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MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(Department of Food and Public Distribution)

NOTIFICATION

New Delhi, the 12th September, 2019

No. 1(14)/2019-S.P.-I – The Central Government, with a view to facilitate export of sugar during the sugar season 2019-20 (1st October, 2019 to 30th September, 2020) thereby improving the liquidity position of sugar mills enabling them to clear cane price dues of farmers for sugar season 2019-20, hereby notifies the Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar as under:

1. Purpose of Assistance:

The funds to be provided as assistance to facilitate export is to be used for payment of cane price dues of farmers for the sugar season 2019-20 and cane price arrears of previous sugar seasons, if any.

2. Eligibility:

Sugar mills which fulfill the following conditions will be eligible for assistance under this Scheme:

(a) The sugar mills should have exported sugar up to the extent of their Maximum Admissible Export Quantity (MAEQ) determined by the Central Government for such mills for the sugar season 2019-20, either themselves or through a merchant exporter. However, to become eligible to get assistance a sugar mill would be required to export at least 50% of its MAEQ.

(b) This assistance shall be available to only those sugar mills which have exported domestically manufactured sugar under Open General License (OGL) but not under "advance license", either itself or through an exporter or sourcing sugar from any other factory during sugar season 2019-20.

(c) The sugar mills which export refined sugar through the sugar refinery by way of value addition to either raw sugar obtained as input from the domestic sugar manufacturer by invalidation of license issued under Advance Authorization Scheme (AAS) or raw/white sugar through OGL shall be considered to have exported domestically manufactured sugar. The sugar mill which has originally manufactured the raw/white sugar or MAEQ holder in case

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of export through third party, as the case may be, shall be also eligible to receive assistance under this scheme. In this regard, the raw/white sugar manufacturer(s), MAEQ holder(s) if other than the sugar manufacturers and the sugar refinery for that purpose shall enter into bi-partite/tripartite agreement as the case may be. The refinery is also required to submit an undertaking on a non-judicial stamp paper declaring that the quantity of refined sugar has been exported by sourcing raw/white sugar from the domestic sugar mills clearly indicating the name of sugar mill(s) and MAEQ holder(s) if other than sugar manufacturer. The name(s) of such raw/white sugar manufacturer(s)/MAEQ holder(s) should also be indicated in the shipping bills relating to export of such refined sugar.

3. Extent of Assistance:

(i) The Central Government will provide a lump sum assistance for expenses on export of sugar limited to MAEQ of sugar mills for the sugar season 2019-20, in the following manner:

(a) For marketing including handling, quality up-gradation, debuggng & re-bagging and other processing costs etc. @ Rs. 4400 per MT

(b) For internal transport and freight charges including loading, unloading, and fobbing etc. @ Rs.3428 per MT

(c) For ocean freight against shipment from Indian ports to the ports of destination countries etc. @ Rs. 2620 per MT

(ii) In case of export through land custom to other countries, this assistance shall be available only for expenses referred in Para 3 (i) (a) & (b) above.

(iii) The assistance under this scheme would not be reimbursement but assistance for such expenses incurred as indicated in Para 3 (i) above. Sugar mill shall neither be entitled to claim assistance on any other expenses nor beyond the rate prescribed by the Government.

4. Submission of Claims:

(i) The sugar mills shall be free to submit their claims in two tranches. The first claim could be submitted by the sugar mills on exporting at least 50% of their MAEQ.

(ii) The sugar mills shall submit the claim for receiving assistance in the prescribed Proforma-A annexed with this notification after fulfilling the eligibility criteria as referred in Para (2) above to the "Chief Director (Sugar), Directorate

of Sugar & Vegetable Oils, Department of Food & Public Distribution, Krishi Bhawan, New Delhi.

(iii) The claim for each tranche should be submitted within ninety days from the date of issue of the last bill of lading for which claim is being made. Delayed submissions beyond ninety days but up to a maximum of one hundred eighty days from the date of issue bill of lading would be allowed, subject to a deduction of 10 per cent of the admissible amount. No claim shall be admissible after one hundred eighty days from the date of issue of bill of lading with respect to exports made during the particular month under consideration.

5. Modalities of utilization:

(i) The assistance is to be used for payment of cane price dues of farmers for the sugar season 2019-20 and cane price arrears of previous sugar seasons, if any.

(ii) In order to ensure that the assistance is directly credited into the accounts of farmers, the sugar mill shall open a separate no-lien account in a nationalized bank/cooperative bank and furnish to that bank the list of farmers along with bank accounts details and extent of cane price dues payable to the farmers for the sugar season 2019-20 and cane price arrears of previous sugar seasons, duly certified by the Cane Commissioner / Director of Sugar of the state concerned. The bank shall credit the amount of assistance to the farmers' accounts on behalf of the mills against cane dues payable and subsequent balance, if any, shall be credited into mill's account.

(iii) The Department of Financial Services (DFS) shall issue suitable instructions to the banks in this regard.

6. Utilization Certificate:

The sugar mill concerned shall submit utilization certificate duly counter signed by the respective Sugarcane Commissioner / Director (Sugar) within three months from the date of release of subsidy certifying that the subsidy so released has been utilized for the purpose specified in this Scheme. Any failure to submit the utilization certificate within stipulated time would debar the mill from availing benefit under any other scheme subsequently announced by the Central Government and action will be initiated for recovery of the amount including adjustment from dues of the sugar mill in respect of any other scheme being operationised by DFPD.

7. The sugar mill concerned shall submit bank certificate of export and realization by the bank for the exports made within 120 days from the date of release of assistance. Any failure to submit the bank certificate of export and realization by the bank for the exports within stipulated time would debar the sugar mill from availing benefit under any other scheme subsequently announced by the Central Government and action will be initiated for recovery of the amount including adjustment from dues of the sugar mill in respect of any other scheme being operationised by DFPD.

8. The Central Government may extend the period of submission of utilization certificate and bank certificate of export and realization by such period as it deems fit, if it is satisfied that there is sufficient cause for the delay in submission of these two documents.

9. DFPD shall closely monitor the prices of sugar, both in domestic as well as global markets and review the availability position of sugar on monthly basis and based on such reasons, DFPD may amend or withdraw the scheme at any time.

10. DFPD will also review the performance of sugar mills on quarterly basis and in case of non-performing mills, their MAEQ may be reduced and accordingly MAEQ of performing and willing sugar mills may be increased.

11. Where DFPD is of the opinion that it is necessary or expedient to do so, it may, by order and for reasons to be recorded in writing, modify/relax any of the conditions of this scheme.