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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

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, debugging & 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.

PROFORMA - A

APPLICATION FORM FOR ASSISTANCE FOR EXPENSES INCURRED 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 PER MAEQ FOR SUGAR SEASON 2019-20

1. Details of manufacturer:-

- (a) Name :
- (b) Plant Code and Short Name :
- (c) Complete address :
- (d) Telephone(s) number, Fax number and e-mail :

2. Name and address of exporter:

3. Maximum Admissible Export Quantity (MAEQ) of the sugar mill:

4. (a) Whether only a single claim to be submitted as export to the extent of MAEQ has been made or

(b) whether the claim is for first tranche of export to the extent of at least 50% of MAEQ or

(c) whether the claim is for second tranche of export made to the extent of quantity remaining against the MAEQ after export of first tranche.

5. Details of export of sugar:

- (a) Quantity of sugar exported (in tonne) :
- (b) Whether Raw/White/Refined Sugar/Low quality white sugar exported :
- (c) Is the export made under OGL/export of refined sugar from refineries for supply of raw sugar against invalidation of the advance Licenses issued by DGFT:

6. Date of issue of bill of lading

7. Amount of Claim (in Rs.) :

8. Type of Claim (Tick the type applicable) :

- (a) Export of raw sugar either self or through merchant exporter
- (b) Export of white/refined sugar either self or through merchant exporter
- (c) Export of refined sugar, manufactured from raw sugar of another factory procured either under open sale or against invalidation of AAS.

9. Details of documents enclosed in connection with sugar export:

- (i) GSTR 1
- (ii) Self certified copies of all the shipping Bills indicating Let Export Order (LEO) date, name of the MAEQ holder sugar mill and the mill from which sugar has been sourced.
- (iii) Bill of lading indicating port of discharge and port of destination along with exporter and importer names.
- (iv) A bi-partite/tri-partite agreement between/amongst quota holder sugar mill, merchant/manufacturer exporter and the source sugar mill, i.e. from which, sugar have been sourced for export, as the case may be.
- (v) An undertaking on a non-judicial stamp paper from the source sugar mill indicating the factory-wise MAEQ utilized for export of sugar from its factory.
- (vi) An undertaking from the exporter indicating the shipping bill-wise quantity utilized for export against the MAEQ of applicant sugar mill.
- (vii) Any other document specifically sought by DFPD in this regard.
- (viii) In case of export of refined sugar made by the sugar refinery from raw sugar procured from another factory, copy of agreement between the raw sugar manufacturer and the sugar refinery, authenticated by the Claimant sugar mill.
- (ix) Pre-receipted bill in the prescribed Proforma as at Annexure-I.
- (x) Affidavit in non-judicial stamp paper of Rs. 50 indicating that the exports are not under advance license.

Place:

Date:

(Name and designation of authorized signatory of the sugar factory)

(Please indicate the name and affix the seal)

Annexure-I

PRE-RECEIPTED BILL FOR ASSISTANCE FOR EXPENSES INCURRED 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 PER MAEQ FOR SUGAR SEASON 2019-20

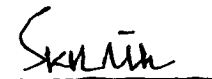
Name and address of the factory: Plant Code and Short Name.....
Received a sum of Rs. (Rupees.
.....only) from the Department of Food and Public Distribution.

DECLARATION:

1. I hereby solemnly affirm and declare that the information furnished above is correct and no relevant information has been concealed thereof.
2. I hereby declare that the above claim is in full and final settlement of assistance for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges against first tranche or second tranche of export.
3. I hereby certify that sugar mill did not receive assistance from the Government of India for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export for the quantity of sugar exported during the period mentioned at serial number 2 above prior to the submission of this claim.
4. I hereby undertake to refund to the Central Government such amount of claim received by me along with interest, as may be required if any information given in the claim above is found to be incorrect at any time and if the provisions of this notification are not adhered to.
5. I also declare that I am competent to make the foregoing declaration and sign these documents on behalf of the proprietor or partner or company or occupier or owner of the above sugar mill.

Place: (Signature of authorized signatory of the sugar mill)
Date: (Please indicate the name and designation of the signatory and affix the seal)

F No. 1(14)/2019-SP-1



(Suresh Kumar Vashishth)
Joint Secretary to the Govt. of India