annasaheb K.Patil	Western Maharashtra	Working
7	Krishna SSK, Satara	a) Yashwantrao Mohite b) Indrajit Mohite	Western Maharashtra	Working
8	Daulat SSK, Kolhapur	a) Narsingrao Patil b) -----do-----	Western Maharashtra	Working
9	Nira Bhima SSK, Pune	a) Harshawardhan Patil b) -----do-----	Western Maharashtra	Working
10	Pandurang SSK, Solapur	a) Sudhakar Paricharak b) Dinkarrao A. More	Western Maharashtra	Working
11	Kukadi SSK, Ahmednagar	a) Kundalikrao Jagtap b) ----do-----	Western Maharashtra	Working
12	Indira Gandhi Mahila SSK, Kolhapur	a) Mrs. Vijaymala Desai b) -----do-----	Western Maharashtra	Working
13	Saswad Mali, Solapur	a) Liquidator	Western Maharashtra	Under liquidation
14	Budhargad, Kolhapur	Deregistered	Western Maharashtra	Deleted from pipe line
15	Sant Kurmadas SSK, Solapur	a) Dhanaji Sathe b) -----do-----	Western Maharashtra	Under erection
16	Rena SSK, Niwada, Latur	a) Diliprao Deshmukh b) Yashwantrao Patil	Marathwada	Under production
17	Vaidyanath SSK Beed	a) Gopinath Munde b) .....do.....	Marathwada	Working
18	Dr. Babasaheb Ambedkar SSK, Keshegaon, Osmanabad	a) Arvind Gore b) -----do-----	Marathwada	Working
19	Samarth SSK, Jalna	a) Ankushrao Tope b) Smt. Sharad Tope	Marathwada	Working

<b>Appendix-I (concl.)</b>				
<b>Sr. No.</b>	<b>Name of the CSF</b>	<b>Name of Chief Promoter and Present Chairman</b>	<b>Region</b>	<b>Present status</b>
20	Sagar SSK, Jalna	a) Ankushrao Tope b).....do.....	Marathwada	Under erection
21	Jai Bhavani SSK, Beed	a)Shivajirao Pandit b)Jaysing S.Pandit	Marathwada	Working
22	Bhaurao Chavan SSK, Nanded	a) Shankarrao Chavan b) Ganpatrao Tidke	Marathwada	Working
23	Shivshakti, Osmanabad	a) Shivajirao Chalukya b) Madhukar P. Yadav	Marathwada	Under erection
24	Vinayak, Aurangabad	a) Vinayak Patil b) Liquidator	Marathwada	Under liquidation
25	Niphad SSK, Nashik	a) Bhausaheb Hire b) Madhavrao Boraste	Khandesh	Working
26	Adivasi SSK, Navapur	a) Swarupsing Naik b) Shirskumar S. Naik	Khandesh	Working
27	Chudaman Patil,Dhule	a) Rohidas Patil	Khandesh	Deleted from pipe line
28	Sanjay, Dhule	a) Vijay Naval Patil b) Liquidator	Khandesh	Under liquidation
29	Vasant SSK, Pusad, Yavatmal	a) Jethmal Maheshwari b) Prakash Patil	Vidarbha	Working
30	Kondeshwar, Amravati	a) Ram Meghe b) Liquidator	Vidarbha	Under liquidation
31	Shivshakti Adivasi SSK, Buldhana	a) Balkrishna Wasnik b) Balkrishna Wasnik	Vidarbha	Working
32	Parshuram SSK, Chiplun	a) Govindrao Nikam b) Liquidator	Konkan	Under liquidation

### **Offices**

1. Co-operation and Marketing Department, Mantralaya
2. Commissioner of Sugar, Pune
3. Six Regional Joint Director's Offices at Pune, Kolhapur, Nanded, Aurangabad, Amravati and Ahmednagar
4. Maharashtra Pollution Control Board, Mumbai
5. Vasantdada Institute, Pune
6. Maharashtra Sakhar Sangh Limited, Mumbai

<b>Appendix-II</b> (Reference: Paragraph 3.4; Page 13)			
<b>Statement of loans outstanding against farmers</b>			
Sr. No	Name of CSF	Number of Members	Amount of loan outstanding in rupees
1	Rajarambapu Patil CSF	6	2270
2	Sant Tukaram CSF	245	3,67,500
3	Vaidyanath CSF	267	3,50,000
4	Shri Siddheshwar CSF	16	22,612
5	Daulat CSF	15	14,920
6	Nira Bhima CSF	24	56,886
7	Jai Bhavani CSF	138	97,400
8	Bhaurao Chavan CSF	292	2,89,727
9	Adivasi CSF	6,925	83,70,259
10	Vasant CSF	550	4,37,445
11	Adivasi Shivshakti CSF	12,205	1,83,07,500
12	Dr. Babasaheb Ambedkar CSF	968	14,52,000
	<b>Total</b>	<b>21,651</b>	<b>2,97,68,519</b>

<b>Statement showing the amounts recovered but not remitted to Government</b>				
Sr. No.	Name of CSF	Number of members	Amount recovered in rupees	Remarks
1	Sant Tukaram CSF	12	16,500	
2	Nira Bhima CSF	18	43,114	
3	Rajarambapu CSF	--	23,720	
4	Siddheshwar CSF	17	24,112	Paid at the instance of Audit

**Appendix-III**  
(Reference :Paragraph 4.2 Page 25)

**Statement showing requirement of cane with reference to crushing capacities and cane actually crushed  
(Quantity in lakh metric tonnes)**

Name of District	2002-03		2003-04		2004-05		2005-06	
	Requirement	Actually crushed	Requirement	Actually crushed	Requirement	Actually crushed	Requirement	Actually crushed
Dhule	12.00	1.50	12.00	NA*	12.00	0.16	12.00	2.00
Jalna	14.00	6.70	14.00	5.63	14.00	1.52	14.00	6.32
Kolhapur	85.12	96.57	101.92	60.21	107.52	63.74	107.52	88.34
Latur	19.60	20.40	26.00	10.68	28.00	8.15	28.00	15.65
Osmanabad	19.60	18.18	27.60	6.45	26.40	2.54	26.40	13.70
Solapur	63.60	72.39	68.00	32.25	68.00	23.06	68.00	73.31

\* Not Available

<b>Appendix IV</b> (Reference: Paragraph 4.4; Page 27)					
<b>Statement showing incomplete CSFs</b>					
Name of CSF	Date of Registration	Government investment	CSFs' own share capital	Expenditure incurred	Progress of work of construction and acquisition of machinery
Ghrushneshwar, Aurangabad	16.05.1994	13.33	2.10	13.33	Advance of Rs 3 crore was paid during 1995-96.
Jamner, Jalgaon	13.01.1992	9.89	2.57	15.93	Machinery advance of Rs 7.17 crore paid and civil work of Rs 5.25 crore executed till 1997-98
Sahyadri, Kolhapur	25.04.1994	12.00	0.84	4.37	No progress; advance of Rs 2.74 crore was paid during July 1997 and April 2003
Sharad, Aurangabad	04.04.2000	6.28	1.6	1.86	Old machinery allotted and advance paid during April and June 2002, but not erected
Sagar, Jalna	01.06.2001	8.48	3.45	12.21	Machinery has been allotted in July 2005 and work of erection is in progress
Shivshakti, Osmanabad	28.06.2001	3.74	1.83	1.64	No progress, advance was paid in August 2004
Kurmadas, Solapur	04.04.2000	3.74	2.84	2.24	No progress, advance was paid in April 2001
Shetkari, Sangli	14.11.1994	10.21	2.15	15.01	Old machinery purchased in 1994 for Rs 9.31 crore was not erected till Jan.2008
Banganga, Osmanabad	31.10.2000	9.33	3.21	6.08	Civil work done for Rs 6 crore upto May 2002
Chatrapati, Beed	05.05.2000	3.26	1.85	1.69	Civil work done for Rs 5.38 crore upto April 2002
Tokai, Hingoli	03.03.1997	2.97	1.92	6.89	Civil work completed valuing Rs 4 crore upto April 2002
Bhausahab Birajdar, Osmanabad	23.03.2001	9.33	1.87	5.46	Civil work completed partially in March 2006
<b>Total</b>		<b>92.56</b>	<b>26.23</b>	<b>86.71</b>	

**Appendix-V**  
(Reference: Paragraph 4.10; Page 32)

**Cost of transportation of cane**

Name of CSF		Name of CSF		Name of CSF		Name of CSF		Name of CSF	
Kukadi CSF (2005-06)		Adivasi CSF (2005-06)		Vasant CSF (2005-06)		Shriram CSF (2005-06)		Siddheshwar CSF (2005-06)	
Km	Rate per tonne	Km	Rate per tonne	Km	Rate	Km	Rate	Km	Rate
1 to 8	Rs 94.40	1 to 8	Rs 79.60	1 to 10 Less for 2 km	Rs 65.00 per tonne - Rs 13.00 per tonne = Rs 52.00 per tonne	1 km  Add for 7 km	Rs 25.57 per tonne + Rs 28.00 per tonne = Rs 53.57 per tonne	1 km Add for 7 KM	Rs 15.91 per tonne + Rs 35.00 per tonne = Rs 50.91 per tonne
9 to 16	Rs 94.40	9 to 16	Rs 95.65	11 to 30	Rs 2.45 per km per tonne	3 to 16	Rs 4.04 per km per tonne	2 to 16	Rs 4.97 per km per tonne
17 to 24	Rs 109.08	17 to 24	Rs 114.35	31 to 60	Rs 2.10 per km per tonne	17 to 24	Rs 3.48 per km per tonne	17 to 32	Rs 3.06 per km per tonne
25 to 32	Rs 121.94	25 to 32	Rs 126.80	61 to 80	Rs 2.00 per km per tonne	25 to 48	Rs 1.94 per km per tonne	33 to 48	Rs 2.60 per km per tonne
33 to 40	Rs 136.36	33 to 40	Rs 138.10	81 to 100	Rs 1.90 per km per tonne	49 and above	Rs 1.58 per km per tonne	49 to 64	Rs 1.87 per km per tonne
41 to 48	Rs 146.87	41 to 48	Rs 149.70					65 to 80	Rs 2.60 per km per tonne
49 and above	Rs 146 + Rs 2.04 per km per tonne	49 and above	Rs 2.10 per km per tonne					81 km and above	Rs 9.75 per km per tonne
<b>Commission 14%</b>								<b>Commission 15%</b>	

**Appendix-V (Contd.)**

<b>Niphad CSF (2005-06)</b>		<b>Dr. Babasaheb Ambedkar CSF (2005-06)</b>		<b>Sant Tukaram CSF (2005-06)</b>		<b>Jai Bhavani CSF (2005-06)</b>		<b>Rajarambapu Patil CSf (2006-07) transport per MT for Truck/Tractor</b>		
<b>Km</b>	<b>Rate per tonne</b>	<b>Km</b>	<b>Rate per tonne</b>	<b>Km</b>	<b>Rate</b>	<b>Km</b>	<b>Rate</b>	<b>Km</b>	<b>Rate</b>	
									<b>Unit I</b>	<b>Unit II</b>
1 to 8	Rs 72.30	1 to 10 Less for 2 km	Rs 69.61 - Rs 14.00 = Rs 55.61	1 km Add for 7 km	Rs 29.42 per tonne + Rs 30.00 per tonne = Rs 59.42 per tonne	1 km to 10 Less for 2 km	Rs.71.09 per tonne (-) Rs 14.22 per tonne = Rs 56.87 per tonne	0 to 8	Rs 57.17 per tonne	Rs 58.73 per tonne
9 to 16	Rs 80.45	11 to 20	Rs 94.61	2 to 16	Rs 4.28 per km per tonne	11 to 20	Rs.2.59 per km per tonne	9 to 24	Rs 2.38 per km per tonne	Rs 2.45 per km per tonne
17 to 24	Rs 99.75	21 and above	Rs 1.10 per km per tonne	17 to 24	Rs 3.31 per km per tonne	21 and above	Rs.2.04 per km per tonne	25 to 32	Rs 1.18 per km per tonne	Rs 1.22 per km per tonne
25 to 32	Rs 108.15			25 to 48	Rs 1.98 per km per tonne			33 to 40	Rs 2.00 per km per tonne	Rs 2.05 per km per tonne
33 to 40	Rs 115.10			49 and above	Rs 1.50 per km per tonne			41 and above	Rs 1.77 per km per tonne	Rs 1.81 per km per tonne
41 to 48	Rs 122.15			<b>Commission for Truck 15%</b>						
49 and above	Rs 15.60 per km per tonne			<b>Commission for Tractor 12%</b>				<b>Commission 17%</b>		<b>20%</b>

**Appendix V A**

*(Reference: Paragraph 4.10 ; Page 32)*

**Harvesting and Transportation (H&T) charges adjusted from cane prices**

Sr. No	Name of CSF	Year	SMP declared	H&T expenditure	Net SMP (4-5)	SMP as per clause 5 A	Total SMP payable (6+7)	Actual SMP paid	Difference (9-8)	Total crushing MT	Excess payment (10*11)	Accumulated losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Rena Latur	2003-04	931.56	266.80	664.76	--	664.76	835.00	170.24	124871	212.58	
		2004-05	929.80	308.28	621.52	--	621.52	1100.00	478.48	109302	522.98	
		2005-06	909.40	354.70	554.70	--	554.70	1100.00	545.30	175869	959.01	
		<b>Total</b>										<b>1694.57</b>
2	VV Patil, Ahmednagar	2004-05	929.80	255.91	673.89	313.38	987.27	1000.00	12.73	152872	12.73	
		2005-06	891.80	249.00	642.80	--	642.80	1050.00	407.20	570100	2321.45	
		<b>Total</b>										<b>2334.18</b>
3	Vasant, Pusad	2005-06	953.40	298.79	654.61	349.21	1003.82	1110.00	106.18	147354	156.46	
<b>Total</b>											<b>156.46</b>	546.49
4	Nira Bhima Indapur	2002-03	941.00	186.00	755.00	--	755.00	796.00	41.00	258001	105.78	
		2003-04	993.50	191.50	802.00	--	802.00	850.00	48.00	139766	67.09	
		2004-05	929.80	270.00	659.80	--	659.80	1150.00	49020.00	82905	406.40	
		<b>Total</b>										<b>579.27</b>
5	Daulat Kolhapur	2004-05	841.80	177.80	664.00	--	664.00	1000.00	336.00	216798	728.44	
		2005-06	962.20	238.20	724.00	--	724.00	1200.00	446.00	411401	1958.27	
		<b>Total</b>										<b>2686.71</b>
6	Indira Gandhi Mahila, Kolhapur	2002-03	886.00	254.00	632.00		632.00	750.00	118.00	95801	113.05	
		2003-04	795.00	252.00	543.00		543.00	800.00	257.00	59298	152.40	
		<b>Total</b>										<b>265.45</b>



**Appendix V A**

*(Reference: Paragraph 4.10 ; Page 32)*

**Harvesting and Transportation (H&T) charges adjusted from cane prices**

Sr. No	Name of CSF	Year	SMP declared	H&T expenditure	Net SMP (4-5)	SMP as per clause 5 A	Total SMP payable (6+7)	Actual SMP paid	Difference (9-8)	Total crushing MT	Excess payment (10*11)	Accumulated losses
											(Rupees per metric tonne)	(Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
7	Dr. Babasaheb Ambedkar, Osmanabad	2005-06	900.60	441.70	458.90	228.50	687.40	1150.00	462.60	272088	1258.68	
										<b>Total</b>	<b>1258.68</b>	70.05
8	Sant Tukaram, Pune	2004-05	1026.00	270.00	756.00	--	756.00	1100.00	344.00	158960	546.82	
										<b>Total</b>	<b>546.82</b>	907.72
9	Niphad, Nasik	2004-05	947.00	210.00	737.00	--	737.00	1000.00	263.00	59680	156.96	
		2005-06	883.00	245.00	638.00	--	638.00	1050.00	412.00	251134	1034.67	
		<b>Total</b>	<b>1191.63</b>	1075.89								
10	Vaidyanath, Beed	2003-04	947.40	248.78	698.62	255.50	954.12	1135.00	180.88	271677	491.41	
		2004-05	915.56	280.97	634.59	223.00	857.59	1150.00	292.41	387856	1134.13	
		<b>Total</b>	<b>1625.54</b>	--								

\* SMP: Statutory minimum price

<b>Appendix-VI</b>			
<i>(Reference: Paragraph 4.11; Page: 34)</i>			
<b>Statement showing component-wise and year-wise expenditure over standards</b>			
<b>Year</b>	<b>Norms</b>	<b>Actual average expenditure</b>	<b>Average increase (+)/ decrease (-)</b>
<b>Rupees per MT</b>			
<b>Power</b>			
2001-02	16	9.44	(-)6.56
2002-03	16	11.97	(-)4.03
2003-04	16	13.98	(-)2.02
2004-05	16	20.49	4.83
2005-06	16	14.49	(-)1.51
<b>Chemical and consumables</b>			
2001-02	24	14.34	(-)9.66
2002-03	24	12.61	(-)11.39
2003-04	24	14.45	(-)9.55
2004-05	24	15.80	(-)8.20
2005-06	24	21.92	(-)2.08
<b>Interest</b>			
2001-02	60	198.60	138.60
2002-03	60	228.56	168.56
2003-04	60	310.39	250.39
2004-05	60	279.20	219.20
2005-06	60	150.54	90.54
<b>Administration/Salary</b>			
2001-02	120	125.00	5.00
2002-03	120	112.91	(-)7.09
2003-04	120	176.71	56.71
2004-05	120	212.84	92.84
2005-06	120	191.36	71.36

**Appendix-VII**  
(Reference: Paragraph 4.17; Page 43)

**Expenditure on excess staff**

	Name of the CSF	Year	As per prescribed pattern			Actual staff position					Excess staff					Excess expenditure (Rupees in lakh)
			Perma-nent	Seaso-nal	Total	Perma-nent	Seaso-nal	Tempo-rary	Appre-ntice	Total	Perma-nent	Seaso-nal	Tempo-rary	Appre-ntice	Total	
1	Samarth, Jalna 2500 TCD	2004-05	246	203	449	508	290	--	--	798	262	87	--	--	349	11.67
		2005-06	246	203	449	484	280	--	--	764	238	77	--	--	315	23.53
2	Dr.V.V. Patil Pravaranagar 4000 TCD	2004-05	390	327	717	515	690	95	10	1310	125	363	95	10	593	27.46
3	JaiBhavani Georai, Beed	2005-06	246	203	449	411	209	--	--	620	165	6	--	--	171	107.04
4	Bhaurao Chava, Nanded 2500 TCD	2004-05	246	203	449	265	286	--	--	551	19	83	--	--	102	24.55
		2005-06	246	203	449	265	286	--	--	551	19	83	--	--	102	18.35
5	Vaidynath Parli 2500 TCD	2004-05	246	203	449	156	34	508	--	698	--	--	249	--	249	74.00
		2005-06	246	203	449	156	34	502	--	692	--	--	243	--	243	66.00
6	Niphad Nasik 3500 TCD	2004-05	311	256	567	798	372	2	--	1172	487	119	--	--	603	420.65
		2005-06	311	256	567	766	361	2	--	1129	455	105	--	--	560	483.46
7	Vasant Pusad	2004-05	246	203	449	340	290	--	--	630	94	87	--	--	181	99.00
		2005-06	246	203	449	340	290	--	--	630	94	87	--	--	181	99.00
8	Kukadi Ahmednagar	2005-06	246	203	449	114	395	--	--	509	(-) 137	+ 192	--	--	55	3.30
<b>Total</b>																<b>1458.01</b>

**Appendix-VIII**

(Reference: Paragraph 4.19; Page 44)

**Charter for Corporate Responsibility For Environmental Protection  
(CREP)**

**1. Existing Molasses based Distilleries**

**Non compliant Distilleries will furnish bank guarantee and Action Plan to concerned State Boards to ensure compliance with any or combination of the following measures:**

- Compost making with press mud/agriculture residue/Municipal Waste;
- Concentration and drying/Incineration;
- Treatment of spent wash through biomethanation followed by two stage secondary treatment and dilution of treated effluent with process water for irrigation as per norms prescribed by CPCB/MoEF;
- Treatment of spent wash through biomethanation followed by secondary treatment (BOD<2500 mg/l) for controlled discharge into sea through a proper submerged marine outfall at a point permitted by SPCB/CPCB in consultation with National Institute of Oceanography (NIO), so that Dissolved Oxygen in the mixing zone does not deplete, less than 4.0 mg/l
- For taking decision on feasibility of one time controlled land application of treated effluent, a study will be undertaken within three months.

**The road map for utilisation of spent wash by the distilleries to achieve zero discharge of spent wash in inland surface water courses will be as below:**

50% utilisation of spent wash -----By March, 2004

75% utilisation of spent wash----- By March, 2005

100% utilisation of spent wash-----By December, 2005

Till 100% utilisation of spent wash is achieved, controlled and restricted discharge of treated effluent from lined lagoons during rainy season will be allowed by SPCB/CPCB in such a way that the perceptible colouring of river water bodies does not occur.

**Monitoring**

Task force consisting of CPCB, SPCB, expert and industry shall be constituted for monitoring the implementation of action points.

**2. New Distilleries and Expansion of Existing Distilleries (Molasses based)**

Proposal for stand alone new distilleries and expansion of existing distilleries without achieving zero discharge in surface water/ground water will not be considered by MoEF/SPCB.

**Appendix-IX**  
(Reference: Paragraph 5.1; Page 47)

**Statement showing machinery lying idle due to delay in liquidation proceedings**

Sr. No	Name of CSF	Issue of liquidation order	Period for which closed prior to issue of order	Value of plant and machinery lying idle	Government dues not recovered	Other dues not recovered	Reasons for delay in liquidation	Report on progress of liquidation submitted upto	Accounts of the CSF submitted upto	Accounts audited upto
				(Rupees in lakh)						
1	Parshuram	07.06.1995	3 years (from 1992 onwards)	421.70	33.12	476.53	Matter is sub judice.	Feb.2007	2004-2005	2004-2005
2	Saswad Mali	12.02.1987	1 year (1980-1981)	No machinery	Nil	Nil	Claims with GOI not finalised.	Upto 2005-06	31-12-2004	31-12-2004
3	Girna	06.06.1997	1 year (1996-1997)	814.00	915.25	1237.36	Property of CSF attached by DRT.	Not received	Not received	2005-2006
4	Sanjay	01.04.1998	7 years (from 1992)	Disposed off	1631.60	2684.77	Delay in disposal of machinery & non-disposal of other properties.	Not received	2001-2002	2001-2002
5	Kondeshwar	14.03.2002	1 year (2001-2002)	1787.00	1589.65	6041.15	Non-disposal of machinery & no response for leasing of CSF.	Not received	Not received	1998-1999
6	Vinayak	02.05.2002	1 year (2001-2002)	615.86	598.08	3514.50	Non-disposal of property of CSF & writ petition filed by MSC Bank, Mumbai.	Not received	Not received	2002-2003
7	Jijamata	02.05.2002	Closed 1996-1998 Closed from 2001-02	644.00	426.33	1530.36	Non-disposal of property.	Not received	Not received	2001-2002
8	Tasgaon	17.01.2006	4 years (from 2002-2003)	On lease	1938.78	10899.00	No specific reasons were stated in the reply. However, delay in liquidation was accepted by the Commissioner.	Not received	Not received	2001-2002
9	Shankar	23.03.2006	3 years (from 2003-2004)	No valuation	1027.83	8564.19	Bank has taken possession of assets of the factory under the Securitisation Act.	Not received	Not received	2004-2005
	<b>TOTAL</b>			<b>4282.56</b>	<b>8160.64</b>	<b>34947.86</b>				

**Appendix-X**

*(Reference: Paragraph 5.2; Page 48)*

**Statement showing geographical region-wise lease rent fixed by Government of Maharashtra for leasing of CSF**

Crushing capacity of the CSF (in Tonnes per day)	Name of geographical region					
	Khandesh and Vidarbha		Marathwada		Western Maharashtra	
	Rent	Period	Rent	Period	Rent	Period
1250	Rs 0.50 crore	7 years	Rs 1.50 crore	5 years	Rs 1.50 crore	5 years
2500	Rs 1.00 crore	7 years	Rs 2.50 crore	5 years	Rs 3.00 crore	5 years

**Appendix-XI***(Reference: paragraph 6.8; Page 60)***Statement showing recommendations of the Godbole Committee**

1. If co-operatives are to work as industry and compete with the private sector, the provisions of the co-operative law, as compared with those of the Companies Act, 1956, will have to be carefully examined. The basic objective of the Companies Act is to help the growth of companies on healthy lines, to protect the interests of creditors in view of the limited liability of the members of the company, and to safeguard the interest of the investors. The law equips the government with necessary powers to intervene in the affairs of a company in their interest of shareholders and the public. There is no reason why co-operative law need not have the same objectives. The basic objective of M.C.S. Act is to provide for orderly development of the co-operative movement in the State in accordance with the objective principles of State Policy enunciated in the Constitution of India. This is as amorphous and woolly as it can get. Thus the latter Act is not meant to look at co-operatives as profit-making, competitive ventures geared to withstand competition in the market.
2. While the considerations underlying these provisions of the M.C.S. Act may still be valid for co-operatives in a number of sectors, a time has come to seriously examine whether these principles should continue to hold good for the co-operatives in the processing sector which involve huge investments. These co-operatives have to increasingly compete in the market and have to be provided with level playing field with the private sector. The committee would like to emphasise that like private sector, joint sector and public sector, the co-operative is only a form of organization of a business or industrial entity, and it must be governed by the same principles as are applicable to the other forms of organization. In this light, the present provisions of the M.C.S. Act need to be reviewed in their entirety. The committee would recommend this being done as soon as possible.
3. It is necessary to ensure that, in future, AGM is invariably held within the stipulated time after the completion of the accounting year. It must be made mandatory that the annual report of the board of directors along with the audited accounts and the remarks of the auditors are printed and circulated to the shareholders and placed before the AGM as above. The discretionary power with the Sugar Commissioner to give any relaxation in this behalf should not be for a period of more than three months. The Act should provide that infringement of this provision will lead to the disqualification of the board of directors and the directors will be ineligible to contest the election for a period of five years from the date of such disqualification.

**Appendix-XI (Contd.)**

4. Wherever considered necessary in the interest of raising adequate equity capital or fulfilling the requirements of the financial institutions, the concept of one member one vote may be given up. The upper limit for holding of shares by any grower member may be 26 per cent of the total equity. It is essential to introduce this major change to provide for large enough stake for some grower members in the proper running to the sugar factory. However, a CSF will also have the liberty to choose the other alternative of one member one vote if it is in a position to raise adequate equity in this manner. In such an event, the CSF will have to enter into appropriate agreements with the financial institutions so as to be in a position to raise the required funds without the involvement of the state government.
5. Section 101 refers to recovery of arrears of dues to certain societies as arrears of land revenue. The societies covered include primary agricultural co-operative societies, crop protection societies, lift irrigation societies, Balutedar societies, co-operative housing societies, dairy societies and urban banks. The amounts due to them can be recovered as arrears of land revenue on grant of requisite certificate by the Registrar. It is recommended that processing societies which give advances to members, transporters and staff should also be brought in the purview of this section.

**Financial assistance to co-operative sugar factories and sugarcane farmers**

6. In case of CSFs which have large outstandings of Government share capital, loans, guarantees, taxes and levies, and which are unlikely to be cleared in the near future, there should be much closer supervision and control than has been hitherto exercised by the Commissioner of sugar. A separate chapter may be incorporated in the M.C.S. Act to safeguard the Government's large financial involvement in co-operative processing and other societies such as sugar factories, spinning mills, cotton federation, and others fully, and deal firmly, and in an exemplary manner, with the managements of CSFs which indulge in malpractices, abuse of authority and even worse practices such as outright corruption. At the same time, it will have to be ensured that actions are not initiated against any CSFs due to political vendetta, groupism and insidious political motives.
7. There should be no direct State Government equity in the CSFs. If the NCDC desires to take equity in CSFs, it may enter into a direct transaction with each CSF and should not route its funds through the State Government.



**Appendix-XI (Contd.)****Working of co-operative sugar factories**

8. It has been noticed that a number of instructions issued by the Sugar Commissioner have not been acted upon by the CSFs. Thus, for example, instructions issued regarding adherence to the staffing pattern have not been followed by most of the CSFs. The Act should provide that non-compliance of directions given to CSFs would lead to supersession of the board of directors, apart from disqualification of the office bearers and/or the other directors, as the case may be, for contesting the election for a period of five years.
9. CSFs have to give advances to their transport contractors. Instead of granting such advances from their own or borrowed funds, it is more beneficial for CSFs to arrange loans for the contractors from commercial or urban banks or credit societies. The co-operative credit societies which agree to advance loans to transport contractors insist that the CSF should invest some funds in the credit society by way of deposit. But under section 70 (d) of the M.C.S. Act, a society can invest or deposit its funds only in any co-operative bank approved for the purpose by the Registrar. It is suggested that the words, “or co-operative credit society” may be added after the words “any co-operative bank” to enable CSFs to deposit their funds in such societies.
10. If the CSF is to run as a democratic institution in an open, accountable and transparent manner, it is necessary that utmost attention is paid to the preparation of proper bye-laws and their adoption by the society. This work has been neglected so far. An awareness campaign, therefore, needs to be undertaken by leading co-operators, the Federation of Co-operative Sugar Factories in the State and non-governmental organizations to have proper bye-laws adopted by CSFs.
11. It must be ensured that except in the case of exceptional urgency, a notice of clear ten days is given before a meeting of the board of directors is held so that the representatives of financial institutions also attend the meeting. Infringement of this requirement should lead to penal action against the office-bearers and concerned officers of CSF.
12. Issue of inventory management should be got examined by an expert management consultancy firm. Such a study will, inter alia, list the items according to the fast and slow moving categories, pooling the inventories of CSFs in the close vicinity of each other, and so on. Such a study by a competent firm may be taken up by the Commissionerate of sugar as soon as possible. Based on the conclusions of such a study, suitable directive under the Act may be issued by the Commissioner later for strict compliance by the CSFs.

**Appendix-XI (Contd.)**

13. Factories will also have to be encouraged to produce niche products like refined sugar, sugar of pharma grade, soft drink grade and so on. This will mean continuous upgradation of market intelligence by the industry.

**Liquidation and leasing of co-operative sugar factories**

14. Section 102 states that interim orders of liquidation should be communicated to the society for submitting its explanation to the Registrar. Provision may be made in the section for communication of interim order also to the creditors of the society calling for their remarks.

**Monitoring and evaluation**

15. It must be mandatory on the board of directors to fully comply with audit objections within a period of six months from the date of receipt of the audit report. Any failure to do so should call for action against the erring board of directors, including the recovery of the loss sustained by the society.
16. Section 81 (2A) may be amended to provide for compulsory efficiency/cost audit and performance audit of CSFs.
17. Appeals over the decisions of the regional officers should lie to the Sugar Commissioner. Any appeal over his decisions should lie only to the co-operative court/high court. The State Government should also have no power to stay initiation of any inquiry under the Act.
18. The committee was told of the tendency of the courts to grant ex-parte stays liberally. The Act may be amended to provide that no stay will be granted by a court in any case unless the government has been given an opportunity to present its point of view on whether the request for stay deserves to be entertained by the court.
19. It is necessary to strengthen the management of CSFs substantially in terms of the position and status of the managing director and the technical heads of departments, the administrative and financial powers delegated to them, freedom to take decisions without undue interference from the office bearers and directors in the day-to-day work and so on.
20. To make management more accountable, personal guarantees/mortgage of property of the board members may be made compulsory before sanction of loans.
21. In future, the Commissioner of sugar should categorise the CSFs on the basis of their audited results each year and should give wide publicity to the same by issue of a press note and holding a press conference.

**Appendix-XI (Concl.)**

22. A standing monitoring committee (SMC) on evaluation of CSFs should be constituted by the State Government as soon as possible. It should comprise the Sugar Commissioner as chairman and have representatives of all India financial institutions, MSCB, Agricultural Finance Corporation (AFC), NABARD, VSI, Maharashtra Rajya Sahakari Sakhar Karkhana Sangh Ltd., commissioner of agriculture, and three experts in the areas in which the concerned sugar factories are weak.
23. It is suggested that the developmental role may be entrusted, as a full time responsibility, to a senior officer in the Commissioner's office. The regulatory functions should be looked after by the Commissioner directly, apart from over-all supervision over the developmental activities.
24. Every inquiry should be completed within 6 months, from the date of its institution, at the latest. If parties do not respond, in spite of repeated notices, the cases may be decided ex-parte.
25. The M.C.S Act may be amended to provide that any stay granted for the proceedings under the Act will be valid only for a period of 6 months from the date of the order and that it would not be permissible to extend the stay beyond this period.
26. The Act may also be amended to combine the inquiries under section 83 and 88 of the M.C.S Act to do away with duplication of inquiries on the same subject, and reduce the delays in the completion of inquiries and imposition of final punishment.