No. 2 (1)/2013-SP-I
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi,
Dated, the 22nd August, 2024

OFFICE MEMORANDUM

Subject: Review of Sugar (Control) Order 1966.

The undersigned is directed to state that due to the technological advancements in the production process, there are multiple changes in the sugar sector which necessitates the revamping of existing the Sugar (Control) Order, 1966. In this regard, a copy of "the draft Sugar (Control) Order 2024" is attached herewith.

2. It is requested to provide your comments/suggestions, if any, on the above draft latest **by 23.09.2024.**

Encl: as above.

22/08/2024
(Jaivir Singh)
Under Secretary to the Government of India
Tel: 23384735

To

1. Principal Secretaries (Food/Sugar/Cane) of all sugar producing states.
2. Chairperson, Food Safety and Standards Authority of India (FSSAI), Ministry of Health & Family Welfare, 03rd & 04th Floor, FDA Bhawan, New Delhi – 110002.
3. The President/Chairman, ISMA/NFCSF/AISTA
4. CMD/MDs/CEOs of Sugar Mills

The Sugar (Control) Order, 2024

G.S.R., ……., dated ……. In exercise of the powers conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order, namely:

1. Short title, extent and commencement. -

(1) This Order may be called the Sugar (Control) Order, 2024.

(2) It extends to the whole of India

(3) It shall come into force at once.

2. Definitions. - In this Order, unless the context otherwise requires,-

a. "Sugar" means –
   i. Any form of sugar containing more than ninety percent (90%) of sucrose (polarization), including raw, plantation white, refined sugar including sugar candy; or
   ii. Khandsari sugar or bura sugar or crushed sugar or any sugar in crystalline or powderedor liquid form.

   [slightly modified based on EC Act 36 of 1967, s. 2 (w.e.f. 30-12-1967)]

b. "Indian Sugar Standard Grades" means the grades represented by the standard sealed samples of sugar in bottles issued by the Director, National Sugar Institute, Kanpur, or an Institute/ Authority as may be notified for this purpose by the Central Government, conforming to the standards prescribed by the; Bureau of Indian Standards.
c. "Indian Sugar Standard Grades" means the grades represented by the standard sealed samples of sugar in bottles issued by the Director, National Sugar Institute, Kanpur, or an Institute/ Authority as may be notified for this purpose by the Central Government, conforming to the standards prescribed by the Bureau of Indian Standards.
d. "Plantation White Sugar" means Purified and crystallized sucrose (saccharose) with a polarization not less than 99.5°Z and a moisture content not more than 0.10 percent or as amended by Bureau of Indian Standards from time to time.*(Ref: IS 5982: 2003)*
e. "Raw Sugar" means Unwashed, centrifugal sugar with a minimum polarization of 96.5°Z; surrounded by the original film of molasses; derived from sugar cane or sugar beet; to be further refined or reprocessed for making it superior quality sugar or as amended by Bureau of Indian Standards from time to time.*(Ref: IS* 5975: 2020*)*
f. "Refined Sugar" means Purified and crystallized sucrose (saccharose) with a polarization not less than 99.8°Z and moisture content not more than 0.04 or as amended by Bureau of Indian Standards from time to time.*(Ref: IS* 1151 : 2021*)*
g. "Khandsari Sugar" means sugar produced from sugarcane juice using open pan process for concentration and clarified using natural clarificants for 'Desi Khandsari' and sulphur for 'sulphur Khandsari' and having Pol percent content not less than 96 percent and 96.5 percent respectively or as amended by Bureau of Indian Standards from time to time.*(Ref: IS* 13953: 1994*)*
h. "Cane GUR (Jaggary)" means Prepared in the form of solid lumps by heating the clarified sugar cane juice in open pans, which shall be of firm consistency.

It shall be golden yellow to light brown in colour, free from dirt, other extraneous matter and substances deleterious to health and having Sucrose content not less than 70 percent (on dry basis) *(Ref: IS* 12923: 1990*)*

i. "Cane Molasses":- means the mother liquor left over, after production of sugar in factory or khandsari factory, having following sub-types;
    a. A-Heavy molasses: A-Heavy molasses is an-intermediate by-product produced during production of sugar having purity of molasses between 68 percent to 72 percent.
    b. B-Heavy molasses: B-Heavy Molasses is an-intermediate by-product produced during production of sugar having purity of molasses between 48 percent to 52 percent.
    c. C-Heavy molasses: C-Heavy molasses is a final by-product produced during production of sugar having purity of molasses between 28 percent to 32 percent.

j. "sugar factory or sugar mill" means any premises including the precincts thereof wherein Twenty (20) or more workers are working and in any part of which any manufacturing process connected with the production of sugar by means of vacuum pan process or production of ethanol either directly from sugarcane juice/syrup or sugar or khandsari sugar syrup or from cane molasses; is being carried on or is ordinarily carried on with the aid of mechanical power;]

k. "Khandsari Factory" means any premises including the precincts thereof wherein twenty (20) or more workers are working or were working and in any part of which any manufacturing process connected with the production of khandsari sugar by means of open pan process is being carried on or is ordinarily carried on with the aid of mechanical power and having crushing capacity not less than 500 Tonnes Crushed per Day (TCD).

l. "producer" means a person carrying the business of manufacturing sugar and its by-products from sugarcane;

m. "dealer" means any person engaged in the business of purchase, movement, sale, supply, distribution, storage or processing of sugar, whether as a wholesaler or retailer or big chain retailer or manufacturer or processor or importer or exporter and whether or not in conjunction with any other business and includes his representatives or agent.

n. "Bulk consumer," means halwai, sweetmeat seller, confectioner, soft drink manufacturer, food processing industry or any other institutional buyer etc. consuming not less than thirty metric tons (30 MT) of sugar during last 30 days;

o. "by-products" means any form of product which has been produced during production of sugar namely ethanol (produced from B-heavy/C-heavy molasses, sugarcane juice, sugar syrup, sugar), bagasse, potash based fertilizers, Compressed Bio Gas (CBG), C-heavy molasses, bio-electricity produced from bagasse, press cake or any other alternative product affecting sugar production from sugarcane.

3. Power to regulate production of sugar: The Central Government or the State Government with approval of the Central Government, direct that no sugar and its by-products shall be manufactured from sugarcane except under and in accordance with the conditions specified in a licence issued in this behalf, whether on payment of a fee or otherwise.

4. Power to restrict sale, storage, disposal etc. of sugar by producers and Dealers: The Central Government may direct that no producer or dealer shall sell or agree to sell or otherwise dispose of, or deliver any kind of sugar and its by-products or remove any kind of sugar from the producers'/dealers' premises whether owned or

hired or leased, except under and in accordance with a direction issued in writing by the Central Government:

Provided that this clause shall not affect the pledging of such sugar by any producer or dealer in favour of any Scheduled Commercial or Cooperative Bank as defined in clause (e) of Section 2 of the Reserve Bank of India Act, 1934 (2 of 1934) or any of corresponding new bank constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) or any Non-Banking Financial Companies as licensed by Reserve Bank of India and no such bank/financial institution shall sell the sugar pledged to it except under and in accordance with a direction issued in writing by the Central Government.

5. Power to issue directions to producers and dealers. - The Central Government may, from time to time, by general or special order, issue to any producer or dealer or any class of producers **or** dealers, such directions regarding the production, maintenance of stocks, storage, sale, grading packing including packing in jute bags, marking, weighment, disposal, delivery, price of sugar for sale, distribution or processing of [any kind of sugar and its by-products] as it may deem fit.

6. Sugar and its by-products attached by Government officers etc. not to be sold without direction. - where any stock of sugar and its by-products with any producer or dealer is attached or seized,-

(i) by any officer of the Central or a State Government in accordance with the provisions of any enactment for the time being in force, or

(ii) in pursuance of any proceedings in civil court.

the sugar and its by-products so attached or seized shall not be ordered to be sold unless the officer or Court is satisfied that directions have been issued by the Central Government under Clause 5 regarding the sale of such sugar.

7. Power to regulate price of sugar - The Central Government shall, at the time of issuing any Order regarding price of sugar for sale under clause 5, take into consideration the fair and remunerative price (FRP) of sugarcane, approx. & average conversion cost for production of sugar from sugarcane/beetroot, average revenue realisation from by-products generated in the process of sugar production.

8. Power to regulate movement of sugar and its by-products:

The Central Government may, by general or special order, direct that no person shall transport or offer or accept for transport by any means of transport, all or [any kind of sugar and its by-products], except under-

(a) a general or special permit issued in this behalf; and

(b) a military credit note,

9. Power to regulate quality of sugar and its by-products:

(a) the Central Government may prescribe the quality of sugar in terms of Indian Sugar Standard Grades to which all or any kind of sugar should conform at the time of delivery in pursuance of the directions issued to a producer or a class of producers under clause (f) of sub-section (2) of Section 5 of the Essential Commodities Act, 1955, or Clause 5 of this Order.

(b) When the Central Government is of the opinion that any stock of sugar and its by-products with any producer is below any of the Indian Sugar Standard Grades of sugar, it may direct the producer to reprocess the said stock with a view to conform to one or

more of the Indian Sugar Standard Grades of sugar or to sell it only to bulk consumers for use in the manufacture of their products.

10. Power to call for Information, etc. - The Central Government or any person authorised in this behalf by the Central Government may, with a view to securing compliance with this Order, or to satisfy itself that any order or direction issued under this Order is complied with,-

(a) require any producer or dealer to furnish within such period or at such intervals as may be specified, such information, returns or reports and in such forms including digital forms, and to integrate their Digital Systems with the Digital system of Central Government through API or any other mode and to allow information sharing of such information already shared with any Government organisation to ensure authenticity of data and compliance, as may be required; and

(b) prescribe the manner in which accounts of any sales, purchases or other transactions of sugar and its by products should be kept.

11. Power of inspection, entry, search, sampling, seizure, etc. –

[1] Any officer authorised by the Central Government in this behalf, may-

(a) direct any producer or dealer to maintain such records as he may specify;

(b) direct any producer or dealer to furnish such information as he may require;

(c) inspect or authorise any person to inspect any books or any documents or stocks of sugar belonging to or under the control of a producer or dealer;

(d) enter and search or authorise any person to enter and search-

(i) any place where sugar is manufactured including the machinery installed therein;

(ii) any place in which there is reason to believe that sugar is stored in contravention of this Order.

(e) draw or authorise any person to draw, in accordance with the procedure laid down in Clause 10, samples for examination-

(i) from any stock of sugar belonging to, or under the control of a producer or dealer;

(ii) from any consignment of sugar in the course of its delivery or despatch by a producer;

(f) stop and search or authorise any person to stop and search-

(i) any person transporting sugar; or

(ii) any vehicle, vessel or other conveyance used or capable of being used for the transport of sugar, in contravention of this Order;

(g) seize or authorise the seizure of any sugar in respect of which he has reason to believe that a contravention of this, Order has been, is being or is about to be, committed, along with the packages, coverings or receptacles in which sugar is found or the animals, vehicles, vessels, or other conveyance used in carrying such sugar and thereafter take or authorise the taking of all measures necessary for securing the production of such packages, coverings, receptacles, animals, vehicles, vessels or other conveyances in a Court and for their safe custody pending such production.

(2) The provisions of relevant Sections of the Bhartiya Nagrik Suraksha Sanhita, 2023, relating to search and seizure shall, so far as may be, apply to searches and seizures under this clause.

12. Procedure for drawing samples. (1) Subject to the provisions of sub-clause (e) of Clause 11, the procedure to draw sample will be as specified in IS 14818:2017 (as updated) issued by Bureau of Indian Standards (BIS), Department of Consumer Affairs, Government of India.

13. Compliance of orders. - Every producer or dealer or other person to whom any order or direction is issued under any powers conferred by or under this Order, shall comply with such Order or direction.

14. Delegation of powers. - The Central Government may, by notification in the official Gazette, direct that all or any powers conferred upon it by this Order shall, subject to such restriction, exceptions and conditions, if any, as may be specified in the direction, be exercisable also by-

(a) any officer or authority of the Central Government

(b) a State Government or any other or authority of a State Government.

15. Repeal and Savings. - The Sugar (Control) Order, and any order made by the Central Government or any authority regulating or prohibiting the production, supply and distribution of sugar and trade or commerce therein are hereby repealed except as respects things done or omitted to be done under any such order before the commencement of this Order.

(2) Notwithstanding such repeal, an order made by any authority, which is in force immediately before the commencement of this Order, which is consistent with this Order, shall continue in force and all appointments made, prices fixed, licences and permits granted directions issued under any such order and in force immediately before such commencement shall likewise continue in force and be deemed to be made, fixed, granted or issued in pursuance of this Order.