

**F. No. 5-1/2024-SC (386427)**  
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 26<sup>th</sup> July, 2024

To,  
CEOs/MDs of Sugar Mills.  
All sugar mills

**Subject: Policy guidelines for action to be taken against violations of monthly stockholding limit orders for sugar.**

Madam/Sir,

With a view to stabilize the prices of sugar prevailing in the domestic market and to improve the financial health of the sugar mills and to enable them to pay the cane price arrears to the sugarcane growers, the Government had taken various measures including imposition of Stock Holding Limits on sugar mills on monthly basis, under the provisions of Sugar (Control) Order, 1966 and Essential Commodities Act, 1955.

2. While analyzing the data submitted by the sugar mills in monthly P-II returns on NSWS portal and GSTR1 data, during this Sugar Season 2023-24, it has been observed that some groups/individual sugar mills have not been maintaining the Stock Holding limit as specified vide monthly stockholding limit orders issued by this Directorate, despite repeated directions.

3. To control the violation of stockholding limits order which leads to market distortions and to ensure the availability sugar in the country at affordable prices, the Government has decided to take the following measures under the provisions of Sugar (Control) Order, 1966 and Essential Commodities Act, 1955:-

- i. If any group/individual sugar mill violates the stockholding limit orders and dispatch more than the prescribed release quota for a particular month, the excess quantity of sugar sold shall be deducted from release quota of subsequent month.
- ii. If any group/individual sugar mill dispatches less than 90% of quota for a particular month without intimation till 20<sup>th</sup> day of the month, the release quota upto the extent of utilization of quota in the reported month, shall only be allowed in the subsequent month.
- iii. The group/individual sugar mill which haven't provided correct HSN code wise details in Table-12 of GSTR1 resulting no information in the data provided by GSTN, 25% of quota of such group/individual sugar mill shall be deducted.
- iv. If any group/individual sugar mill violates the stockholding limit orders three times in a particular sugar season, the request of the group/individual sugar mill shall not be considered for any additional release even after the recommendations by the concerned Cane Commissioner.

- v. Also, no benefit under any scheme of Department of Food & Public Distribution and Directorate of Sugar & Vegetable Oil, including export quota, as & when issued, shall be granted to the group/individual sugar mill which violates the stockholding limits orders more than three times, for one year starting from the month of third instance. This provision will be applicable from August 2024 onwards.
- vi. The quantity of quota so deducted shall be distributed among the other compliant groups/individual sugar mills while issuing the monthly stockholding orders.
4. Under the provisions of Section-5 of Sugar (Control) Order, 1966 read with Section-3 of Essential Commodities Act, 1965, all groups/individual sugar mills are hereby directed to report actual sale of white/refined sugar under HSN codes 17011490 and 17019990 in the Table-12 of GSTR1. It is also directed that correct and factual information in monthly P-II form on NSWS portal should be reported so as to avoid mismatch in the information with GSTR1 data. Non-compliance of these directions will be viewed seriously and action will be taken under the provisions of Essential Commodities Act, 1955 and Sugar (Control) Order, 1966.

Yours faithfully,



(Sangeet)  
Director (Sugar)  
Tele: 23383760

Copy to:

1. Principal Secretaries/Secretaries (Sugar and Sugarcane Development/ Cooperation of sugar producing States.
2. ISMA/NFSCF with the request to advise their member sugar mills for strict compliance.