

অসম চৰকাৰ



GOVERNMENT OF ASSAM

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## The Sugar Policy Assam, 2017





## 1.0 Objectives:

The basic objective of the Policy is to initiate Sugarcane cultivation in the State as well as to assist the new cogeneration Sugar Mills which are to be set up in the State. The Government of Assam is committed to generate more and more rural employment through cultivation of Sugarcane as well as setting up of new cogeneration Sugar Mills. Setting up of new Sugar Mills will also help the State to generate additional power. This Policy shall remain in force and will be applicable to sugar factories which commence production between 01/01/2018 and 31/12/2022 and the State Government proposes to provide some incentives for the benefit of farmers and Sugar Mills in the State through the Policy.

To achieve the objectives of the Policy, the Government of Assam proposes to take up the following activities, viz:

### A. In Farming Sector

The Agriculture Department will create a Sugarcane Development Agency (SDA). The SDA shall consist of a representative from the Industries & Commerce Department apart from officers of Agriculture Department. The SDA shall take up the following activities, viz:

- (1) A detailed survey of Sugarcane growing areas, assessment of soil and climatic conditions, procurement of appropriate quality of planting materials, arrangement of customized fertilizers and pesticides, assessment of the requirement of water through various modes of irrigation system, measures for pre-and post harvest management, transportation of materials, setting up of multi locational field testing laboratory, etc.
- (2) Establishment of technical linkages (i.e. tie-up) with the Assam Agriculture University, Sugar Research Stations, Indian Institute of Sugarcane Research (IISR), Lucknow, etc for development of high yield varieties of Sugarcane with high recovery, etc.
- (3) Establishment of commercial linkages (i.e. tie-up) up with the manufacturers and service providers of customized fertilizers for the farmers, etc.
- (4) Assessment of cost of production of Sugarcane, etc

- (5) Conduct of massive awareness programmes in the State, engagement of Farmers Producers Organizations (FPO), creation of SHGs for Sugarcane cultivation, etc.
- (6) Training of farmers on modern technology of farming, use of fertilizers and pesticides, modern tool for harvesting, uses of IT tools, accounting, etc.
- (7) Exploration of the possibilities of providing assistance to the farmers through various schemes under implementation through the State/Central Government departments for development of Sugarcane Cultivation in the State.
- (8) Preparation of scheme to provide financial assistance to the farmers for Sugarcane cultivation, etc.



## **B. In Milling Sector:**

A Separate Cell shall be created under the Industries & Commerce Department to promote Sugar Industries in the State. This cell shall take up the following activities, viz:

- (1) Identification of suitable land for the new Sugar Mills in a location where the sugarcane is available sufficiently to feed up a mill not below 2500 metric tons crushing capacity per day.
- (2) Arrangement of Investors' Meet to invest in Sugar Mills in the State.
- (3) Continuous interaction with the Sugar Development Agency (SDA) for feedback on various programmes, issues, etc.
- (4) Exploration of all the possibilities to assist the Mills through various ongoing schemes of Central/State Government.
- (5) Provision of handholding support to set up the Mills within a specific time frame.
- (6) Provision of assistance to get various clearances, NOCs, permissions, power sanction, as the case may be, in time.
- (7) Establishment of commercial linkages (i.e. tie-up) with major users of Sugar, e.g. Coca Cola, Pepsi, ITC, Britannia, etc for procurement of sugar as well as for helping the Farmers through their CSR funds.

## **3.0 Minimum Support Price :**

The State Government shall follow the 'Fair and Remunerative Price (FRP)' declared by Government of India. The State Government also assures that it will not declare the price of sugarcane above FRP declared by Government of India up to 31/12/2032.

## **4.0 Purchase of Sugarcane in Reserved Area:**

1. The State Government shall declare a catchment or reserve area of 30 Kms radial distance for each mill, for the procurement of sugarcane by the mills set up in Assam. The sugar mill has to procure all the produce of farmers within its catchment/reserved area.

2. A sugarcane-grower in reserved area may sell sugarcane grown to the occupier of the factory to which the area is so reserved.

3. No other sugar factory other than the factory aforementioned shall purchase or enter into an agreement to purchase sugarcane grown by the sugarcane grower in the reserved area.

#### 5.0 Incentives:

Following are the incentives propose to be provided, under the Policy :

1. For development of Sugarcane Cultivation in the State, a Corpus Fund of 50 crore shall be created under Sugarcane Development Agency (SDA) of the State; and all issues relating to sugarcane cultivation shall be looked after through this fund. Separate workable guidelines shall be issued for efficient use of the fund for production of Sugarcane to reach the National Average Production per hectare.

2. Following are the incentives proposed for the Sugar Mills :

(1) Reimbursement of interest on term loan obtained from the Nationalized Banks/ Financial Institutions under Government / Sugar Development Fund, as the case may be, for a period of 5 years subject to the following:

(i) upto 100 Crores: @2% subject to a maximum of 1.5 Crore per annum

(ii) above 100 to 300 Crore: @2% subject to a maximum of 5 Crore per annum

(2) Reimbursement of 100% SGST, subject to a ceiling of 100 % of Fixed Capital Investment (from date of commencement of production) for a period of 15 (fifteen) years as per policy. Finance Department shall issue separate notification for this purpose.

(3) 100% Exemption on Stamp Duty on purchase of land and execution of lease agreement, as applicable.

(4) Reimbursement of @2% of contribution made towards Employee Provident Fund scheme for a period of 10 (ten) years from the date of commencement of production.

(5) One time incentive of 50 lacs for setting up a Tissue Culture laboratory.

All these incentives are subject to the fulfillment of obligation by the Sugar Mills like non-diversion of the loan amount, non-use of the land for any other purpose, running of the Mills in optimum capacity, the employment should be as per Industrial and Investment Policy of Assam 2014.



### Payment to Sugarcane Growers :

1. As soon as sugarcane is supplied to a factory, the factory proprietor shall be liable to pay the price of sugarcane supplied within fourteen days to the sugarcane growers.
2. Payment shall be made on the basis of the recorded weight of the sugarcane at the factory. The price of the sugarcane to be payable shall be calculated to the nearest rupee.
3. If a proprietor of a factory fails to make for all payments due for the sugarcane purchased, he shall be liable to make such payments with interest on the amount due at the rate of 15 per cent per annum for the period of such delay beyond 14 days.

### 7.0 Implementation and Monitoring :

All the incentives under this policy can be claimed only after observing all formalities and documents as prescribed by the Government from time to time.

There shall be an Apex Committee under the Chairmanship of Chief Minister of Assam to monitor all activities under Sugar Policy of Assam.

#### A. Apex Committee

1	Chief Minister of Assam	Chairman
2	Minister of Industries & Commerce, Assam	Vice Chairman
3	Minister of Agriculture , Assam	Member
4	Minister of Finance , Assam	Member
5	Minister of Power, Assam	Member
6	Minister of Excise, Assam	Member
7	Minister of Forest & Environment, Assam	Member
8	Chief Secretary , Assam	Member
9	Sr. Most Secretary, Agriculture Department	Member
10	Sr. Most Secretary, Finance Department	Member
11	Sr. Most Secretary, Planning & Development Department	Member
12	Sr. Most Secretary, Revenue and DM Department	Member
13	Sr. Most Secretary, Power Department	Member
14	Sr. Most Secretary, Excise Department	Member
15	Sr. Most Secretary, Environment & Forest Department	Member
16	Sr. Most Secretary , Industries & Commerce Department	Member Secretary



Terms of Reference of the Committee:

1	The Committee shall review the progress made for Sugarcane cultivation and setting up of Mills in the state.
2	The Committee may review the implementation of the Policy in the State and also suggest any remedial measures for effective implementation of the Policy. The Committee may also take up any other issues for further development of cultivation of Sugarcane, setting up of Mills, expansion of existing mills, as the case may be.
3	The Committee shall meet as and when necessary.
4	The Chairman of the Committee may co-opt any expert/s, officer/s for specific proposals.

There shall be a committee under Chief Secretary, to approve the incentives under the Policy

B. State Level Committee to consider incentives for Sugar Mills:

1	Chief Secretary	Chairman
2	Sr. most Secretary of Industries & Commerce Department, Assam	Vice-Chairman
3	Sr. most Secretary to the Government of Assam, Revenue Department or his Nominee	Member
4	Sr. most Secretary to the Government of Assam, Finance Department or his nominee	Member
5	Sr. most Secretary to the Government of Assam, Agriculture Department or his nominee	Member
6	Sr. most Secretary to the Government of Assam, Power Department or his nominee	Member
7	Sr. most Secretary to the Government of Assam, Excise Department or his nominee	Member
8	Commissioner of Excise, Assam	Member
9	Commissioner of Taxes, Government of Assam	Member
10	Managing Director, APDCL or his nominee	Member
11	Managing Director, APGCL or his nominee	Member
12	Director of Employment & Craftsmen Training, Assam	Member
13	Member Secretary, Pollution Control Board	Member
14	Commissioner of Industries & Commerce, Assam	Member Secretary

### Terms of Reference of the Committee:

1	The Committee shall scrutinize the application/s and to approve the deserving proposals for all incentives under the policy, as applicable.
2	The Committee shall review the policy and its implementation and to suggest measures by way of amendment of any para/clause, as the case may be, to Government from time to time.
3	The Committee shall meet as and when necessary.
4	The Chairman of the Committee may co-opt any expert/s, Officer for specific proposals.
5	At least five members including Chairman, Member Secretary and Commissioner of Taxes shall be necessary for the Quorum of any sitting of the Committee.

### 8.0 Interpretation:

The decision of the State Government in regards to interpretation of any clause of the policy shall be final and binding.

### 9.0 Rights of the State Government:

i The State Government reserves the right to amend any provision(s) including amendment or withdraw any of the incentives/ subsidies as and when necessary in the interest of the general people of the State from time to time.

ii The State Government reserves the right to review the matter regarding sanction/ disbursement of subsidies/ incentives to the eligible industrial unit(s) and in this connection, the State Government's decision shall be final and binding.

iii. The State Government reserves the right to make/ amend the necessary rules for implementation of this policy as and when required.

### 10.0 Guidelines for Implementation:

A set of guidelines including application forms and procedures for getting various incentives will be issued separately.

The guidelines will include definite time frame for sanction and disbursement of the declared incentives and subsidies to avoid inordinate delay and lay the mechanism to recover any subsidy and incentives, if drawn irregularly or fraudulently.





**Industries and Commerce Department**

Block- D, Assam Secretariat, Dispur, Guwahati- 6

Phone- 0361-2237239/ 40

E-mail- [assamindustries2016@gmail.com](mailto:assamindustries2016@gmail.com)