

संचिका सं0 1-6/2020- एस0 डी0 एफ0
भारत सरकार
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय
खाद्य और सार्वजनिक वितरण विभाग

कृषि भवन, नई दिल्ली
दिनांक : 21st January, 2021

कार्यालय जापन

Subject: Minutes of meeting of 141st Standing Committee on SDF presided over by Secretary (F&PD) as Chairman on Tuesday, the 22nd December, 2020 at 11:30 A.M. - regarding.

In continuation to this Ministry's O. M. of even number dated 07.12.2020, 15.12.2020, 18.12.2020 and 21.12.2020 on the subject mentioned above, a copy of minutes of 141st meeting of Standing Committee held on 22.12.2020 under the Chairmanship of Secretary (F&PD) is enclosed herewith for kind information and necessary action.



(Sangeet)

Director (SDF)

Member Secretary

Tele: 2338 4653

Distribution:

1. Finance Secretary, Ministry of Finance, North Block, New Delhi (Member)
2. Secretary, Department of Agriculture & Farmers Welfare, Krishi Bhavan, New Delhi (Member)
3. Additional Secretary & Financial Adviser, Department of Food & Public Distribution, Krishi Bhavan, New Delhi (as nominee of Secretary, Department of Expenditure)-(Member)
4. Joint Secretary, Ministry of Finance (Department of Financial Services), Jiwan Deep Building, New Delhi (Member)
5. Joint Secretary (Sugar & Admn.), Department of Food & Public Distribution, (Member)
6. Director General, Indian Council of Agricultural Research, Krishi Bhawan, New Delhi (Member)
7. Director (S&VO), Directorate of Sugar, Department of Food & Public Distribution (Member)
8. Director, National Sugar Institute, Kanpur (Member)

Special Invitee:

- (i) Representative from IFCI : Expert on banking
- (ii) Representative from NCDC : Expert on banking



(Sangeet)

Director (SDF)

Member Secretary

Copy for information to:

- (i) PS to Hon'ble Minister of Consumer Affairs, Food & Public Distribution
- (ii) PS to Hon'ble Minister of State of Consumer Affairs, Food & Public Distribution
- (iii) PS to Secretary, Department of Food & Public Distribution
- (iv) Chief Controller of Accounts, Department of Food & Public Distribution

Minutes of the 141st Meeting of the Standing Committee of Sugar Development Fund held on 22nd December, 2020 in the Department of Food and Public Distribution, Krishi Bhawan, New Delhi.


The 141st Meeting of the Standing Committee of the Sugar Development Fund (SDF) was held on 22nd December, 2020 at 11.30 AM under the Chairmanship of Secretary (F&PD). A list of participants is at **Annexure-I**.

Discussions held and recommendations made on each agenda item are as under:-

Agenda No. 141.1: Action Taken Report on 140th Meeting of the Standing Committee

The Action Taken Report on the decisions taken in the 140th Meeting of the Standing Committee held on 08.07.2020 was considered case by case. Updated position was brought to the notice of the Committee. The Committee noted the same and further discussed the following two cases:

- a. **M/s Chadha Sugars & Industries Pvt. Ltd., Village- Kiri Afgana, Tehsil-Batala, Distt.- Gurudaspur, Punjab [Modernisation case]:** It was brought to the notice of the Committee that 137th Standing Committee, in the Meeting held on 21.12.2018, had recommended a loan of ₹ 909.67 lakhs under Modernisation Scheme to this sugar factory subject to furnishing inter-alia of EIA clearance and NOC from PCB for 7500 TCD crushing capacity before issuing of AA. The sugar factory was requested to furnish the same on 16.01.2019 followed by many reminders, but the same has not been furnished by the sugar factory due to various reasons put forth in its representations. In the meantime, the SF has defaulted on payment of earlier SDF loans. The Standing Committee considered the time elapsed in submission of EIA and NOC from Pollution Control Board of the State as well as default in SDF loans. **The Committee recommended to agree with the recommendations of the IFCI to close the Modernisation loan case. The Factory may apply afresh for the SDF loan on clearance of SDF dues as well as on obtaining EIA clearance and NOC from PCB, which may be processed thereafter as per SDF Rules and Guidelines.**
- b. **M/s Venkateshwara Power Projects Ltd., Bedkihal, Belgaum, Karnataka for production of Ethanol from Molasses:** It was brought to the notice of the


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Committee that 137th Standing Committee, in the Meeting held on 21.12.2018, had recommended a loan of ₹ 1563.076 lakhs under Ethanol Scheme (Rule 22) to this sugar factory subject to furnishing of No Levy Dues Certificate (NDC) from the Directorate of Sugar before issuing of AA. The sugar factory was requested to furnish the same on 16.01.2019 followed by many reminders, but the same has not been furnished by the sugar factory due to various reasons put forth in its representations. The Director, Sugar confirmed the pendency of Levy dues against the firm during the meeting. The Committee considered the time elapsed and the delay in submission of requisite documents and recommended **to accept the recommendation of IFCI to close the case of SDF Loan of this sugar factory under Ethanol Scheme. The Factory may apply afresh for the SDF loan on obtaining the NDC from the Directorate of Sugar, which may be processed thereafter as per SDF Rules and Guidelines.**

Agenda No.141.2 : Proposal in respect of M/s Karmyogi Ankushrao Tope Samarth Sahakari Sakhar Karkhana Ltd. Post- Ankushnagar, Taluka –Ambad, Dist.- Jalna, Maharashtra for Expansion of 30 KLPD distillery to 60 KLPD for production of ethanol from molasses and setting up of spent wash concentration and incineration system for 60 KLPD Ethanol plant.

The Standing Committee considered the above loan application of the sugar factory (SF) **for Expansion of 30 KLPD distillery to 60 KLPD for production of ethanol from molasses and setting up of spent wash concentration and incineration system for 60 KLPD Ethanol plant.** The estimated project cost is ₹ 6979.15 lakhs and the SF requested for SDF assistance for ₹ 2791.66 lakhs.

Brief facts of the case

2. The project has been appraised by National Co-operative Development Corporation (NCDC) and Detailed Project Report was prepared by VSI, Pune along with technical feasibility report mentioning that project is technically viable. On the basis of technical, financial and other data placed before it, the Committee was convinced that the project is technically feasible & financially viable.
3. No refinancing of project is involved. No old plant and machinery has been considered in the project. Consent to establish issued by Maharashtra State


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Pollution Control Board has been received. EIA clearance has also been received.

4. There are no outstanding SDF dues, LSPEF dues and levy dues pending against the sugar factory and its group/sister unit.
5. From the balance sheet and other financial details submitted by the sugar factory, it was observed that F.A.C.R. of the factory as on 31.03.2020 (including proposed assets and proposed loans) is 2.58 and F.A.C.R. of the company as a whole as on 31.03.2020 (including proposed assets and proposed loans) is 3.04. Average DSCR of the Company as a whole (past five years) is 2.27 and Average DSCR of the sugar factory & company based on projections is 1.56. IRR of the project is projected as 28.06%.
6. The sugar factory is required to offer either Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement, along with additional securities, if required, will be decided at the time of charge creation or at any other point of time as per extant rules/guidelines/requirement.
7. **Recommendations of Sub-Committee:-** The Committee observed that the source of availability of molasses to run 60 KLPD distillery was not mentioned in the application. The representative of the SF informed during the meeting that they would supply molasses from another unit. The SF was suggested to furnish information related to availability of molasses for both the units within two weeks. Subject to submission of the clarification mentioned above, the Committee recommended SDF loan of ₹ 2279.76 lakhs for the applied project for consideration of the Standing Committee. The SF would also provide details of means of financing the shortfall.
8. The SF intimated that they shall not sell molasses produced at Unit -2 to any outsider but shall transport the said molasses for self consumption at the 60 KLPD Ethanol plant being installed at Unit 1 and has concluded that the molasses availability (from both the units) for running the distillery shall be adequate for operating it for more than 160 days. Further, the SF furnished an undertaking regarding means of financing the shortfall of ₹ 511.90 lakhs.


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9. Recommendations of the Standing Committee:

On the basis of available records, recommendations of the Sub-Committee and after due deliberations, **the Committee recommended SDF loan of ₹ 2279.76 lakh for Expansion of 30 KLPD distillery to 60 KLPD for production of ethanol from molasses and setting up of spent wash concentration and incineration system for 60 KLPD Ethanol plant.** The sugar factory is required to furnish Bank Guarantee or create first pari passu charge as security for SDF loan along with additional securities as per extant guidelines. However, security requirement will be decided at the time of charge creation or at any other point of time as per extant rules/guidelines/requirement.

Agenda No. 141.3: Proposal in respect of M/s Twentyone Sugars Ltd. (Unit-1), Village Malavati, Tal. & Distt. Latur, Maharashtra For setting up of 32 MW Greenfield bagasse based co-generation power project

The Standing Committee considered the above loan application of the SF for setting up of **32 MW Greenfield bagasse based co-generation power project.** The estimated project cost is ₹ 26378.46 lakh. The sugar factory has requested for SDF assistance of ₹ 2389.20 lakh.

Brief facts of the case

2. The project has been appraised by The Maharashtra State Co-Operative Bank Ltd. And Detailed Project Report prepared by Avant Garde Engineers and consultants (P) Ltd., Chennai along with technical feasibility report mentioning that project is technically viable. On the basis of technical, financial and other data placed before it, the Committee was convinced that the project is technically feasible & financially viable.

3. No refinancing of project is involved. No old plant and machinery has been considered in the project. Consent to establish for 14.5 MW issued by Maharashtra State Pollution Control Board has been received. Acknowledgement of application for consent to Establish from Maharashtra State Pollution Control Board for 14.5 to 40 MW has been received. Acknowledgment of EIA application for 14.5 to 40 MW has also been received. Status of Clearance from PCB and EIA needs to be updated by the SF.

4. There are no outstanding SDF dues, LSPEF dues and levy dues pending against the SF as the project is Greenfield. However, against another Unit of the Sugar Undertaking (Unit-2), formerly known as M/s Maharashtra Shetkari Sugar


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Limited (MSSL), ₹2006.39 lakhs as on 30.08.2018 was outstanding SDF Dues against the SF. As per order of NCLT, Resolution Professional (RP) submitted settlement amount of ₹ 438.00 lakh as SDF share which involves waiver of both principal and interest was offered and found acceptable in DFPD. The file for closure of loan account has been referred to Department of Expenditure, Ministry of Finance.

5. From the balance sheet and other financial details of the sugar factory, it was observed that FACR of the factory (sugar and cogen division) on the basis of audited annual account for 2019-20 is 1.49 and F.A.C.R. of the company as a whole on the basis of audited annual account for 2019-20 is 1.63. Projected average DSCR of the SF/company as a whole is 1.71. Projected IRR of the project is 15.76%.
6. The sugar factory is required to offer either Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement, along with additional securities, will be decided at the time of charge creation or at any other point of time as per extant rules/guidelines/requirement.
7. The sugar factory has applied for SDF loan of ₹2389.20. However, it has been found that the sugar factory is eligible for an amount of ₹2061.28 lakh.
8. **Recommendations of Sub-Committee:** The case was considered in the Sub-Committee meeting held on 03.11.2020 and Committee observed that the cost of plant and machinery includes EPC cost for 32 MW and 10 MW Back pressure Co-gen Power Plant and the amount of ₹ 20,981 lakh has been mentioned in the total Project cost, whereas the loan application under consideration is for 32 MW Cogeneration Power Project. Accordingly the Sub Committee directed to obtain revised project cost for 32 MW Cogeneration Power Project and recalculate the eligible project cost, SDF loan amount and revised means of finance for the Project before placing the case for consideration of the Standing Committee.
9. It was observed by the Committee that SF vide its letter dated 27.11.2020 has forwarded requisite information and stated that cost of additional 10 MW Turbine is ₹ 507.40 lakh including amount of GST of ₹ 77.40 lakh and cost of Auxiliaries for 10 MW Turbine is ₹ 27.14 lakh including amount of GST of ₹


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4.14 lakh. Further, the revised cost for cogeneration project and the revised means of finance have also been submitted by the SF.

10. Recommendations of the Standing Committee:

On the basis of available records, recommendations of the Sub-Committee and after due deliberations, **the Standing Committee recommended a loan of ₹ 2,061.28 lakh for setting up of 32 MW Greenfield bagasse-based co-generation power project.** The SF is required to furnish Bank Guarantee or create first pari passu charge as security for SDF loan alongwith additional securities as per extant guidelines. However, security requirement will be decided at the time of charge creation or at any other point of time as per extant rules/guidelines/requirement.

Agenda No.141.4: Proposal of Ratification of extension given in the validity of AA in respect of M/s Nandi SSK, Niyamit, Krishnanagar, Post Hosur, Teh. & Distt. Nijapur, Karnataka for setting up of 37 MW (expansion from 18.14 MW to 55.14 MW) bagasse based co-generation power project.

After due deliberations, the Standing Committee (i) ratified the decision to extend the validity of AA for a period of three months i.e. up to 23.12.2020; and (ii) extended the validity of AA for a further period of three months i.e. up to 23.03.2021.

Agenda No.141.5: Proposal of Ratification of extension given in the validity of AA in respect of M/s Harsha Sugar Ltd. at Village-Savadatti, Taluk- Savadatti, Distt-Belgum, Karnataka for setting up 30 MW Greenfield baggase based Cogeneration power project.

After due deliberations, the Standing Committee ratified the decision to extend the validity of AA for a period of six months i.e. up to 26.01.2021.

Agenda No.141.6: Proposal of Ratification of extension given in the validity of AA in respect of M/s Sadashivrao Mandlik Kagal Taluka SSK Ltd., Sadashivnagar, Hamidwada-Kaulage, Tal.-Kagal, Dist.Kolhapur, Maharashtra for setting up 30 KLPD anhydrous alcohol or ethanol plant from molasses.

After due deliberations, the Standing Committee ratified the decision to extend the validity of AA for a period of three months i.e. up to 16.12.2020.


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Agenda No.141.7:

Application for Restructuring of loan taken from Sugar Development Fund towards promoters' contribution for Financing Modernization / Rehabilitation Scheme in respect of M/s N.P.K.R.R Cooperative Sugar Mills Ltd. Thalainayar, Elanthoppu Post – 609 201, Mayiladuthurai Taluk, Nagapattinam District, Tamil Nadu

Please see below Agenda No.141.9

Agenda No.141.8:

Application for Restructuring of loan from Sugar Development Fund towards promoters' contribution for Financing Modernization / Rehabilitation Scheme in respect of M/s Tiruttani Cooperative Sugar Mills Ltd, Tiruvalangadu-631210 Tiruttani Taluk, Tiruvallur District Tamil Nadu.

Please see below Agenda No.141.9

Agenda No. 141.9 :

Application for Restructuring of loan from Sugar Development Fund for Restructuring of Loan taken from Sugar Development Fund towards Promoters' Contribution for Financing Modernization / Rehabilitation Scheme in respect of M/s The Madurantakam Co-operative Sugar Mills Ltd., Padalam Village, Madurantakam Taluk Chengalpattu District Tamil Nadu.

Agenda No. 141.7 , 141.8 and 141.9

The committee considered the proposals for Restructuring of SDF loans of three co-operative sugar mills of Tamil Nadu, namely, M/s NPKRR Co-operative Sugar Mills Ltd., M/s Tiruttani Co-operative Sugar Mills Ltd. and M/s Madurantakam Co-operative Sugar Mills Ltd under Rule 26 of SDF Rules, 1983.

2. The committee noted that the Committee for Rehabilitation (CFR) in its meeting held on 14.06.2019 had recommended the Restructuring of SDF loans as one time settlement of SDF dues and also waiver of additional interest in full in respect of the SDF loans of the three cooperative sugar mills. The committee noted that as per Rule 26 (1) of the SDF Rules, 1983, the Central Government may, at its discretion, waive additional interest in full or in part, for reasons to be recorded in writing.


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3. The committee observed that Debt Recovery Tribunal (DRT), Delhi has already issued Recovery certificate vide its order dated 13.10.2017 in respect of the SDF loans of the three cooperative sugar mills. However, the committee observed that the recovery process through DRT is a time consuming process and SDF has not been able to recover any significant amount in respect of SDF loans through DRT in the past.

4. The committee also observed that the present position of the sugar industry in Tamil Nadu is not very good and most of the sugar mills are not able to repay their debt due to Banks and FI's, making them NPA's (Non Performing Assets). Also, the committee noted that various representations have been received from sugar industry and Government of Tamil Nadu for further financial assistance and restructuring of existing SDF loans.

5. Further, the committee observed that in the instant case of three co-operative sugar mills, the Government of Tamil Nadu has recommended the proposal for restructuring of SDF loans and has given in principle approval for payment of Principal and normal interest upfront as one time settlement. Thus, the restructuring of SDF loans will lead to a recovery of about ₹52.87 crore upfront to the Government of India. Also, this will reduce the huge interest burden of the mills, which in turn will help in the revival and smooth functioning of the sugar mills in future which will safeguard the livelihood of farmers in the cane area of the sugar factories, save employment to the workers of these factories and also contribute to the economy of the region.

6. The committee observed that out of three co-operative sugar mills, one sugar mill i.e. M/s NPKRR Co-operative Sugar Mills Ltd. is not in operation for past few sugar seasons. The remaining two sugar mills i.e. M/s Tiruttani Co-operative Sugar Mills Ltd. and M/s Madurantakam Co-operative Sugar Mills Ltd are operational. Further, the Net worth of all the three sugar mills is negative.

7. The SDF dues position as on 07.12.2020 informed by the O/o Chief Controller of Accounts (CCA), DFPD is as under:

(Amount in lakh rupees)

S. No.	Name	Scheme	Amount Disbursed	Amount Due as on 07.12.2020			
				Principal	Interest	Addl Interest	Total
1.	M/s Tiruttani Co-op. Sugar Mills Ltd.	Modernization	502.40	502.40	833.11	1867.41	3202.92


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2.	M/s NPKRR Co-op Sugar Mills Ltd.	Modernization	811.22	811.22	1264.80	2630.24	4706.26
3.	M/s Madurantakam Co-op Sugar Mills Ltd.	Modernization	671.20	671.20	1110.62	3193.14	4974.96
4.	M/s Madurantakam Co-op Sugar Mills Ltd.	Cane Development	72.88	52.81	40.94	133.56	227.31
Total			2057.70	2037.63	3249.47	7824.35	13111.45

8. The committee observed that the exact amount payable by the State Government of Tamil Nadu towards clearing of the SDF dues will be known after final certification by O/o Chief Controller of Accounts, DFPD regarding the amount due (Principal & Interest) on the date of final repayment.

9. After due deliberation, **the committee recommended restructuring of SDF loans as one time settlement of SDF dues in a time bound manner and also waiver of additional interest in full in respect of the SDF loans of the three cooperative sugar mills under Rule 26 of the SDF Rules, 1983** for the following reasons:

- a. The State Government of Tamil Nadu has recommended the proposal for restructuring of SDF loans and has given in principle approval for payment of Principal and normal interest upfront as one time settlement.
- b. The three co-operative sugar mills are in default since year 2000-01 and are not repaying any amount. The restructuring will lead to a recovery of approx. ₹ 52.87 crore.
- c. The legal cases for recovery are pending against the three sugar mills in DRT (Debt Recovery Tribunal) since 2016. The recovery of SDF dues through DRT is time consuming which may further take time for recovery of SDF dues. This would further leave no chance of revival of these factories.
- d. The one time settlement of SDF dues, conversion of Ways & Means Advances into share capital by Government of Tamil Nadu and waiver of the interest on loans obtained by the mill from TNCSF will reduce the huge interest burden of the mill.
- e. The State Government has shown its commitment for revival and smooth functioning of the sugar mills in future which will safeguard the livelihood of


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farmers in the cane area of the sugar factories, save employment to the workers of these factories and also contribute to the economy of the region.

10. **The committee further recommended that the State Government of Tamil Nadu shall submit regular reports regarding the revival of the sugar mill not in operation and improved functioning of the remaining two operational sugar mills.**

Agenda No. 141.10: Amendment to SDF Rules

After due deliberations, **the Committee recommended to amend the Rule 2(jj), Rule 2(ff), Rule 21, Rule 22, Rule 22A, Rule 23, Rule 25 and Rule 26 of the SDF Rules, 1983 as proposed.**

Agenda No. 141.11: Review of policy regarding Debt Service Coverage Ratio (DSCR)

After due deliberations, **the Committee recommended following formula for calculation of DSCR, as proposed:**

Net Profit/Loss after tax + Depreciation + Interest on Term Loans +
Interest on SDF Loans

DSCR =
$$\frac{\text{Net Profit/Loss after tax + Depreciation + Interest on Term Loans + Interest on SDF Loans}}{\text{Debt to be serviced, i.e. (Term loan repayment from Banks/FI + SDF loan repayment + Interest on Term loan + Interest on SDF loan)}}$$

Agenda No.141.12: Augmenting the List of Recognised Institutes for Technical Appraisal

After due deliberations, **the Committee recommended that following institutions may be included in the list of institute for the purpose of amended SDF Rules, 1983 vide Notification No. 496(E) dated 07.08.2020 :**

- i. Sugarcane Breeding Institute, Tamil Nadu
- ii. National Sugar Institute, Kanpur
- iii. Vasantdada Sugar Institute, Pune
- iv. Indian Institute of Sugarcane Research (IISR), Lucknow

Agenda No.141.13: Review of Recoveries of SDF loans

The Committee noted the progress made on recovery of SDF dues in respect of five defaulting sugar factories each being monitored by IFCI & NCDC.


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2. **The Committee directed SDF to further review the default status in detail in the recovery meeting with the nodal agencies being held regularly.**

Agenda No.141.14: Guidelines for vacation of charge in specific cases

It was brought to the notice of the Committee that the proposals of the sugar factories for No Objection Certificate (NOC) for vacation of charge are received in SDF whereby:

- a. The sugar factory applies for NOC for vacation of charge after full repayment against one SDF loan in a particular scheme even when loans in other schemes are still running; or
- b. The sugar factory applies for NOC for vacation of charge for SDF loans sanctioned to a particular unit after full repayment even when SDF loans in other units of sugar undertaking are still running; or
- c. The sugar factory applies for NOC for vacation of charge on small part of properties for justifiable purposes; or
- d. The sugar factory applies for the vacation of charge after full repayment of all the SDF loans sanctioned to it.

After due deliberations, **the Committee recommended that the following points may be observed while issuing NOC for vacation of charge** under SDF loans:

- a. NOC for vacation of charge will be restricted to the loan for which the respective charge was created. It will not affect the charge created on the assets of the same Sugar Factory/Undertaking for other loans under the same or any other scheme under the SDF Act 1982.
- b. NOC for vacation of charge will not be issued if the sugar factory/undertaking is in default for any SDF loans under any schemes or any other unit of the sugar undertaking is in default or any LSPEF or levy dues are pending.
- c. For issuance of NOC for vacation of charge in cases as mentioned at Para 3 (c) above, the Guidelines on ceding and vacation of charge recommended by 137th Standing Committee shall be applicable.
- d. NOC for vacation of charge shall be issued with the concurrence of IFD, as per existing practice.


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Additional Agenda No. 1: - Operational Guidelines for implementation of Rule 26 A for restructuring of SDF Loan.

After due deliberations, the Committee recommended to take further action to issue the operating guidelines.

Additional Agenda No. 2: Information Booklet on Sugar Development Fund

After due deliberations, the Committee welcome the initiative of the Division and recommended to issue the Information Booklet on Sugar Development Fund (SDF).

Additional Agenda No. 3: Proposal in respect of M/s Nirani Sugars Limited, 166, Kulali Cross, Jamakhandi Road, Mudhol Taluk, Bagalkot, Karnataka – 587313 for Cane development involving SDF assistance.

The Standing Committee considered the above loan application of the sugar factory for SDF loan for Cane development involving SDF assistance of Rs.540.00 lakh. The application has been recommended and forwarded by the State Government of Karnataka. The estimated project cost is Rs.600 lakh. The sugar factory has requested for SDF assistance of Rs.540 lakh in two instalments.

Brief facts of the Case

2. From the balance sheet and other financial details of the sugar factory, it was observed that the FACR of both the sugar factory and the company as a whole as on 31.03.2019 is 1.74, DSCR of both the sugar factory and company as whole as on 31.03.2018 is 0.48, and IRR for the project is projected at 12%. It was brought to the notice of the Committee that the sugar factory has been requested to furnish Average DSCR for the past five years [FY 2015-16 to FY 2019-20] and updated FACR position as on 31.03.2020 (as per ABS 2019-20) along with a copy of Audited Balance sheet (ABS) and Profit & Loss Account for the year 2019-20 of the sugar factory & Company as a whole, duly certified by CA, which are awaited. The Committee observed that a thorough examination of financial parameters of the sugar factory and company may be conducted on receipt of all information before issuing NOC for creation of charge.



3. There are no outstanding LSPEF dues or levy dues pending against the sugar factory and its group/sister unit. However, it was brought to the notice of the Committee that IFCI vide e-mail dated 22.12.2020 has informed that M/s. Nirani Sugar Mills Ltd has made payment of (Rs.7,46,63,451/ + 2,08,69,760 = Rs 9,55,33,211.00) on 21-12-2020. Post appropriating the amount received, an amount of Rs.177007.73 (Rupees One Lakh Seventy-seven Thousand Seven Paise Seventy-three only) is still in default as on date. However, confirmation from O/o CCA is not available. The Committee observed that the meagre amount still in default might be due to calculation error. Therefore, the Committee directed that Administrative Approval may be issued only after a clear No Dues report is received from O/o the CCA, DFPD.

4. The sugar factory is required to offer either Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement, along with additional securities, will be decided at the time of charge creation or at any other point of time as per extant rules/guidelines/requirement.

5. **Recommendation of Screening Committee:** The Committee observed that as per the information received from the O/o the CCA vide letter dated 26.10.2020, the SF has pending SDF Dues of ₹8,60,79,764.00. Also, vide letter dated 14.10.2020, O/o CCA informed that M/s Shri Sai Priya Sugars Ltd (a group unit of the SF) has pending SDF dues of ₹4,83,95.446.00. As per Rule 17 (1) of the SDF Rules, “a sugar undertaking shall not be eligible to apply for the loan under this rule if it is a defaulter in respect of repayment of Sugar Development Fund loan”. The representative of the Sugar Factory explained during the meeting position of the company and assured clearance of pending dues within one week, and financials for the FY 2018-19 have been submitted by the SF. Keeping in view the assurance and submission of information by the SF, the Committee recommended SDF loan of ₹ 534.60 lakhs for Sugarcane Development subject to clearance of SDF dues before meeting of Standing Committee.

6. **Recommendations of the Standing Committee:**

On the basis of available records, recommendations of the Screening Committee and after due deliberations, **the Standing Committee recommended SDF loan of ₹ 534.60 lakhs i.e. ₹ 233.55 lakhs for First year and ₹ 301.05 lakhs for Second year for Sugar Cane Development** subject to the condition that:

- a. The sugar factory would be required to furnish Bank Guarantee or create first pari passu charge as security for SDF loan along with additional securities as


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per extant guidelines. However, security requirement will be decided at the time of charge creation or at any other point of time as per extant rules/guidelines/requirement.

- b. AA may be issued only after a clear No Dues report is received from O/o CCA.
- c. A thorough examination of financial parameters of the sugar factory and company may be conducted on receipt of all information before issuing NOC for creation of charge.

The meeting ended with vote of thanks to the Chair.


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