

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5234
ANSWERED ON:29.04.2005
CUSTOMS DUTY ON SUGAR
Geete Shri Anant Gangaram

Will the Minister of FINANCE be pleased to state:

- (a) whether around 6.77 lac metric tons of raw sugar was imported by various companies during 2002-03 and 2003-04 under the Advance Licensing Scheme subject to fulfilling export obligation within the stipulated period;
- (b) if so, whether these companies have met export obligation;
- (c) whether the period of export obligation was varied by Government from 18 months to 24 months and then 36 months;
- (d) if so, reasons therefor;
- (e) whether Government had allowed permission for sale of processed sugar in the domestic market during the period of extension, and if so customs duties levied if any;
- (f) whether there have been breach of export obligation by these companies by diverting processed sugar for sale in domestic market; and
- (g) if so, the loss of revenue to the exchequer in respect of non payment of customs duty normally payable on the corresponding raw sugar imported by them?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

- (a): 2.66 lac metric tones of raw sugar was imported by various companies during 2002-03 and 2003-04 under the Advance Licensing Scheme.
- (b): Some of the companies have fulfilled the export obligation and others have sought extension of time limit for fulfilling the same.
- (c) & (d) :The period of export obligation has been changed by the Government from 18 months to 24 months as a conscious policy decision.
- (e) & (f): In order to augment the supply of sugar in the country the Government has taken a decision in public interest to permit sale of processed sugar in the domestic market. There is no breach of export obligation in such cases because, the Advance License holder will have to fulfil the export obligation within the specified period.
- (g): Does not arise in view of (f) above.