

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

New Delhi, the 9th May, 2018

No. 1(5)/2018-S.P.-I – The Central Government, with a view to offset the cost of cane and facilitate timely payment of cane price dues of farmers for sugar season 2017-18, hereby notifies the Scheme for Assistance to Sugar Mills as under:

1. Purpose of Assistance:

The funds to be provided as assistance is to be used for payment of cane price dues of farmers for the current sugar season 2017-18 relating to the Fair and Remunerative Price (FRP) of sugarcane fixed by the Central Government for that sugar season and cane price arrears of previous sugar seasons.

2. Eligibility:

Mills which fulfill the following conditions, will be eligible for assistance under this Scheme:

- (a) Mills having ethanol production capacity and who have signed contracts with Oil Marketing Companies (OMCs) for supply of ethanol, should have supplied at least 80% of indented quantity of ethanol under Ethanol Blended with Petrol Programme (EBP) to OMCs during 2017-18 ethanol season (December, 2017 – November, 2018).
- (b) The mill should have filed updated online return in Proforma-II relating to data on crushing of cane, production of sugar, sale of sugar and by-products, etc as prescribed by DFPD under the provisions of Sugar (Control) Order, 1966.
- (c) The mill should have fully complied with all the orders/directives of Department of Food and Public Distribution (DFPD) to the sugar mills during 2017-18 sugar season.

3. Modalities and Extent of Assistance:

- (i) Assistance @ Rs. 5.50/qtl of cane crushed for production of sugar shall be provided to sugar mills to offset the cost of cane purchased by them.
- (ii) The mills shall be entitled for assistance on actual cane crushed during 2017-18 sugar season or the proportionate inter-se allocation of earlier estimated 2800 Lakh MT of cane to be crushed (for sugar season 2017-18) on the basis of their average sugar production of last two sugar seasons and current season (up to February, 2018), whichever is lower. A new sugar mill which has commenced cane crushing for the first time in 2017-18 sugar season, shall be entitled for assistance on the basis of actual cane crushed.

- (iii) The assistance is to be used for payment of cane price dues of the current sugar season 2017-18 relating to the Fair and Remunerative Price (FRP) of sugarcane fixed by the Central Government for that sugar season and cane price arrears of previous sugar seasons.
- (iv) The assistance shall be paid directly to the farmers on behalf of the mills and be adjusted against the cane price dues payable to the farmers including arrears. Subsequent balance, if any, shall be credited into mill's account.
- (v) In order to ensure that the assistance is directly credited into the accounts of farmers, the sugar mill shall open a separate no-lien account in a nationalized bank and furnish to that bank the list of farmers along with bank accounts details and extent of cane price dues payable for the current sugar season 2017-18 relating to FRP and cane price arrears of previous sugar seasons, duly certified by the Cane Commissioner / Director of Sugar of the state concerned.
- (vi) The Department of Financial Services (DFS) shall issue suitable instructions to the banks in this regard.
- (vii) The sugar mills shall submit the claim for assistance under the Scheme in the prescribed Proforma-A annexed with this notification after fulfilling the eligibility criteria as referred in para (2) above to the "Chief Director (Sugar), Directorate of Sugar & Vegetable Oils, Department of Food & Public Distribution, Krishi Bhawan, New Delhi".

4. Utilization Certificate:

The sugar mill concerned shall submit utilization certificate duly counter signed by the respective Sugarcane Commissioner/Director(Sugar) within three months from the date of release of assistance certifying that the assistance so released has been utilized for the purpose specified in this Scheme. Any failure to submit the utilization certificate within stipulated time would debar the mill from availing benefit under any other scheme subsequently announced by the Central Government and action will be initiated for recovery of the amount already released.

5. DFPD shall closely monitor the prices of sugar, both in domestic as well as global markets on monthly basis. In case prices are assessed to be substantially higher than levels required for operational viability of the industry, the Scheme may be amended or withdrawn.

6. Where the Central Government is of the opinion that it is necessary or expedient to do so, it may, by order and for reasons to be recorded in writing modify any of the provisions of this Scheme.