

# *Notes and Notifications*

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

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

New Delhi, the 8<sup>th</sup> September, 2016

**ORDER**

**G.S.R. (E).**- In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), read with the clause 5 of the Sugar (Control) Order, 1966, the Central Government hereby directs that no producer of sugar shall hold any stock of sugar in excess of the quantities at the end of the month mentioned below:-

- (a) September, 2016 : 37% of the total sugar available with them during 2015-16 sugar season.
- (b) October, 2016 : 24% of the total sugar available with them during 2015-16 sugar season.

2. Total availability of sugar of individual producer shall be calculated as under:

"Opening stock of sugar as on 1<sup>st</sup> October, 2015 + Production of sugar during 2015-16 sugar season – Export of sugar during 2015-16 sugar season".

3. Further, in exercise of powers conferred by clause 15 of the Sugar (Control) Order, 1966 the Central Government also hereby authorizes the State Governments or Union territory Administrations to enforce this order.

4. This order shall come into force from the date of its publication in the Official Gazette and the said order shall remain in force till the 31<sup>st</sup> October, 2016.

[F. No. 1[6]/2016-SP-I ]

(Subhasish Panda)  
Joint Secretary to the Government of India

[To be published in Part I, Section 1 of the Gazette of India, Extraordinary]

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

**NOTIFICATION**

**New Delhi, the 12<sup>th</sup> September, 2016**

1. No. 20(43)/2015-S.P.-I.-The Production Subsidy Scheme notified on 02.12.2015 sought to offset the cost of cane and facilitate timely payment of cane price dues of farmers for sugar season 2015-16. Consequent upon sugar prices reaching substantially higher levels than required for operational viability of the sugar industry, the Central Government had withdrawn production subsidy scheme vide notification dated 19.05.2016. Since the production subsidy scheme was withdrawn before time, the Central Government has decided to disburse the performance based production subsidy for cane crushed during 2015-16 sugar season till the tenancy of the scheme subject to the following conditions and in accordance with the modalities as mentioned below:
  - i. Production subsidy @ Rs. 4.50 per quintal on actual cane crushed up to 19.5.2016 for production of sugar would be provided to sugar mills proportionate to their achievement on sugar export. Further, in case of mills having ethanol supply targets, production subsidy would be provided with equal weightage to sugar export and ethanol supply.
  - ii. Export quota under MIEQ notified vide order dated 18.09.2015 which was 15.70 Kg of sugar per MT of estimated cane crushing shall be now revised to 15.70 Kg of sugar per MT of actual cane crushed. during current sugar season 2015-16 upto 19.05.2016 or - existing quota already notified under MIEQ, whichever is lower; to be referred to as Revised Export Quota (REQ).
  - iii. Mill/ distillery-wise ethanol supply target shall be revised to actual quantity contracted by them for supply to OMCs. In case of mills/distilleries have not offered supplies of ethanol so far, the existing allocation already notified vide order dated 16.09.2015, will remain unchanged. It is essential for the mills having distillation capacity to supply ethanol under EBP. Performance of ethanol supply would be assessed on the basis of actual supplies made against prorated indent based supply schedule given by OMCs for supplies till June, 2016 with respect to contracted quantities.
  - iv. Those mills which have undertaken at least half of the targeted export quantity *i.e.* 40% of REQ under the scheme and in case of mills having distillation capacity, have supplied ethanol as per (iii) above shall be eligible for the production subsidy. Mills which have exported 80% of REQ and in case of mills having distillation capacity, have supplied targeted ethanol as per (iii) above, shall be eligible for subsidy @ Rs 4.5 per quintal of cane crushed.
2. The production subsidy is to be used for payment of cane price dues of the current sugar season 2015-16 relating to the Fair and Remunerative Price (FRP) of sugarcane fixed by the Central Government for that sugar season and FRP arrears of previous sugar seasons.
3. The said subsidy shall be paid directly to the farmers on behalf of the mills and be adjusted against the cane price payable due to the farmers including arrears relating to previous years against FRP. Subsequent balance, if any, shall be credited into the mill's account. Priority will be given to settling cane arrears due of the previous years.
4. Sugar mills shall submit the production subsidy claim in the prescribed Proforma - 'X' annexed with this notification after fulfilling the eligibility criteria as referred in Para 1 (iv) above to the "Chief Director (Sugar), Directorate of Sugar, Krishi Bhawan, New Delhi".
5. In order to ensure that production subsidy is directly credited in to the accounts of farmers, the sugar mills shall open a separate no-lien bank account and furnish to its bankers the list of farmers along with their bank account details and the extent of cane dues to be paid, computed on the basis of Fair and Remunerative Price (FRP) for the current sugar season and FRP arrears of previous sugar seasons.
6. The banks shall directly remit the funds released by Department of Food and Public Distribution (DFPD) into the accounts of farmers on behalf of the sugar mill. Subsequent balance, if any, shall be credited into the mill's

account. If a sugar mill does not have any cane price arrear due, the entire subsidy amount will be credited into the mill's account.

7. The Department of Financial Services (DFS) shall issue suitable instructions to the banks.
8. The expenditure on production subsidy would be met from Sugar Development Fund (SDF).
9. The sugar mill concerned shall submit utilization certificate duly counter-signed by the respective sugar/cane commissioner within three months from the date of release of production subsidy certifying that the production subsidy has been utilized in the manner stipulated in para 2, 3 & 5 above for the purpose specified in this scheme. In case of failure to submit the utilization certificate within stipulated time, action would be initiated for recovery of amounts already released along with interest thereon.

### **Proforma-X**

#### **APPLICATION FORM FOR SUBMISSION OF PRODUCTION SUBSIDY CLAIM**

(To be furnished by sugar mills)

1. Details of sugar mills:
  - (a) Name:
  - (b) Plant code and short name:
  - (c) Complete address:
  - (d) Telephone(s) number, Fax number and email:
2. Details of Cane crushed by the mill during sugar season 2015-16:
  - (a) Date of start of cane crushing:
  - (b) Quantity of cane crushed upto 19.05.2016 (in MT) :
  - (c) Quantity of sugar produced up to 19.05.2016 (in MT) :
3. Details of performance achieved by mills in respect of ethanol supply and sugar export;
  - (a) Quantity of ethanol allocated to the mill (in Kilo ltrs) :
  - (b) Quantity of ethanol contracted (in Kilo ltrs) :
  - (c) Quantity of ethanol as per indent based supply schedule given by OMCs for supply upto 30.06.2016 (in Kilo ltrs) :
  - (d) Quantity of ethanol supplied upto 30.06.2016 (in Kilo ltrs) :
  - (e) Quantity of REQ/MIEQ (in MT) :
  - (f) 80% of REQ/MIEQ (in MT) :
  - (g) Quantity of sugar actually exported upto 19.05.2016 (in MT) :
4.
  - (a) Rate of production subsidy:
  - (b) Total subsidy amount claimed:

5. Details of separate bank account (no lien account) including RTGS code etc. for making payment of subsidy (a copy of bank mandate form to be enclosed).
6. Details of documents to be enclosed:
  - (a) Certificate from Cane Commissioner/Director of Sugar concerned indicating the quantity of sugarcane crushed by the sugar mill during sugar season 2015-16 upto 19.05.2016.
  - (b) Information relating to supply of ethanol during current sugar season 2015-16. as per Annexure - "Y" duly certified by Oil Marketing Companies (OMCs) concerned.
  - (c) Documents mentioned in MIEQ order dated 18.09.2015 to assess performance of sugar export under REQ.
7. Pre-receipted bills in the prescribed Proforma as at Annexure-Z.

Place : (Signature of authorized signatory of the sugar mill)

Date : (Please indicate the name and designation of the signatory and affix the seal)

**Annexure-Y**  
**STATEMENT SHOWING DATA ON SUPPLY OF ETHANOL TO OIL MARKETING COMPANIES (OMCs) UNDER EBP DURING 2015-16 Sugar Season**

Name of the sugar mill	State	Quantity of ethanol allocated (in KLtrs)	Quantity of ethanol contracted (in KLtrs)	Quantity of ethanol as per indent based supply schedule by OMCs up to 30.06.2016	Quantity of ethanol supplied to OMCs up to 30.06.2016	Remarks
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)

Place : (Signature of authorized signatory of the sugar mill)

Date : (Please indicate the name and designation of the signatory and affix the seal)

Place : (Signature of authorized signatory of the OMC)

Date : (Please indicate the name and designation of the signatory and affix the seal)

**Annexure-Z**

**PRE-RECEIPTED BILL FOR PAYMENT OF PRODUCTION SUBSIDY**

**(To be furnished in duplicate)**

Name and address of the factory : -

Received a sum of Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ 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 against the production subsidy of cane crushed during the period from.....to
3. I hereby certify that sugar mill did not receive production subsidy amount from the Government of India for the quantity of cane crushed during the period mentioned at serial number 2 above prior to the submission of the 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. 20(43)/2015-SP-I ]

(Subhasish Panda)  
Joint Secretary to the Government of India