

**THE
LEVY SUGAR SUPPLY (CONTROL) ORDER 1979**

(As amended by GSR 420(E) dated 31-5-1984 and
GSR 135(E) dated 17-2-2000)

GSR 696(E) dated 17-12-1979.—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 Levy Sugar Supply (Control) Order 1979.

(2) It extends to the whole of India.

(3) It shall come into force at once.

2. Powers to issue directions to supply levy sugar.— (1) The Central Government may from time to time by order issue directions to any ²[producer or importer] or recognised dealer to supply levy sugar of such type ³[or grade in such quantities and from such place of manufacture or storage].—

(a) to such persons or organisations in such areas or markets; or

⁴[(b) to such State Government/Union Territory Administration as may be specified in the order.]

Explanation.—“Levy sugar” means the sugar requisitioned by the Central Government under clause (f) of sub-section (2) of Section 3 of the Essential Commodities Act 1955.

⁵[(1-A) The domestic producer shall supply levy sugar at a price not exceeding the price determined under sub-section (3-C) of Section 3 of the Essential Commodities Act 1955 and the importer of sugar shall supply at a price not exceeding the controlled price fixed under clause (b) of sub-section (3) of Section 3 of that Act.]

(2) The Central Government may by notified Order direct that the power to issue any direction under sub-clause (1) shall be exercisable also by any or more of the following officers in the Directorate of Sugar ⁶[Ministry of Consumer Affairs and Public Distribution Department of Sugar and Edible Oils] New Delhi:

1. The Chief Director (Sugar).
2. The Additional Chief Director.
3. A Director.
4. A Deputy Director.

1 Published in the Gazette of India, Extraordinary, 1979, Part II, Sec. 3(i), dated 17-12-1979 at p. 1430.
2 Substituted for the word “producer” by GSR 135(E), dated 17-2-2000, w.e.f. 17-2-2000.
3 Substituted by GSR 420(E), dated 31-5-1984.
4 Item (b) substituted by GSR 135(E), dated 17-2-2000, w.e.f. 17-2-2000.
5 Sub-clause (1-A) inserted by GSR 135(E), dated 17-2-2000, w.e.f. 17-2-2000.
6 Substituted for the words “Ministry of Agriculture and Irrigation, Department of Food” by GSR 135(E), dated 17-2-2000, w.e.f. 17-2-2000.

TO BE PUBLISHED IN THE GAZETTE OF INDIA
PART II, SECTION 3, SUB-SECTION (1) PART

ORDINARY,
DECEMBER, 1969.

Ministry of Food & Civil Supplies
(Department of Food)

New Delhi-110 001, dated the 7th December, 1969.

NOTIFICATION

G.S.R. 435 (B). - In exercise of the powers conferred by sub-section (1) of section 3 of the Sugar Export Promotion Act, 1958 (30 of 1958), and in supersession of the Notification of the Government of India, in the Ministry of Food, Agriculture, Community Development and Cooperation (Department of Food) No. GSA.2779 dated the 18th December, 1969, except as respects things done or omitted to be done before such supersession the Central Government hereby specifies, with immediate effect the State Trading Corporation of India Ltd., New Delhi and the Indian Sugar & General Industry Export Import Corpn. Ltd., New Delhi as export agencies for the purposes of the said Act.

[No. 4-3/80-ES]

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(S. K. Tripathi)
Joint Secretary (Sugar)

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(3) Where any direction is issued to any ⁷[producer or importer] or recognised dealer under sub-clause (1) or (2) for the supply of levy sugar to any State Government that State Government may either arrange to take delivery of the sugar by itself or nominate any person or organisation or authority to take delivery of the sugar.

(4) Any levy sugar taken delivery of under sub-clause (3) may be stored distributed or sold —

- (a) where such sugar has been taken delivery of by the State Government in such manner as the State Government deems fit;
- (b) in any other case in accordance with such directions as may be issued by the State Government or by an officer or authority empowered by the State Government in this behalf.

7 Substituted for the word "producer" by GSR 135(E), dated 17-2-2000, w.e.f. 17-2-2000.

(ii) with reference to any factory for which an agent, by whatever name called, is employed, means the agent if, and insofar as he has been duly authorised by the owner in that behalf and

(iii) with reference to any factory the management of which has been taken over by any person and body of persons under the Industries (Development and Regulation) Act, 1951, means that person or body of persons; 65 of 1951.

(f) "Sugar" means and form of sugar containing more than ninety per cent of sucrose;

(g) "Year" means the year beginning on the first day of May.

3. Export Agency: (1) For the purposes of this Act, the Central Government may, by notification in the official Gazette specify as an export agency and company within the meaning of the Companies Act, 1946, or any body of the persons established or recognised as a body corporate by or under any other law for time being in force. 1 of 1956

(2) where any such company or other body corporate has been specified as an export agency, it shall be lawful for such agency to perform all or any of the functions of an export agency, under this Act, notwithstanding anything to the contrary contained in the memorandum or articles of association of the company or, as the case may be the law applicable thereto.

4. Fixation of quantity of sugar for purpose of export:

(1) The Central Government may by notification in the Official Gazette, fix from time to time the quantity of sugar which may be exported during any period, and, in fixing such quantity the Central Government shall have regard to:

- (a) the quantity of sugar available in India,
- (b) the quantity of sugar which, in its opinion, would be reasonably required for consumption in India.
- (c) the necessity for exporting sugar with a view to earning foreign exchange in the public interest.

(2) The power conferred by sub-section (1) shall be so exercised as to ensure that the quantity fixed under that sub-section for any year does not exceed in the aggregate twenty per cent of the quantity of sugar produced in India in the season ending with the month of October falling within that year.

5. Export quotas for factories: The Central Government shall, by order in writing, apportion the quantity of sugar fixed from time to time for purposes of export, under section 4 among the owners in proportion to the quantity of sugar produced, or likely to be produced, by them respectively during the season referred to in sub-section (2) of section 4 and such order shall be communicated to each of the owners, and the quantity so apportioned shall be deemed to be the export quota for the factory of that owner.

6. Liability of owner to deliver export quota to export agency: (1) Every owner shall on demand by the export agency, deliver to it from time to time sugar produced in his factory in such quantities (not exceeding in the aggregate his export quota fixed for the factory or group of factories as the case may be), of such grade, in such manner, within such time and at such place, as may be specified by the export agency in this behalf.

(2) when sugar has been delivered by an owner in accordance with the provisions of section (1), the owner shall retain no rights in respect of such sugar except his rights to receive payment therefor under section 9.

7. Levy of additional excise duty on sugar: (1) Where sugar delivered falls short of the export quota fixed for it by any power by any quantity (hereafter referred to as the said quantity), there shall be levied and collected on so much of the sugar despatched from the factory for consumption in India as is equal to the said quantity, a duty of excise at the rate of seventeen rupees per maund.

(2) The duty of excise referred to in sub-section (1) shall be in addition to the duty of excise chargeable on sugar under any other law for the time being in force, and shall be paid by the owner to such authority as may be specified in the notice demanding the payment of duty and within such period not exceeding ninety days as may be specified in such notice.

(3) If any such owner does not pay the whole or any part of the duty payable by him within the period referred to in sub-section (2), he shall be liable to pay in respect of every period of thirty days or part thereof during which the default continues a penalty which may extend to ten per cent of the duty outstanding from time to time, the penalty being adjudged in the same manner as the penalty to which a person is liable under the rules made under the Central Excise and Salt Act, 1944, is adjudged.

The provisions of the Central Excise and Salt Act 1944, and the rules made there under, including those relating to refunds and exemption from duty, shall so far as may apply in relation to the levy and collection of the duty of excise or any other sum referred to in this section as they apply in relation to the levy and collection of the duty on sugar or other sums of money payable to the Central Government under that Act, or the rules made thereunder.

8. Sale by export agency of sugar delivered: (1) The export agency shall take all practical measures to export sugar delivered to it under this Act.

Provided that, if the export agency is of opinion that having regard to the quality of the sugar delivered to it by any owner, or to the expenses involved in transporting the sugar from one place to another, or to the delay likely to be involved in exporting it or to the conditions prevailing in the markets for sugar whether in or out of India, or to any other relevant circumstances, it is expedient so to do the export agency may sell the whole or any part of sugar in India and may, if it thinks fit, purchase such quantity of sugar as it may consider necessary for export at the appropriate time.

(2) For the purpose of sub-section (1), the export agency may itself sell sugar or permit the owner to sell the whole or any part of the export quota in his custody at a price approved by it on condition that the sale proceeds are payable to it.

9. Payable to owners in respect of sugar delivered:.

(1) The export agency shall, at such time as it thinks fit, make to the owners who have delivered sugar to under this Act, payments determined in accordance with the provisions hereinafter in this section contained.

(2) From the total sale proceeds in respects of the quantity fixed for export under section 4 for any year, there shall be deducted the total expenditure incurred by the export agency in respect of sugar, whether by way of administrative expenses or otherwise and the balance shall be apportioned among the owners in proportion to the quantity of sugar delivered by them respectively during that year.

(3) In making any distribution under this section, the export agency shall make such adjustments as may be necessary having regard to the grade of sugar delivered by any owner, the adjustments being made on the basis of sugar of IS-5-29 grade and with reference to the price differential schedule for different grades of sugar which the Central Government may, by notification in the Official Gazette, publish in this behalf.

(4) Notwithstanding anything contained in this section and subject to the rules which may be made in this behalf, the export agency may make on account payments to owners against documents of delivery of sugar furnished by them, and such payments shall be adjusted at the time of final payment.

10. Power of Central Government to give directions: The export agency specified under section 3 shall be bound, in the discharge of its functions under this Act by such general or special directions, as the Central Government may give to it in writing.

11. Delegation of Powers: The Central Government may, by notification in the Official Gazette direct, that any power conferred on it by this Act, shall, subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to the Central Government as may be specified in the notification.

12. Protection of action taken under Act: No suit, prosecution or other legal proceeding shall lie against the export agency or the Central Government or any of its officer for or in respect of anything which is in good faith done or intended to be done in pursuance of this Act, or any other rule or order made thereunder.

13. Power to make rules: (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of the Act.

(2) In particular, and without prejudice to the generality, of the foregoing power such rules may provide for all or any of the following matters, namely:

- (a) the submission by owners to such authority as may be specified in this behalf of returns or reports or other information relation to the manufacture, sales, despatch, stocks and prices of sugar.
- (b) the manner in which the accounts of the export agency may be mentioned and audited:
- (c) the inspection of records and registers of factories and the export agency:
- (d) the making of payments by the export agency to owners:
- (e) any other matter which is to be or may be prescribed under this Act.

(3) In making a rule under this section, the Central Government may direct that breach thereof shall be punishable with fine which may extend to five thousand rupees.

(4) All rules made under this Act shall be laid for not less than thirty day before each House of Parliament as soon as may be after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

14. Repeal and Saving, 5 of 1958: (1) The Sugar Export Promotion Ordinance, 1958, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 27th of June, 1958.

Sd/-
(G.R. RAJAGOPAL)
Secretary to the Govt. of India.