

F. No. 5-4 (2020)-SC  
Government of India  
Ministry of Consumer Affairs, Food and Public Distribution  
Department of Food and Public Distribution  
(Directorate of Sugar & Vegetable Oils)

Krishi Bhawan, New Delhi.  
Dated: 10<sup>th</sup> August, 2023

To,

CEOs/MDs of all Sugar Mills.

**Subject: Compliance of imposition of monthly stock holding limits on sugar mills and filling of correct data in the NSWS portal.**

Sir/Madam,

Monthly stock holding limits on sugar mills is imposed under the Sugar Price (Control) Order 2018 under the provisions of the Essential Commodities Act 1955 so that sugar prices in the country should remain stable. Method to determine the limit of sales/dispatch for each sugar mill every month is objective and transparent as communicated vide this Directorate's letter no. 6(1)/2021-SC dated 26.12.2023.

2. It has been observed that a few sugar mills are not following the monthly stock holding limit and they are selling either higher or significantly lower quantity (less than 90%) from their monthly quota. Deviation from the monthly stock limits by sugar mills would distort the domestic sugar market and may also disturb the entire steps taken by the Government in interest of sugar industry which, in turn, may result in accumulation of cane price arrears of farmers.

3. Therefore, following guidelines are to be complied with by all sugar mills:
- i. All the sugar mills have to ensure strict compliance of monthly Stock holding limit orders for sale of sugar in the domestic market.
  - ii. Sale of sugar quantity in excess of monthly release quota is violation of the Essential Commodities Act and suitable penal action will be taken against the non-compliant mills.
  - iii. Each sugar mill is expected to sell at least 90% of the monthly quota allocated in the respective month. In case, any sugar mill is finding it difficult or unable to sell full quantity of its monthly quota for a particular month, same shall be intimated by the mill before 15<sup>th</sup> day of every month clearly mentioning the possible quantity to be sold. For example, in case a sugar mill has been allocated monthly sale quota of 100 MT, out of which mills is estimating its sale of only 80 MT, the same may be intimated to this Directorate.
  - iv. With reference to point 4 (iii) above, it has been decided that in case, a mill fails to inform the quota it expects to sell and does not sell the quantity allocated, the difference in the quantity allocated and the quantity sold will be reduced from the calculated quota of following month. For example, the mill which sells only 80 MT out of 100 MT quota during a month, and its eligible quantity of quota in the next month, for which quota allocation is under consideration, is 120 MT, its quota for the following month shall be restricted to 80% of the eligible quantity, i.e. 96 MT only.

- v. It has also been observed that sales data for June, 2023 filled by many sugar mills in NSW portal is not matching with the sales data as per GSTR1 of June, 2023. Therefore, all the sugar mills are again requested to fill the correct sales/dispatch data on the NSW portal. Strict action will be taken on rendition of incorrect information on NSW portal in respect to sugar and ethanol.

4. All the sugar mills are again advised to ensure strict compliance of monthly Stock holding limit orders issued for sale of sugar in the domestic market and to fill the correct data on the NSW portal. In case of non-compliance of instructions mentioned in this letter, strict penal action under the provisions of the Essential Commodities Act, 1955 as deemed fit would be taken against such sugar mills.

Yours faithfully,



(Sangeet)

Director (Sugar)

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**Copy to:**

1. Principal Secretaries (Sugar and Sugarcane Development)/Cooperation of sugar producing States - **with the request to monitor the sale/dispatch of sugar by mills in the domestic market and in case of any violation by mills, States are requested to take necessary action against the defaulting mills under the provisions of the Essential Commodities Act, 1955 under intimation to this Directorate.**
2. Cane Commissioners of sugar producing States
3. ISMA/NFSCF with the request to advise their member sugar mills for strict compliance of stock holding limit and to fill the correct data on NSW portal.