

File No. 3-3/2010-ES/180  
Government of India  
Ministry of Consumer Affairs, Food & Public Distribution  
Department of Food & Public Distribution  
Directorate of Sugar

Krishi Bhawan, New Delhi  
Dated the 19<sup>th</sup> April, 2011

To

All Sugar Mills

Subject: Export of raw, white and refined sugar under OGL.

It has been decided to allow export of 5 lac tons of raw, white and refined sugar under OGL including export of 0.515 lac tons to neighbouring countries. The export balance quota of 4.48 lac tons ( 5lac tons minus 0.515 lac tons) has been pro-rated amongst sugar factories by taking into account their 3 years' average production or 2 years' average production in case a factory had not operated in 1 of 3 years or last year's production if it had operated in only the last year. A brand new sugar factory which has started in 2010-11 will not have any export entitlement. The sugar factory-wise export quota is at Annexure.

2. The following are the revised guidelines for applying /obtaining export release order (R.O.) from the Directorate of Sugar.

- i) The application for R.O. will be made only by the sugar factory to whom the quota has been allocated.
- ii) The sugar factory will have two options (a) to export the sugar from its own production or (b) to source from some other factory in order to minimize the transportation cost, etc.
- iii) In case of Option (a), the application for R.O for export should categorically mention
  - (a) The name of the exporter
  - (b) Certificate that the quantity is produced in the same factory
  - (c) The original agreement between the factory and the exporter.

Explanation: Where two or more sugar factories are under the same management, no agreement is necessary when sugar is sourced by one sugar factory for export against its allocated quota from its sister factory. However, the factory must indicate the name of the group factory from which sugar has been sourced so that the stocks of the sugar factory are deducted against the sugar delivered for export for the purpose of giving domestic releases of sugar.

iv) In case of Option (b), the application for R.O for export should categorically mention

(a) The name of the exporter

(b) The factory from which the sugar has been sourced

(c) The original agreement between the factory, the exporter and the factory from which the sugar has been sourced.

v) The above details will also be mentioned in the R.O. to be issued by the Directorate of Sugar.

vi) All applications for R.O.s will be processed within 3 working days.

vii) All exports under OGL would be over and above what is under ALS/AAS and out of 2010-11 season production. Further, this would be over and above the monthly release allotments meant for domestic sale, i.e., no part of that can be exported either by sugar mill itself or by the third party from which the exports are sourced by another sugar mill and merchant exporter.

viii) Any sugar factory which is exporting either its own stock itself or through merchant exporter or the stocks of a third party through a merchant exporter will be deemed to have undertaken that such exports are not at the expense of its monthly release quota commitments. The third party whose stocks are actually sourced for exports will also be deemed to have undertaken that the exported quantity is not at the expense of its monthly release quota meant for domestic sale. Any breach of the above condition by way of monthly sale quota being diverted for export by a sugar mill or third party from which export goods are actually sourced, would invite blacklisting of exporter mill and the merchant exporter as well as the third

party and disqualify all involved from further participation in OGL export besides inviting other action under the law.

ix) There will be no incentive in the form of levy exemption. Further, no financial assistance will be provided by the Department of Food and Public Distribution for such export. However, for the export incentives, if any, given by the concerned Departments of the Central/State Government, exporting sugar factories/merchant exporters will be eligible to receive such incentives. Also, the quantity delivered by the factory for export will be deducted from the stocks of the sugar factory, from which sugar for export has been sourced.

(x) The last date for submission for application from the mills opting for option (a) i.e. to export from its own production shall be 30 days from the date of the issue of this circular. Sugar mills opting for option (b), the last date shall be 45 days from the date of issue of this circular.

(xa) Export Release Order shall be issued with the validity period of 60 days.

(xb) One extension of 30 days shall be given and no further extension beyond 30 days shall be allowed in any circumstances.

(xc) The outer time limit for export of 4.485 lac tons of sugar under the scheme shall be 4 months in case of option (a) and 4.5 months in case of option (b) from the date of issue of this circular.

3. This circular is issued in supersession of this Directorate's earlier circular of even No. dated 01.01.2011.

Sd/-  
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