MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(Department of Food and Public Distribution)

NOTIFICATION

New Delhi, the 7th November, 2007

G.S.R. 697(E).— In exercise of the powers conferred by section 9 of the Sugar Development Fund Act, 1982 (4 of 1982), the Central Government hereby makes the following rules further to amend the Sugar Development Fund Rules, 1983, namely:-

1. (1) These rules may be called the Sugar Development Fund (Second Amendment) Rules, 2007.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Sugar Development Fund Rules, 1983, after rule 20, the following rule shall be inserted, namely. -

"20 A. Defraying Expenditure on Internal Transport and Freight Charges on Export Shipment of Sugar .- (1) Notwithstanding anything contained in these rules, the Central Government may, from time to time, decide to defray expenditure for the purposes of internal transport and freight charges which would include ocean freight, handling and marketing charges on exports of domestically manufactured sugar.

(2) Any sugar factory, which has exported its manufactured sugar under Open General Licence but not under 'advance licence' either itself or through an exporter or through any third party exporter within the time period announced by the Central Government, shall be eligible for payment from the Central Government, the amounts as specified hereunder -

(a) for the sugar manufactured by the sugar mills located in the coastal states in India, the payment shall be rupees 1350 per tonne of sugar exported; and

(b) for the sugar manufactured by the sugar mills located in other than the coastal States of India, the payment shall be at a rate of rupees 1450 per tonne of sugar exported:

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Provided that the payment for the exports made to neighbouring countries solely by road or rail or by both, not involving movement by sea or ocean, shall be the actual expenditure incurred on the charges referred to in sub - rule (1) calculated as per Appendix annexed hereto or shall be as referred to in clause (a) or clause (b) of sub-rule (2) whichever is less:

Provided further that any refined sugar exported under Open General Licence by a sugar factory or a sugar refinery or through an exporter by way of value addition to raw sugar obtained as input from a domestic sugar manufacturer, shall be considered to be export of domestically manufactured sugar, and the sugar factory which had originally manufactured the raw sugar shall be eligible to receive the payment referred to in this rule in respect of the quantity of sugar so exported.

Provided also that the raw sugar manufacturer and the sugar refinery shall enter into an agreement, a copy of which shall also be submitted with the claim, which should be in addition to other requisite documents specified in Form IX, clearly indicating the quantity of raw sugar to be supplied and the quantity of refined sugar which shall be produced from the same for exports.

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(3) (a) The claim should be submitted within ninety days from the date of issue of last bank certificate of export and realization by the bank for the exports made during the month under consideration.

(b) Delayed submissions beyond ninety days but upto a maximum of one hundred eighty days from the date of issue of last bank certificate of export and realization would be allowed, subject to a deduction of 10 per cent of the admissible amount.

(c) No claim shall be admissible after one hundred eighty days from the date of issue of last bank certificate of export and realization with respect to exports made during the particular month under consideration.

Provided that for the payment of claims for exports which have taken place before issue of this notification, the time limit of one hundred eighty days shall be from the date of issue of this notification or the date of last bank certificate of export and realization for the month of claim, whichever is later.

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(4) The admissible amount shall be payable to the sugar factory for the purpose of making payment for the cane price arrears for the sugar season for which export assistance has been announced by the Central Government and of the subsequent sugar season in the following order of preferences, namely :-

(a) If the sugar factory has cane price arrears for any of the said sugar seasons as per the cane price arrears position available with the Central Government on date of submission of the claim or the latest information available with the Central Government at the time of finance concurrence, whichever is less, as also Sugar Development Fund or Levy Sugar Price Equalization Fund overdues, then the above payment shall be made to the sugar factory to the extent of cane price arrears for the said sugar seasons notwithstanding the Sugar Development Fund or Levy Sugar Price Equalization Fund overdues and if the amount payable is higher than the cane price arrears at that point of time then the payable amount in excess of cane price arrears shall be adjusted against the Sugar Development Fund overdues and the balance against Levy Sugar Price Equalization Fund overdues.

(b) If the sugar factory has no cane price arrears for the said sugar seasons as per the cane price arrears position available with the Central Government on the date of submission of the claim or the latest information available with the Central Government at the time of finance concurrence, whichever is less, but it has Sugar Development Fund or Levy Sugar Price Equalization Fund overdues, then the above amount payable to sugar factory shall be adjusted against Sugar Development Fund overdues and the balance against Levy Sugar Price Equalization Fund overdues.

(5) (a) The amount received by the sugar factory shall be utilized for making payment of cane price arrears for the sugar season for which export assistance has been announced by the Central Government and of the subsequent sugar season.

(b) The payment towards cane dues shall be made within one month of receipt of the payment.

(c) If the sugar factory does not have cane price arrears of any of the said sugar seasons or the amount so received by the sugar factory is in excess of the cane

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price arrears pertaining to the said sugar seasons, as on the date of submission of the claim to the Central Government or the latest information available with the Central Government at the time of finance concurrence, whichever is less, then the amount in excess of the cane price arrears may be used for any other purpose.

(6) (a) The sugar factory shall open a separate exclusive bank account and furnish details of the same at the time of submission of the claim and the authority making such payments to the factory shall do so in such a manner that the same is deposited into this account.

(b) The separate exclusive account shall be utilised by the factory to make payments of cane price dues of the sugar season for which export assistance has been announced by the Central Government and the subsequent sugar season.

(7) The sugar factory shall submit a utilization certificate in the specified proforma (Annexure - 3) to the Department of Food and Public Distribution, New Delhi, to this effect within a period of three months from the date of cheque or demand draft or electronic payment of the payment referred to in sub- rule (2).

Provided that the Central Government may extend the period of submission of the utilization certificate by a maximum period of another three months if it is satisfied that there is a sufficient cause for the delay in submission of the utilization certificate.

(8) If any sugar factory, which has received the payments referred to in sub- rule (2) for exports of sugar, fails to adhere to the provisions of these rules or in case the payment so received is not utilised for payment of cane price dues, if outstanding, within the specified time referred to in sub-rule (7), and the factory does not have any valid reason for the same, the Department of Food and Public Distribution, New Delhi may declare the sugar factory ineligible for such payments and the amount so paid to the factory may be recovered from the concerned sugar factory alongwith interest at the rate as notified by the Department of Economic Affairs as applicable to private parties, on the date of payment of the claim, plus penal interest of 2.5 per cent per annum either from the differential levy sugar price payable to the sugar factory or any other claim or subsidy payable to the sugar factory by the Central Government in accordance with law.

(9) The sugar mill shall submit its claim for payment referred to in sub-rule (2) separately for each calender month of export in Form IX duly filled in, alongwith the documents specified therein, to the Department of Food and Public Distribution, New Delhi.

(10) For the purposes of this rule, the export incentives for exports of sugar announced by the Government of India, Department of Food and Public Distribution vide its order No. 1- 2/2007-SPF dated the 27th July, 2007 and any order the Central Government may make from time to time shall apply.

(11) Where the Central Government is of the opinion that it is necessary or expedient so to do, it may, by order and for reasons to be recorded in writing relax any of the provisions of this rule."

[F.No. 1-5/2007-SDF]
N. SANYAL, Jt. Secy.

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Note : - The Principal rules were published in the Gazette of India Extraordinary, Part II.,Section 3, Sub-section(i) vide number G.S.R. 752(E) dated the 28th September,1983 and were subsequently amended by the following notifications:-

(i) GSR 817 (E) dated the 20th December, 1984;
(ii) GSR 838 (E)) dated the 14th November, 1985;
(iii) GSR 551 (E) dated the 6th May, 1986;
(iv) GSR 235 (E) dated the 24th April, 1991;
(v) GSR 441 (E) dated the 28th April, 1992;
(vi) GSR 435 (E) dated the 6th May, 1994;
(vii) GSR 27 (E) dated the 12th January,1996;
(viii) GSR 656 (E) dated the 21st November, 1997;
(ix) GSR 91 (E) dated the 12th February, 2001;
(x) GSR 886 (E) dated the 6th December, 2001;
(xi) GSR 443 (E) dated the 21st June, 2002;
(xii) GSR 584 (E) dated the 19th August, 2002;
(xiii) GSR 67 (E) Dated the 29th January,2003;
(xiv) GSR 241 (E) dated the 25th March, 2003;
(xv) GSR 787 (E) dated the 6th October, 2003;
(xvi) GSR 895 (E) dated the 19th November, 2003;
(xvii) GSR 953 (E) dated the 17th December, 2003;
(xviii) GSR 72 (E) dated the 23rd January, 2004;
(xix) GSR 687(E) dated the 21st October, 2004;
(xx) GSR739(E) dated the 9th November,2004;
(xxi) GSR 149(E) dated the 2nd March, 2005;
(xxii) GSR 451(E) dated the 4th July, 2005;
(xxiii) GSR 558 (E) dated the 15th September,2006;
(xxiv) GSR 653(E) dated the 19th October,2006
(xxv) GSR 188(E) dated the 9th March, 2007;

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Appendix

[See rule 20A (2) First Proviso]

Rates for defraying expenditure on internal transport and freight charges including handling and marketing charges for exports of sugar to neighbouring countries, not involving movement by sea or ocean

The payment of expenditure on internal transport and freight charges including handling and marketing charges for exports of sugar to neighbouring countries not involving movement by sea or ocean, shall be calculated in the following manner, namely:-

1. The payment of expenditure on internal transport and freight shall be restricted as under:-

(i) for the distance from sugar factory to the nearest loading railhead the transportation rate as specified in the Sugar (Price Determination for Production) Order of the relevant sugar season;

(ii) for the distance from loading railhead nearest to the sugar factory to the railhead nearest to the custom office at the international border, the railway freight by the shortest route;

(iii) for the distance from railhead nearest to the custom office at the international border, to the custom office at the international border, the transportation rate as specified in the Sugar (Price Determination for Production) Order of the relevant sugar season;

(iv) where a sugar factory has preferred to transport export consignments of sugar by road instead of railway the claim for payment of expenditure on internal transport and freight charges shall be restricted to the total of transportation charges and railway freight charges as specified in items (i) to (iii) or the actual transportation charges by road incurred by the sugar factory whichever is less.

Explanation.- The restriction imposed in the Sugar (Price Determination of Production) Order of any relevant sugar season as regards the transportation charges shall not apply for the purpose of this para and the sugar factory shall get payment for the full distance between the sugar factory and the nearest railhead.

2. Handling and marketing charges shall be restricted to Rs.12.50 per tonne for each operation of loading or unloading required to be undertaken for the exports.

Note . - The amount shall be restricted to rupees 1350 or rupees 1450 per tonne of sugar exported, if the claimant factory is located in a Coastal State or non-Coastal State ,as the case may be.

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Form IX

[See rule 20A (9)]

APPLICATION FORM FOR DEFRAYING EXPENDITURE ON INTERNAL TRANSPORT AND FREIGHT CHARGES INCLUDING OCEAN FREIGHT AND HANDLING AND MARKETING CHARGES ON EXPORT SHIPMENT OF SUGAR.

(To be furnished in duplicate)

1. Details of manufacturer:-

   (a) Name :- Short Plant Name :-

   (b) Plant code number :-

   (c) Complete address :-

   (d) Telephone(s) number, Fax number and e. mail :-

2. Name and address of exporter:-
3. Month for which the claims are made:-
4. Details of export shipment of sugar:-

   (a) *Quantity exported (in tonne)*:-

   (b) Is the export under advance Licence:-

   (c) Country to which exported:-

5. Date of issue of last bank certificate of export and realization for the exports made during the month.
6. Amount of Claim (in Rs.) :-
7. Cane price arrears (for sugar season for which export assistance announced and subsequent season) :-
8. Type of Claim (Tick the type applicable):-

(a) Type I : *Domestically manufactured sugar exported, involving movement by* sea/ocean.

(b) Type II : Domestically manufactured sugar exported, without involving movement by sea/ocean.

(c) Type III : Export of refined sugar, manufactured from raw sugar of another factory involving movement by sea/ocean.

(d) Type IV : Exports of refined sugar, manufactured from raw sugar of another factory without involving movement by sea/ocean.

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9. Details of documents enclosed:-

(i)	Copies of all the applications (certified by central excise authorities) for removal of excisable goods [Form - ARE - I or ARE - 2 and ARE - 3 (in case of export of refined sugar made by the refinery from raw sugar procured from another factory)] related to exports made in the month mentioned at (3) above.	Yes/No
(ii)	In case of export of refined sugar made by the sugar refinery from raw sugar procured from another factory, copy of agreement between the raw sugar manufacturer and the sugar refinery, authenticated by the claimant sugar mill.	Yes/No/NA
(iii)	Certificate of "admittance of proof " of exports indicating actual quantity exported issued by central excise authorities and copies certified by the central excise authorities.	Yes/No
(iv)	Copies of all bank certificate of export and realization for the month mentioned at (3) above, duly certified in original by the issuing bank, clearly indicating the date of issue of bank certificate of export and realization.	Yes/No
(v)	Pre-receipted bill in the prescribed proforma as at Annexure - 1.	Yes/No
(vi)	Reconciliation statement of ARE wise quantity dispatched/exported, date of export and details of bank certificate of export and realization for the exports made during the month, as per proforma at Annexure - 2.	Yes/No
(vii)	Copies of utilisation certificates, which are due in the proforma at Annexure - 3.	Yes/No/NA
(viii)	Affidavit in non-judicial stamp paper of Rs. 50/- (in the proforma at Annexure - 4) that the exports are not under advance license	Yes/No/NA
(ix)	Details of distance and freight in case of exports of sugar to neighbouring countries, not involving movement by sea/ocean in the proforma at Annexure - 5.	Yes/No/NA
(x)	Distance certificates for road and or rail issued by the office of collector or deputy commissioner and office of railway goods clerk respectively in the cases where the exports have not been made through sea or ocean.	Yes/No/NA

Place:- (Name and designation of authorized signatory of the sugar factory)
Date : - (Please indicate the name and affix the seal)

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Annexure - 1

PRE-RECEIPTED BILL FOR INTERNAL TRANSPORT AND FREIGHT CHARGES INCLUDING OCEAN FREIGHT AND HANDLING AND MARKETING CHARGES ON EXPORT SHIPMENT OF SUGAR.

(To be furnished in duplicate)

Name and address of the factory:-

Received a sum of Rs. _____ (Rupees _____

_____ 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 claim for internal transport and freight charges including ocean freight and handling and marketing charges on export shipment of sugar made during the month of _____.
3. I hereby certify that sugar factory did not receive internal transport and freight charges including ocean freight and handling and marketing charges on export shipment of sugar made during the month of _____ from the Central Government prior to submission of this claim.
4. I hereby undertake to refund to the Central Government such amount of claim received by me alongwith interest, as may be required if any information given in the claim above is found to be incorrect at any time.
5. I hereby undertake to refund to the Central Government such amount of claim received by me along with interest, as may be required if the amount which was received for payment of cane price dues have not been utilized for the same or if the provision of these rules are not adhered to.
6. 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 factory.

Place :- (Name and designation of authorized signatory of the sugar factory)
Date:- (Please indicate the name and affix seal & revenue stamp)

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Annexure – 2

Reconciliation statement of application for removal of excisable goods (AREs) wise quantity dispatched/exported and details of bank certificate of export and realization for the exports made in the calender month under consideration.

Month of exports:- _____

Qty exported:- _____ tonne

ARE			Export date	Bank certificate of export and realization No. & date	Issue date of bank certificate of export and realization	Remarks
No.	Date	Quantity (in tonne) dispatched /exported				
Total						

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Place :-
Date:-

(Name and designation of authorized signatory of the sugar factory)
(Please indicate the name and affix seal)

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Annexure – 3

Certificate of utilization of amount paid on account of internal transport and freight charges including ocean freight and handling and marketing charges on export shipment of sugar towards clearance of cane price dues of sugar season

This is to certify that the sugar factory has received internal transport and freight charges including ocean freight and handling and marketing charges amounting to Rs. .... and utilized it for payment of cane price arrears of Rs. ..... within one month of the receipt from the Government.

Or

This is to certify that the sugar factory has received internal transport and freight charges including ocean freight and handling and marketing charges amounting to Rs. ..... and out of which Rs. ..... has been utilized for payment of cane price arrears within one month of the receipt from the Government and the remaining amount of Rs. ....., which was in excess of the cane price arrears against the sugar mill has been utilized for other purposes.

Or

This is to certify that the sugar factory had no cane price arrears on the date of receipt of the payment against internal transport and freight charges including ocean freight and handling and marketing charges amounting to Rs.....

Name and designation of authorized signatory of the sugar factory
(Affix official seal)

Date: _____
Place: _____

Signature :-
Name :-
Designation:-
(Affix official seal)

Date: _____
Place: _____

(To be signed by the District Cane Officer or a Gazetted Officer of the State Government who is responsible for enforcement and supervision of payment of price of sugarcane by the sugar undertaking)

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Annexure – 4

Affidavit

I,_____,Chairman/Managing Director/General Manager of M/s. _____ _____ do hereby solemnly affirm and certify that _____ quantity of sugar exported during the month of _____ pertaining to the following application made for removal of excisable goods (AREs) have not been exported under "Advance Licence Scheme".

ARE Nos. and dates

1.
2.
3.
4.
5.
6.

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Place :- (Name and designation of authorized signatory of the sugar factory)
Date:- (Please indicate the name and affix seal)

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Annexure-5

Details of distance and freight in case of exports of sugar to neighbouring countries by rail or road or by both, not involving movement by sea/ocean. (Not applicable if movement includes by sea/ocean):-

Sl. No.	Quantity Exported (in tonne)	Destination country of export	From	To	Mode (By sea or road)	Distance	Rate	Admissible amount (in rupees)	Remarks
1.									
2.									
3.									
Total									

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Place :-
Date:-

(Name and designation of authorized signatory of the sugar factory)
(Please indicate the name and affix seal)

Printed by the Manager, Govt. of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054.

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