

# **SUGAR INDUSTRY EFFICIENCY**

Act 36 of 1988 – 10 December 1988

## **ARRANGEMENT OF SECTIONS**

### **PART I – PRELIMINARY**

- 1 Short title
- 2 Interpretation

### **PART II – MILLERS AND PLANTERS**

- 3 Incentives to planters and millers

3A –

### **PART III**

4 –

### **PART IV – LAND**

- 5 Land conversion

5A Lease of land to metayers for the production of sugar cane

### **PART V – DIVERSIFICATION**

5B Modernisation and agricultural diversification reserve

- 5C Promotion of agricultural diversification

- 5D Annual returns

- 5E The Sugar Investment Trust

5F –

- 5G Interpretation of Part V

### **PART VI – MISCELLANEOUS**

6 –

- 7 Offence

- 8 Regulations

9-10 –

FIRST SCHEDULE

SECOND SCHEDULE

THIRD SCHEDULE

FOURTH SCHEDULE

FIFTH SCHEDULE

SIXTH SCHEDULE

SEVENTH SCHEDULE

EIGHTH SCHEDULE

NINTH SCHEDULE

## PART I – PRELIMINARY

### 1 Short title

This Act may be cited as the Sugar Industry Efficiency Act.

### 2 Interpretation

In this Act –

“Authority” has the meaning assigned to it in the Mauritius Sugar Authority Act;

“miller” means a person or a group of persons operating a factory, and includes a person acting as manager for that person or group of persons;

“Minister” means the Minister to whom responsibility for the subject of agriculture is assigned;

“planter” means a person or a group of persons growing canes in one or more factory areas, and includes a person acting as manager for that person or group of persons;

“Registrar-General” has the meaning assigned to it in the Registrar-General Act;

“specialised financial return” means the specialised financial return issued by the Authority in accordance with its Accounting Systems and Standardisation Manual;

“Sugar Insurance Fund Board” has the meaning assigned to it in the Sugar Insurance Fund Act;

“Syndicate” has the same meaning as in the Sugar Insurance Fund Act;

“Trust” means the Sugar Investment Trust established under section 5E.

[Amended 25/94; 13/96]

## PART II – MILLERS AND PLANTERS

### 3 Incentives to planters and millers

(1) –

(2) (a) –

(b) (i) Notwithstanding any other enactment, accruals to planters for bagasse used for purposes other than the manufacture of sugar provided for by section 31(3) and (4) of the Cane Planters and Millers Arbitration and Control Board Act shall be credited to a Bagasse Transfer Price Fund and distributed to planters, millers and power suppliers in the manner specified in the Second Schedule.

(ii) The planters referred to in the Cane Planters and Millers Arbitration and Control Board Act shall, for the purpose of distribution of the accruals out of the Bagasse Transfer Price Fund, be divided into –

(A) a first group consisting of every planter who is also the miller or who, directly or indirectly, controls, or is controlled by, the miller; and

(B) a second group consisting of all other planters.

(iii) No distribution out of the Bagasse Transfer Price Fund shall be effected to intermittent electrical power suppliers after 31 December 1996.

(c) For the purposes of this subsection –

“factory”, “factory area” and “force majeure” have the same meaning as in the Cane Planters and Millers Arbitration and Control Board Act;

“firm power supplier” means a miller, or a power station located in a sugar factory operated by the miller, or a power company which has a firm power supply contract with the Central Electricity Board;

“intermittent electrical power supplier” means a miller which sells intermittent electrical power to the Central Electricity Board.

(3)-(8) –

(9) (a) Subsections (1) and (2) shall apply in respect of the 1989 and subsequent crops.

(b) –

(c) –

[Amended 44/88; 1/93; 25/94]

3A –

### PART III

4 –

### PART IV – LAND

#### 5 Land conversion

(1) Notwithstanding any other enactment, but subject to this section, no agricultural land shall be put to a non-agricultural use except –

- (a) where the prescribed conditions are satisfied;
- (b) with the prior written authority of the Minister; and
- (c) upon payment to the Registrar-General of the land conversion tax specified in the Sixth Schedule.

(2) Subsection (1) shall apply to any land, whether forming part of a larger plot of land or not, which –

- (a) is under cultivation on 10 December 1988;
- (b) is brought under cultivation subsequently; or
- (c) has been under cultivation for a period of 2 crop years, continuously or periodically, during the period of 10 years immediately preceding 10 December; or
- (d) is in an irrigation area.

(3) Subsection (2) shall not apply to –

- (a) land specified in paragraph (c) of that subsection which is shown to the satisfaction of the Minister to have been put to non-agricultural use before 10 December 1988;
- (b) any other land which is put to non-agricultural use with the authorisation of the Minister; or
- (c) land described in subsection (7)(e).

(4) (a) Every person, who intends to put any agricultural land owned by him to a non-agricultural use, shall apply in writing to the Minister, in a form approved by the Minister, for authority to do so, and shall supply such information as the Minister may require to enable him to determine the application.

(b) An application under paragraph (a) may be made by the owner of the land jointly with any other person, where it is proved to the satisfaction of the Minister that the owner cannot alone comply with the undertakings specified in subsection (7)(c), (d) or (f), as the case may be, and that those undertakings will be given and complied with jointly and severally by the owner and that other person.

(5) In determining an application under subsection (4) the Minister shall have regard, inter alia, to the necessity of –

- (i) ensuring that the level of production of sugar is sufficient to meet all the commitments of Mauritius;
- (ii) preserving agricultural land;
- (iii) optimising agricultural production;
- (iv) preventing speculation in agricultural land; and
- (v) respecting outline schemes and planning and development directives.

(6) (a) There is established, for the purposes of advising the Minister on an application under subsection (4), a committee to be known as the Land Conversion Committee.

- (b) The committee shall consist of –
    - (i) a Chairman who shall be the representative of the Ministry responsible for the subject of agriculture designated by the Minister;
    - (ii) a representative of the Ministry responsible for the subject of finance, designated by the Minister of Finance; and
    - (iii) not more than 5 other persons appointed by the Minister, being persons who have, in his opinion, adequate knowledge of land, agriculture, irrigation or land planning and development.
  - (c) The committee shall –
    - (i) meet at least once every month;
    - (ii) regulate its meetings and proceedings in such manner as it thinks fit; and
    - (iii) tender its advice on an application under subsection (4) within 3 months of the effective date of receipt of the application.
  - (d) 4 members including the Chairman shall constitute a quorum of the committee.
  - (e) Where a member of the committee has any interest, direct or indirect, in a matter before the committee, he shall, as soon as is reasonably practicable, disclose to the committee the nature of his interest, and, except with the consent of a majority of the remaining members, not take part in the deliberations of the committee relating to that matter.
- (7) No land conversion tax shall be payable where an application is granted –
- (a) for the purpose of –
    - (i) an approved housing scheme in favour of workers employed by an employer who owns a sugar factory or more than 42.2088 hectares (100 arpents) of agricultural land under sugar cane cultivation;
    - (ii) the setting up of an agro-based industry approved by the Minister;
    - (iii) an approved housing scheme operated by the National Housing Development Company;
    - (iv) putting up, for the applicant's own occupation, a residential building on a plot of land of an extent not exceeding 450 square metres;
    - (v) the relocation, expansion or setting up of an industrial enterprise, approved by the relevant Ministry;
    - (vi) a housing project developed by a holder of a housing development certificate issued by the Minister to whom responsibility for the subject of finance is assigned;
    - (vii) the construction of buildings for the provision of secondary or tertiary education, as may be approved by the Minister to whom responsibility for the subject of education is assigned, or by the Tertiary Education Commission established under the Tertiary Education Commission Act, as the case may be;
    - (viii) the setting up of a health institution by a holder of a health development certificate under the Health Development Certificate Act; or
    - (ix) the construction of industrial estates and business parks approved by the relevant Ministry;
  - (b) where the Minister is satisfied that the conversion is for the benefit of the community and the application is not in respect of a profit-making venture;
  - (c) where the applicant undertakes –
    - (i) to sell, within a period of one year after the application is granted, such percentage of the total area of agricultural land to be converted as may be determined by the committee, to specified workers of the sugar industry, at such concessionary or nominal rates as may be determined by the committee, and ploughs back at least 50 per cent of the proceeds arising from the conversion to sugar production or diversification within sugar; or
    - (ii) to use the proceeds arising from the conversion for any expenditure effected in relation to a factory closure –

- (A) in compliance with the conditions imposed under section 24 of the Cane Planters and Millers Arbitration and Control Board Act; or
- (B) for the upgrading or modernising the factory or factories receiving canes in the context of such closure, and undertakes, in respect of subparagraph (i) or (ii), through cane cultivation or milling, as the case may be, to have a sugar production which is at least equivalent to the production of sugar foregone through the conversion;
- (d) where evidence submitted by the applicant shows that the proceeds of the conversion do not exceed 40 per cent of any capital expenditure incurred for –
  - (i) the establishment of a power station with a rated capacity of more than 15 megawatts, using bagasse or other complementary combustibles for the supply of firm electrical power; or
  - (ii) any investment scheme to which either paragraph 3 or 5 or both paragraphs 3 and 5 of the Fifth Schedule apply;
- (e) in respect of land which –
  - (i) was not under cultivation at any time before 1 July 1997;
  - (ii) is put under cultivation as from 1 July 1997;
  - (iii) remains under cultivation on a continuous basis for a period of not less than 8 years; and
  - (iv) is not the subject of an application for conversion within years 10 from the time it is put under cultivation;
- (f) in respect of land, not being land within an irrigation area, where, subject to subsection (8), the applicant, other than an applicant referred to in paragraph (g), undertakes –
  - (i) to sell to the Government at nominal rates, within a period of 6 months after the application is granted, 25 per cent of the agricultural land to be converted;
  - (ii) to plough back at least 60 per cent of the proceeds arising from the conversion, of which at least half to sugar production, or diversification within sugar in Mauritius, in the schemes specified in the Fifth Schedule, and the remainder to any other economic activity in Mauritius; or
- (g) where the applicant, other than an applicant referred to in paragraph (f), being a planter registered with the Sugar Insurance Fund Board as at 31 May 1999, undertakes to convert land, not being land within an irrigation area, of an extent not exceeding 0,4221 hectare in not more than one single plot;

(8) The total acreage of land to which subsection (7)(f) applies shall not in the aggregate exceed 844.18 hectares.

(8A) No application under subsection (4) in respect of land conversion governed by subsection (7)(f) shall be entertained after 31 July 2003.

(9) Where any amount of land conversion tax under this section has not been paid, the Registrar-General shall recover the amount unpaid in the same manner as any duty or tax is recoverable under section 42 of the Land (Duties and Taxes) Act.

(10) The Authority shall monitor the compliance by an applicant with conditions specified in subsections (7) and (8) and in Parts III and IV of the Sixth Schedule.

(10A) Where the Minister is satisfied that, as a result of cyclones, floods, fire, serious threats of pollution or other grave and exceptional circumstances, the conversion is necessary for the relocation of an enterprise affected, he may, with the concurrence of the Minister to whom responsibility for the subject of finance is assigned, remit the land conversion tax payable under this section on such terms and conditions as he thinks fit.

(11) For the purposes of this section –

“agricultural land” means land which is or has been, as the case may be, under cultivation, and includes land within an irrigation area;

“committee” means the committee established under subsection (6);

“cultivation” includes the cultivation of sugarcane, tea, tobacco, vegetables, fruits or flowers;

“diversification within sugar” means the use of bagasse for electricity generation or the desugarisation of molasses, the production of special sugars, the conversion of molasses to chemical products and the cultivation of crops other than sugar cane in cane interlines and in rotational land as defined in section 5C(4);

“effective date”, in relation to subsection (6)(c)(iii), means the date on which all the information, particulars and documents specified in the form of application are submitted;

“expenditure”, in relation to a factory closure, includes infrastructural costs in relation to the land being offered to employees, the cash compensation paid to employees, contributions to such funds as may be established under section 16 of the Mauritius Sugar Authority Act and costs for the upgrading or modernising of a factory or factories receiving canes in the context of a factory closure;

“land within an irrigation area” means land in an area declared as an irrigation area under section 14 of the Irrigation Authority Act;

“power station” includes –

- (a) steam generating units or boilers, complete with all ancillary equipment such as heat recovery equipment, including economizers, draught fans and drive, air ducts, feed-water treatment, storage and pumping stations and instrumentation, and grate bagasse feeders;
- (b) condensing pass out turbo-generators, steam turbine drive condensers, turbine instruments and control, speed reducers, couplings, generators, generator control equipment, motor control centres and accessories;

“proceeds” means the value, as determined by the Government Valuer, less the costs of infrastructural works, acquisition of land and the taxes paid, as submitted by the applicant or determined by the Government Valuer, whichever is the lower;

“specified worker” means a worker who is covered by –

- (a) the Sugar Industry (Agricultural Workers) (Remuneration Order) Regulations 1983; or
- (b) the Sugar Industry (Non-Agricultural Workers) (Remuneration Order) Regulations 1985.

[Amended 22/89; 1/93; 25/94; 17/95; 13/96; 13/97; 18/99; 25/00]

## **5A Lease of land to metayers for the production of sugar cane**

(1) Subject to subsections (2), (5), (6) and (7), where a metayer’s contract expires, and the metayer is willing to renew the contract, the planter shall renew it for a period which shall not be less than the period of the expired contract.

(2) No lease shall be renewed unless –

- (a) the sugar cane yield exceeds a limit to be fixed by the Authority, regard being had to agroclimatic and soil factors in the area where such land is situated, and after consultations between the planter and the metayer; and
- (b) the metayer has, during the relevant lease period, cultivated the land and sent canes for milling for at least six consecutive years.

(3) Where a lease is not renewed under subsection (2), the planter shall, after consultation with the Authority, lease the land to another person.

(4) Where the metayer has not cultivated the land, and has not sent canes for milling for 4 consecutive years under his contract of ‘metayage’, the contract shall lapse without any compensation being payable to the metayer, and the land subject matter of the ‘metayage’ shall be offered by the planter to another person, after consultation with the Authority.

(5) (a) The metayer may, in respect of an existing contract, designate in writing, and with the written authorisation of the Authority and the planter, a person to whom the lease may be transferred in case he –

- (i) is no longer able to cultivate land under 'metayage' for the production of sugar cane during the lease period defined in the metayer's contract;
- (ii) is not willing to renew the metayer's contract at its expiry; or
- (iii) passes away at any time during the lease period.

(b) The metayer may, with the written authorisation of the Authority and the planter, vary the name of the person specified in paragraph (a).

(6) Where the metayer has not designated any person under subsection (5), the planter shall, after consultation with the Authority, lease the land to another person, subject to any residual investment costs being reimbursed by that person to the metayer or to his heirs, as the case may be.

(7) The planter may, for the production of sugar cane and subject to the authorisation of the Authority, recover land under 'metayage' on condition that –

- (a) alternative and equivalent land is offered to the metayer; and
- (b) any residual cost incurred by the metayer, as supported by documentary evidence, is refunded to the metayer.

(8) Where the land under 'metayage' for the production of sugar cane is not taken by any other metayer, it shall not be put to any use other than the production of sugar cane, without the written authorisation of the Minister.

(9) The Minister may, when considering whether to grant an authority under subsection (8), seek the advice of a committee appointed by the Minister in the manner set out in section 5.

(10) Any person who contravenes this section shall commit an offence and shall, on conviction, be liable to a fine not exceeding 50,000 rupees.

(11) For the purposes of this section –

"land under metayage for the production of sugar cane" means land referred to in paragraphs (iv) and (v) of item X.5 of Part III of the First Schedule to the Customs Tariff Act;

"metayer", subject to section 5C, has the meaning assigned to it in the Sugar Insurance Fund Act;

"person" does not include a person who is –

- (a) a body corporate which, directly or indirectly, controls, or is controlled by, the miller or a lessor of land; and
- (b) a shareholder of the planter;

"six consecutive years" appearing in subsection (2) includes any year where the cane production on the land under 'metayage' has been totally destroyed by any of the events referred to in section 25 or Part VI of the Sugar Insurance Fund Act.

[Amended 1/93; 13/97]

## **PART V – DIVERSIFICATION**

### **5B Modernisation and Agricultural Diversification Reserve**

(1) The producers shall establish, as from the 1994 crop year, a Modernisation and Agricultural Diversification Reserve.

(2) The producers shall credit every year, in respect of each of the 1994 to the 2003 crop years, an aggregate amount of 175 million rupees to the Modernisation and Agricultural Diversification Reserve.

(3) A minimum of 10 per cent of the Modernisation and Agricultural Diversification Reserve shall be used for agricultural diversification.

(4) The Modernisation and Agricultural Diversification Reserve shall be deemed not to be a revenue reserve.

(5) For the purposes of this section –

“agricultural diversification” has the meaning specified in the Fourth Schedule;

“modernisation” has the meaning specified in the Fifth Schedule;

“revenue reserve” has the same meaning as in the Companies Act.

[Added 25/94]

### **5C Promotion of agricultural diversification**

(1) The producers, wherever applicable, shall, by 31 December 1995, have an aggregate area of not less than 425 hectares (1000 arpents) under permanent gardens.

(2) The producers, wherever applicable, shall, by 31 December 1995, have an aggregate area of not less than 510 hectares (1200 arpents) under orchards bearing specified fruits.

(3) (a) The producers, wherever applicable, shall rent out to growers not less than 50 per cent of the aggregate area of land used for the cultivation in interline and rotational land of crops other than sugar cane.

(b) The aggregate area of land used shall not be less than the area used in the year 1993.

(c) The extent of land used and rented out shall be determined in accordance with the Third Schedule.

(4) For purposes of this section –

“grower”

(a) includes a member of a cooperative society, a member of a young farmers’ club or a metayer other than a metayer specified in section 2 of the Sugar Insurance Fund Act;

(b) does not include a body corporate which, directly or indirectly controls, or is controlled by, the miller or the lessor of the land;

“permanent garden” has the meaning specified in the Seventh Schedule;

“rotational land” means sugar cane land between two sugar cane cycles, where the period of time between the end of one cycle and the beginning of the other does not exceed three years;

“specified fruit” has the meaning specified in the Eighth Schedule.

[Added 25/94]

### **5D Annual returns**

The producers shall submit in every crop year, on or before 31 May –

(a) an audited certificate to the Authority in respect of the Modernisation and Agricultural Diversification Reserve; and

(b) a duly audited specialised financial return as may be required by the Mauritius Sugar Authority.

[Added 25/94]

### **5E The Sugar Investment Trust**

(1) There is established for the purposes of this Act a Sugar Investment Trust which shall be a body corporate.

(2) The object of the Trust shall be to invest in sugar milling companies and in such other undertakings as may be prescribed.

(3) (a) The Trust shall be administered by a Board of Directors consisting of 9 persons of whom –

(i) 2 shall be elected by planters who are Delegates elected under subsection (5)(a);

- (ii) one shall be elected by planters who are Delegates elected under subsection (5)(b);
- (iii) one shall be elected by employees who are Delegates elected under subsection (5)(c);
- (iv) one shall be elected by employees who are Delegates elected under subsection (5)(d);
- (v) one shall be elected by employees who are Delegates elected under subsection (5)(e); and
- (vi) 3 shall be appointed by the Minister from persons who have wide experience in administrative, economic, financial or commercial matters, or in matters relating to the sugar industry.

(b) The Minister may prescribe the manner in which the Directors shall be elected under this subsection.

(4) The Assembly of Delegates shall consist of 6 representatives from each factory area elected by the shareholders of the Trust in such manner as may be prescribed.

(5) The 6 representatives referred in subsection (4) shall be shareholders of the Trust and shall consist of –

- (a) 2 representatives elected by planters cultivating less than 5 hectares of land;
- (b) one representative elected by planters cultivating 5 hectares or more;
- (c) one representative elected by employees as defined in Part I(a)(i), (iii) and (iv) of the First Schedule;
- (d) one representative elected by employees as defined in Part I(a)(ii) of the First Schedule; and
- (e) one representative elected by employees as defined in Part I(a)(v) of the First Schedule.

(6) The Directors and Delegates shall hold office on such terms and conditions as may be prescribed.

(7) The Board of Directors of the Trust shall regulate its meetings and proceedings in such manner as it deems fit.

(8) (a) Subject to paragraphs (b) and (c), the Board of Directors of the Trust shall appoint at least one planter and one employee, elected under subsection (5), who shall be from the factory area of the sugar milling company, to represent the Trust on the Board of Directors of the respective sugar milling company.

(b) Where no planter has been elected under subsection (5) in any factory area, the Board of Directors may designate a planter who is a shareholder of the Trust to represent the Trust on the Board of Directors of the sugar milling company in that factory area.

(c) Where no employee has been elected under subsection (5) in any factory area, the Board of Directors may designate an employee who is a shareholder of the Trust to represent the Trust on the Board of Directors of the sugar milling company in that factory area.

(9) (a) The authorised share capital of the Trust shall be five hundred million rupees or such amount as may be prescribed.

(b) The initial issued share capital of the Trust shall be determined by the Board of Directors.

(10) The Trust may –

- (a) employ on such terms and conditions as it may determine such staff as may be necessary for the proper discharge of its functions under this Act;
- (b) enter into an agreement with such body as it may determine for carrying out its day to day operations.

(11) (a) The Trust shall, for the purposes of the Stock Exchange Act, be deemed to be a company.

(b) Subject to paragraphs (c) and (d) and to any regulations made under this Act, the Companies Act shall apply to the Trust, and any reference to a company in that Act shall include a reference to the Trust.

(c) The sections of the Companies Act specified in the Ninth Schedule shall not apply to the Trust.

(d) Notwithstanding the Companies Act, this Act shall prevail over any provision of that Act which is inconsistent with this Act.

(12) (a) The Minister may make such regulations as he thinks fit for the purposes of this section.

(b) The Board of Directors of the Trust may, with the approval of the Minister, make such rules as it deems fit for the attainment of its objects and the conduct of its business.

[Amended 17/95; 27/96]

**5F** –

**5G Interpretation of Part V**

For the purposes of –

(a) section 5E –

“Delegate” means a person elected under section 5E(4) in the manner prescribed;

“factory area” has the same meaning as in the Cane Planters and Millers Arbitration and Control Board Act;

“sugar milling company” means a public company which carries on milling activities as specified in the Cane Planters and Millers Arbitration and Control Board Act;

(b) this Part –

“employee” has the meaning specified in Part I of the First Schedule;

“planter” has the meaning specified in Part II of the First Schedule;

“producer” has the meaning specified in Part III of the First Schedule;

[Amended 25/94; 27/96]

**PART VI – MISCELLANEOUS**

**6** –

**7 Offence**

(1) Every person who contravenes section 5 shall commit an offence and shall, on conviction, be liable to a fine which shall not be less than 5,000 rupees nor more than 50,000 rupees, together with a penalty which shall not be less than twice nor more than three times the amount of land conversion tax payable or deemed to be payable if exemption was not granted under that section.

(2) Notwithstanding –

(a) section 114 of the Courts Act;

(b) section 72 of the District and Intermediate Courts (Criminal Jurisdiction) Act,

any District Court shall have jurisdiction to hear and determine an offence under this Act and may impose any fine or penalty provided under this Act.

[Amended 13/97]

**8 Regulations**

(1) The Minister may –

(a) make such regulations as he thinks fit for the purposes of this Act;

(b) by regulations, amend the Schedules.

(2) Any regulations made under subsection (1) may provide that any person who contravenes them shall commit an offence and shall on conviction be liable to a fine which shall not be less than 5,000 rupees nor more than 50,000 rupees.

[Amended 25/94; 13/97]

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**FIRST SCHEDULE**

(Part V)

Part I

“employee” –

- (a) means an employee of a producer who is covered by –
  - (i) the Sugar Industry (Agricultural Workers) (Remuneration Order) Regulations 1983;
  - (ii) the Sugar Industry (Non-Agricultural Workers) (Remuneration Order) Regulations 1985;
  - (iii) the Field-crop and Orchard Workers (Remuneration Order) Regulations 1991;
  - (iv) the Livestock Workers (Remuneration Order) Regulations 1991; or
  - (v) a procedure agreement to which a producer is a party or a signatory; and
- (b) includes a person who is –
  - (i) an employee of a producer, or of the management organisation of the producer, and whose duties are related to the administrative aspect of its cane growing or sugar milling activities;
  - (ii) an employee of an institution specified in the Schedule to the Mauritius Sugar Authority Act; or
  - (iii) an employee of a central organisation dealing with sugar matters, not specified in sub-paragraph (ii) and approved by the Minister of Finance.

Part II

“planter” means a planter as defined in the Cane Planters and Millers Arbitration and Control Board Act who –

- (i) is not the miller;
- (ii) does not control, directly or indirectly, the miller; or
- (iii) is not controlled by the miller,

and includes a metayer specified in Section 2 of the Sugar Insurance Fund Act.

[Amended GN 43/97]

Part III

1 “producer” means a producer listed in paragraph 2, and includes an entity engaged in cane growing or sugar milling activities which would result from the setting up of public sugar milling companies.

2 *List of producers*

Flacq United Estates Limited  
Médine Sugar Estate Company Ltd  
Deep River-Beau Champ Ltd  
Constance-La Gaieté Sugar Estate Company Ltd  
Mon Désert Alma Ltd  
Lonrho Sugar Corporation Ltd (Highlands Sugar Estate and Britannia Sugar Estate)  
Bénarès Sugar Company Ltd  
Mon Trésor & Mon Désert Ltd  
Savannah Sugar Estate Company Ltd  
Compagnie Usinière de Belle Vue Ltée  
Compagnie Agricole de Belle Vue Ltée  
Beau Plateau Ltd  
Beau Plan Sugar Estate Company Ltd  
Compagnie Usinière de Beau Plan Limitée  
La Nouvelle Industrie Ltée  
Compagnie Sucrière de St Antoine Ltée  
Compagnie de Beau Vallon Ltée  
Société de Riche-en-Eau  
Saint Félix Sugar Estate Company Ltd  
Société Usinière de St Félix  
Compagnie Sucrière de Bel Ombre Ltd  
Société Usinière de Bel Ombre  
Compagnie Agricole du Mount Ltée  
Compagnie Usinière du Mount Ltée

Société Union Saint Aubin  
Bel Air Sugar Estate Ltd  
Union Sugar Estates Company Ltd  
Société de la Savanne  
Société Terracine  
Cascade Ltd  
La Digue Ltd  
Vallon Vert Ltd  
Gros Ruisseau Ltd  
Bois Sec Ltd  
Bonne Aubaine Ltd  
Taluseau Ltd  
Petit St Aubin Ltd  
Adelson Ltd  
Société Sucrière de Rivière du Rempart  
Jean R Lagesse  
Société Camot  
Société Monitel  
Société Arnon  
Société Veaugues  
Société Maintenon  
Société de L'Eure  
Société Morbihan  
Société de l'Ardèche  
Société de la Drome  
Société de la Charente  
Société de Verdée  
Société de Beaugency  
Société Solognocte  
Société Charbonnière  
Société Narcay  
Société Valencay  
Société Armorial  
Société Beauce  
Société Bellegarde  
Société du Lot  
Société du Cher  
Société du Tarn  
Société du Gard  
Société Arlenay  
Société du Manir  
Société Chaucay  
Société de Larcay  
Société Tendu  
Société Bois Joli  
Société de Feuille-en-bois  
Société du Moulins  
Société Fleury-Les-Aubrais  
Société de La Baule  
Société du Bongite

The Rose Belle Sugar Estate Board established under the Rose Belle Sugar Estate Board Act  
[Amended 1/93;25/94; GN 43/97]

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## SECOND SCHEDULE

(section 3(2))

- 1 The Bagasse Transfer Price Fund shall be made up of two components –  
 $B_e \times P_b$  and  $B_o \times P_b$

Where  $B_e$ : is the bagasse used for the generation of continuous or firm electrical power;

$B_o$ : is the bagasse used for purposes other than the manufacture of sugar and the generation of firm or continuous electrical power;

$P_b$ : is the price paid per tonne of bagasse whenever it is used for purposes other than the manufacture of sugar and is equal to Rs 100 per tonne of bagasse at a humidity content of 50 per cent.

- 2 The planter of the first group shall be entitled to –

$$\frac{12 (B_e + B_o) P_b \times S_i}{100 S_1}$$

Where  $S_i$ : is the sugar accruing to a planter of the first group  
 $S_1$ : is the sugar accruing to all planters of the first group.

- 3 The planter of the second group shall be entitled to –

$$\frac{38 (B_e + B_o) P_b \times S_p}{100 S_2}$$

Where  $S_p$ : is the sugar accruing to a planter of the second group;  
 $S_2$ : is the sugar accruing to all planters of the second group.

- 4 A miller or a power supplier (who is not a miller) shall be entitled to –

$$\frac{50 (B_e + B_o) P_b \times E_u}{100 E_c}$$

Where  $E_u$ : is the quantum of firm or continuous electricity in Kwh exported from bagasse by a miller or a power supplier (who is not a miller);

$E_c$ : is the quantum of firm or continuous electricity in Kwh exported from bagasse by all millers and power suppliers (who are not millers).

[Amended GN 175/99]

## THIRD SCHEDULE

(section 5C)

### Part I

Determination of land used and the percentage rented out.

1 For purposes of determining the acreage used for crops other than sugar cane, extents used shall be adjusted by the full stand equivalent factor, the land occupancy factor and the crop priority factor.

2 For purposes of determining the percentage of the acreage used for crops other than sugar cane rented out to growers, extents used shall be adjusted by the full stand equivalent factor and the land occupancy factor.

3 (a) The full stand and crop priority factors are specified in Tables I and II of Part II respectively.

(b) The land occupancy factor is the value expressed to the first decimal point obtained by dividing the length of the crop cycle expressed in weeks by 15; all ratios which are less than 1.0 shall be deemed to be 1.0.

(c) The crop cycle is the period of time in weeks from sowing to harvest (or last harvest, in the case of multiple harvests).

### Part II

TABLE I – FULL STAND EQUIVALENT OF FIELD CROPS

<i>Crop</i>	<i>Cropping Pattern</i>	<i>Plant density (Plants/ha)</i>	<i>Full Stand Equivalent</i>
Potato	(1.1) Pure stands	41 660	1.00
	In uniformly-spaced cane		
	(1.2) 1 row/interrow	20 800	0.50
	(1.3) 1 row/alternate interrow	10 400	0.25
	In differentially-spaced cane		
Maize	(1.4) 2 rows/large interrow	20 800	0.50
	(1.5) 1 row/large interrow	10 400	0.25
	(2.1) Pure stands	62 500	1.00

	In uniformly-spaced cane		
	(1.2) 1 row/interrow	41 600	0.67
	(1.3) 1 row/alternate interrow	20 800	0.33
	In differentially-spaced cane		
	(1.4) 2 rows/large interrow	41 600	0.67
	(1.5) 1 row/large interrow	20 800	0.33
<i>Groundnut and Dry Beans</i>	(3.1) Pure stands	200 000	1.00
	In uniformly-spaced cane		
	(3.2) 2 rows/interrow	125 000	0.63
	(3.3) 1 row/interrow	62 500	0.32
	(3.4) 1 row/alternate interrow	31 250	0.16
	In differentially-spaced cane		
	(3.5) 3 rows/large interrow and 1 row/small interrow	125 000	0.63
	(3.6) 2 rows/large interrow	62 500	0.32
	(3.7) 1 row/large interrow	31 250	0.16
<i>Triple Mixtures</i>	In uniformly-spaced cane		
	(4.1) 1 row maize/alternate interrow and 1 row potato/alternate interrow	20 800 10 400	0.58
	In differentially-spaced cane		
	(4.2) 2 rows maize/large interrow and 1 row bean/small interrow	41 600 31 250	0.83
<i>Other Crops</i>	(5.1) Pure Stands		1.00
	In uniformly-spaced cane		
	(5.2) 1 row/interrow		0.50
	(5.3) 1 row/alternate interrow		0.25
	In differentially-spaced cane		
	(5.4) 2 rows/large interrow		0.50
	(5.5) 1 row/large interrow		0.25

Table II – CROP PRIORITY FACTORS

<i>Crops</i>	<i>Crop Priority Factor</i>
Maize: shortcycle and full season	
Groundnut: spanish and valencia	
Onions: March setts	
Tobacco	1.0
Sweet Potato	
Cassava	
Potato	
Dry beans: Red kidney and Navy	
Seeds and cuttings for vegetables	1.25
Cut flowers other than anthurium	
Pineapples	
Onions other than March setts	
Garlic	
Ginger	

Turmeric	
Chillies: Cipaye and bird type	
Sweet Pepper: Bell and Jalapeno type	
Melon: Charentais type	1.50
Aubergine: Globose type	
Carrots	
Tomato: Salad and cherry type	
All cucurbits	
All crucifers	
Other fresh vegetables	
First season potatoes	
Tomato (pomme d'amour)	
Okra: exportable cv	1.75
Green beans: exportable cv	
[Amended 25/93; 25/94]	

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#### FOURTH SCHEDULE

(Part V)

Agricultural diversification comprises –

- (a) the setting up of –
  - (i) a permanent garden and related infrastructure;
  - (ii) a green house using high technology production techniques;
  - (iii) a shade house;
  - (iv) an installation for the production of comestible mushrooms; or
  - (v) any highly intensive or automated irrigation areas and any related infrastructure;
- (b) the acquisition of any equipment or the construction of any installation or infrastructure for the storage and conditioning of fruits and vegetables;
- (c) the infrastructural works and the acquisition of equipment related to aquaculture;
- (d) the production of vanilla, spices and medicinal plants;
- (e) the setting up of an orchard to produce specified fruits; or
- (f) the acquisition of know-how and techniques related to items (a) to (e).

[Amended 25/94]

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#### FIFTH SCHEDULE

(Part V)

(section 5(7)(d) and (f))

Modernisation includes investment in connection with the following –

- 1 Bagasse Electricity Production
  - (a) Steam generating equipment including boilers operating at not less than 25 bars and associated auxiliaries intended to improve efficiency of the steam generating process;
  - (b) Bagasse drying;
  - (c) Storage and handling of bagasse;
  - (d) (i) bagasse transport (ordinary); and  
(ii) bagasse transport (specialised);
  - (e) Steam saving prime-movers;
  - (f) Electrical power generating equipment with an inlet steam pressure of not less than 23 bars, and a rated capacity of not less than 3 mega Watts, intended for efficient operation of the factory and for the use of electrical prime-powers;
  - (g) Process steam-saving equipment such as –
    - (i) heaters; and
    - (ii) pre-evaporator or other device leading to intensive bleeding and steam economy;
  - (h) Other equipment leading to improved steam/energy balance.
- 2 Factory Rehabilitation and Modernisation

Equipment intended to improve overall recovery and/or to increase capacity including equipment required for automation of operations, cane handling equipment and feed table to cope with increasing extraneous matter brought about by mechanisation of cane harvesting operations and equipment used for the desugarisation of molasses.

- 3 Irrigation and Water Use –
  - (a) Irrigation equipment and related infrastructure for land not already irrigated with special reference to efficient use of water, enhanced labour productivity and energy saving;
  - (b) Irrigation equipment and related infrastructure intended to replace existing and/or obsolete equipment with special reference to efficient use of water, enhanced labour productivity and energy saving;
  - (c) Water transport equipment.
- 4 Land Preparation –
  - (a) Derocking;
  - (b) Equipment required for and schemes leading to infrastructural changes necessary for mechanisation.
- 5 Field Mechanisation –
  - (a) Harvesting equipment and high pay load tractors and trailers for bulk transport;
  - (b) Loading equipment;
  - (c) Cane planters and other equipment used in cultural operations.
- 6 Diversification within Sugar –
  - (a) The production of sugars specified in the Fourth Schedule to the Income Tax Act;
  - (b) The production of high value added products obtained by using molasses.
- 7 Pollution Control –
  - (a) Air Pollution Control –
    - (i) Gravity settling chambers;
    - (ii) Spray chambers, water spray nozzles;
    - (iii) Modification to chimneys (stacks) to make provisions for sampling ports and related structures;
    - (iv) Scrubbers;
    - (v) Multiclones and/or modifications to boilers for accommodating them;
    - (vi) Subsiders/screens/settling tanks;
    - (vii) Flyash dewatering devices;
    - (viii) Flyash recovery and refiring systems;
    - (ix) Enclosures for conveyors.
  - (b) Water Pollution Control –
    - (i) Rechannelling work with respect to separation of condenser water streams from the other streams;
    - (ii) High efficiency entrainment arrestors;
    - (iii) Oil and grease separators;
    - (iv) Aerobic and anaerobic ponds or tanks;
    - (v) Filtration ponds or sedimentation pond;
    - (vi) Aerators;
    - (vii) Spray ponds and cooling towers;
    - (viii) Haulage trucks.
  - (c) Noise Pollution Control –
    - (i) Silencers;
    - (ii) Enclosure for equipment, piping, pressure reducer valves and safety valves.
- 8 Fire Prevention Equipment.  
[Amended 25/94]

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## SIXTH SCHEDULE

(section 5)

### PART I

Subject to Part II, tax shall be paid in accordance with the table below –

<i>Area of land converted tax</i>	<i>Rates of land conversion</i>	
		<i>(Rs per hectare)</i>
	Category I	
Category II		
Less than 0.25 hectare	250,000	Nil
0.25 hectare but less than 0.50 hectare	500,000	50,000
0.50 hectare but less than 1.00 hectare	1,000,000	250,000
1.00 hectare but less than 5.00 hectares	2,000,000	1,000,000
5.00 hectares and above	3,500,000	1,500,000

[Amended 13/97]

## PART II

### II Payment of tax

1 (a) The rates specified in Category I of Part I are applicable to land which, on 1 January 1981, formed part of a larger extent of agricultural land which had a total acreage exceeding 10.5522 hectares, which may or may not have been subsequently subdivided into two or more lots.

(b) Where a plot of land has been subdivided for agricultural purposes, and where a conversion is granted within a period of 5 years from the time the subdivision took place, the rate specified in Category I of Part I shall be the rate applicable to the aggregate area before the subdivision was effected.

2 The rates specified in Category II of Part I are applicable to all other agricultural land.

3 (a) Where more than one conversion is effected by one and the same person, the land conversion tax shall be the difference between the tax calculated as specified in subparagraph (c) and the tax already paid.

(b) The acreages converted shall be apportioned to the appropriate categories, and the amount of tax payable on the aggregate area in each category shall be determined.

(c) The tax calculated referred to in subparagraph (a) shall be the total of the taxes payable in each category.

4 Where written authorisation for land conversion is granted and tax is payable, the applicant shall, within a period not exceeding 6 months after obtaining the authorisation, settle all amounts due, failing which the authorisation shall be withdrawn.

5 Any applicant who has already been granted authorisation for land conversion before the coming into force of the Finance Act 1995 shall, not later than 31 October 1995, settle all amounts due, failing which the authorisation shall be withdrawn.

6 Subject to paragraph 4, any applicant shall, within a period of three years after having been granted authorisation for land conversion, carry out the conversion in the manner specified in the authorisation granted, failing which such authorisation shall be withdrawn.

7 Where an authorisation has been withdrawn, no further application in respect of the same land shall be considered before a period of 5 years from the date of the withdrawal.

8 The land conversion tax shall be computed on the total extent of the land to be converted, which land shall include stone heaps, in field access roads and any buildings used for the purposes of agricultural production.

9 Where a company, 'société' or partnership, engaged in the business of sale and purchase of land, makes an application for land conversion in respect of its own land, the tax payable shall be computed in accordance with the rates specified in Category I of Part I.

[Amended 17/95; 13/97; GN 201/95]

## PART III

Where an authorisation for conversion granted under section 5 is in respect of land to which the rates applicable are the rates specified in Category I of Part I, and where the land converted is in excess of 5 hectares, the applicant shall, within a period of two years –

- (a) plough back at least 50 per cent of the proceeds arising out of the conversion to sugar production at field or factory level or diversification within sugar;
- (b) fully compensate the loss in agricultural production computed by the committee by generating an equivalent amount of such production for at least one crop cycle of eight years by –
  - (i) putting under cane cultivate other land belonging to the applicant; or
  - (ii) implementing projects relating to water and energy saving irrigation methods.

## PART IV

The amount referred to in section 5(7)(d)(ii) is 2 million rupees and shall be adjusted yearly by using the indexation method used for the specialised financial returns.  
[Amended 13/97; 18/99]

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## SEVENTH SCHEDULE

(section 5C)

- 1 “Permanent garden” means a plot of land which for a period of at least eight years shall be devoted to the production of the following –
  - Onions other than March sets
  - Garlic
  - Ginger
  - Turmeric
  - Chillies (cipaye and Bird types)
  - Sweet Pepper (Bell and Jalapeno types)
  - Melon (Charentais type)
  - Aubergine (Globose type)
  - Carrots
  - Tomato (Cooking, Salad and Cherry type)
  - Okra (exportable)
  - Green beans (exportable)
  - All cucurbits
  - All crucifers
  - Other fresh vegetables
  - High value added crops for the local and export markets
  - Organic products
  - Cut flowers
  - Seeds and planting material
  - First season potatoes
  - Vanilla
  - Spices
  - Medicinal plants.
- 2 A “permanent garden” is also understood to comprise –
  - (i) a green house, hydroponic installations, shade houses, highly intensive or automated irrigation areas and other related installations where the plants listed in paragraph 1 are cultivated;
  - (ii) a shed for the production of comestible mushrooms; and
  - (iii) surfaces devoted to intensive aquaculture.
- 3 The assessment of the effective acreage used for the purposes of a permanent garden shall be made by the Authority.  
[Amended 25/94]

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## EIGHTH SCHEDULE

(section 5C)

- 1 Specified fruits include –

Avocado Pear	commonly known as ‘Avocat’	
Banana	“	‘Banane’
Brazil Cherry	“	‘Cerise’
Citrus Fruits	“	‘Agrumes’
Coconut	“	‘Coco’
Custard Apple	“	‘Coeur de Boeuf’
Goyava	“	‘Goyave’
Grapes	“	‘Raisin’
Indian Jujube	“	‘Masson’
Jack Fruit	“	‘Jacques’
Java Plum	“	‘Jamblon’
Jew Plum	“	‘Fruit de Cythère’

Lichees	“	‘Letchis’
Longan or Dragon’s Eye	“	‘Longane’
Loquat	“	‘Bibasse’
Mango	“	‘Mangue’
Palm Heart	“	‘Coeur de Palmiste’
Papaya	“	‘Papaye’
Passion Fruit	“	‘Fruit de la Passion’ or ‘Grenadille’
Pineapple	“	‘Ananas’
Plantain	“	‘Plantain’
Pomegranate	“	‘Grenade’
Rose Apple	“	‘Jamrosa’
Sour Sop	“	‘Corossol’
Star Fruit or Carambola	”	‘Carambole’
Sugar Apple or Sweet Sop	”	‘Atte’
Surinam Cherry	“	‘Rousaille’
Water Apple	“	‘Jamalac Rouge’ or ‘Blanc’

- 2 The assessment of the effective acreage devoted to orchards with the specified fruits shall be made by the Authority.  
[Amended 25/94]

## NINTH SCHEDULE

(section 5E(1)(c))

Sections of the Companies Act 1984\* not applicable to the Sugar Investment Trust

Sections	Contents
9	Formation and nature of companies
14	Articles of Association
15	Requirements as to Memorandum
16	Requirements as to articles
17	Form of memorandum and articles
18	Power to dispense with “limited”
19	Registration of companies
37	Requirements of a prospectus
38	Advertisement deemed to be prospectus
39	Documents deemed to be prospectus
40	Forms and content of prospectus
41	Oversubscription in debenture issue
42	Allotment by reference to stock exchange
43	Civil liability for misstatement in prospectus
44	Stop trading order
45	Waiting period
59	Financial assistance for acquisition of shares
68	Disproportionate rights
70	Limitation as to voting rights
71	Variation of class rights
99	Voting on appointment of directors
100	Removal of directors
Part XI	WINDING UP
320	Offences relating to liquidation
321	Inducement to be appointed liquidator
340	Fees

[Added 17/95]