

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

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**RAJYA SABHA**

**UNSTARRED QUESTION NO. 3596**

**TO BE ANSWERED ON TUESDAY THE 27<sup>TH</sup> MARCH , 2018**  
**CHAITRA 6, 1940 (SAKA)**

**PAYMENT OF ARREARS OF SUGARCANE GROWERS**

**3596. DR. T. SUBBARAMI REDDY:**

Will the Minister of FINANCE be pleased to state:

- (a) whether there is any proposal to levy sugar cess to create fund for bridging a gap between sugarcane prices fixed by Government and the price mills can pay;
- (b) if so, the details thereof;
- (c) whether any other via media is proposed to pay the arrears of sugarcane growers in the country; and
- (d) the measures suggested to protect the interests of sugarcane mills, which are in a bad shape, in view of surplus production and whether they include the need to abolish 20% export duty, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SHIV PRATAP SHUKLA)**

**(a) and (b) :** The Central Government through Taxation Laws Amendment Act, 2017 had abolished various cesses including sugar cess which was collected under the provisions of the Sugar Cess Act, 1982. Department of Food and Public Distribution has requested that additional cess of aver and above 5% GST on sugar may be levied for a separate fund for welfare of sugar industry and sugarcane growers. However, as per Article 279 A (4) of the amended Constitution, any cess or tax can be levied on the recommendation of the Goods and Services Tax Council.

**(c) :** In the last four years the Government with a view to clear cane price arrears of farmers has provided incentive on raw sugar export, extended financial assistance to sugar mills through soft loan scheme, facilitated sugar mills for supply of ethanol under Ethanol Blending Programme (EBP) and provided performance based production subsidy @ Rs. 4.5 per quintal of cane crushed to improve the liquidity position of sugar mills.

**(d) :** With a view to stabilise sugar prices at reasonable level and to improve liquidity of sugar mills the Government has imposed stock limits on sugar mills, increased duty on import of sugar from 50% to 100% and reduced export duty on raw sugar, white or refined sugar from 20% to Nil.

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