

SPEED POST/BY HAND

No.1-8/2015-SDF

Government of India

Ministry of Consumer Affairs, Food & Public Distribution

Department of Food & Public Distribution

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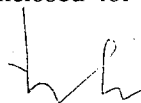
Room No.260, Krishi Bhawan,
New Delhi, the 17th January, 2016

Office Memorandum

February

Subject: 128th meeting of the Standing Committee on SDF to be taken by Secretary (F&PD) as Chairperson on Wednesday, the 6th January, 2016 at 11.00AM.

In continuation of this Ministry's O.M. of even number dated 30th December, 2015 on the above subject, a copy of the minutes of the 128th meeting of the Standing Committee held on 6th January, 2016 under the chairmanship of Secretary (F&PD) is enclosed for kind information and necessary action.



(N.K. Kashmira)

Deputy Secretary (SDF)

Member Secretary

Tel. 23382338


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Distribution:-

1. Finance Secretary, Ministry of Finance, North Block, New Delhi (Member).
2. Secretary, Department of Agriculture, Cooperation & Farmers Welfare, Krishi Bhawan, New Delhi (Member).
3. Special Secretary & Financial Adviser, Department of Food & Public Distribution, Krishi Bhawan, New Delhi (as nominee of Secretary, Department of Expenditure- (Member).
4. Joint Secretary, Ministry of Finance (Department of Financial Services), Jeevan Deep Building, New Delhi (Member).
5. Joint Secretary (S&SA), Department of Food & Public Distribution, (Member).
6. Chief Director, Directorate of Sugar, Department of Food & Public Distribution, (Member) [to be represented by Director, S&VO].
7. Director, National Sugar Institute, Kanpur (Member)
8. Director General, Indian Council of Agricultural Research, Krishi Bhawan, New Delhi (Member)

Special Invitee:-

- | | | | |
|------|--------------------------|----------------------|-------------------|
| (i) | Representative from IFCI | Fax no. 011-26230201 | Expert on banking |
| (ii) | Representative from NCDC | Fax no. 011-26962370 | Expert on banking |



(N.K. Kashmira)

Deputy Secretary (SDF)

Member Secretary

Copy for information:-

- (i) PS to Hon'ble Minister of Consumer Affairs, Food & Public Distribution.
- (ii) PS to Secretary, Department of Food & Public Distribution.

Minutes of the 128th meeting of the Standing Committee held on 6th January, 2016

The 128th meeting of the Standing Committee of the Sugar Development Fund (SDF) under the chairpersonship of Secretary (F&PD) was held on 6th January, 2016. A list of Members and Special Invitees who attended the meeting is annexed. At the outset, the Member Secretary, welcomed all the Members and invitees. Following decisions were taken.

1. ACTION TAKEN REPORT OF 127TH MEETING OF THE STANDING COMMITTEE (AGENDA ITEM NO. 1).

The Action Taken Report on the decisions taken in the 127th meeting of the Standing Committee held on 08.10.2015 was considered and accepted. The Committee also directed that the amount(s) of loan disbursed as a result of the decisions taken in a meeting of the Standing Committee may be placed before the Standing Committee during its next meeting.


2. PROPOSALS CONSIDERED FOR DRIP IRRIGATION UNDER CANE DEVELOPMENT SCHEME

- (i) M/s NSL Sugars (Tungabhadra) Ltd., Desanur Village, Taluka Siruguppa, Distt. Bellary, Karnataka (Agenda No. 2)
- (ii) M/s NSL Sugars Ltd. Unit-Koppa Post office Koppa Village, Taluk, Maddur, distt- Mandya, Karnataka (Agenda No.3)

It was observed by the Committee that due to loss of Rs.83.46 crore in 2013-14 and overall high SDF loan exposure in the company, IFCI had recommended that GOI may consider taking PDCs (post dated cheques) for due repayment of principal and interest before disbursement. The committee in view of the financial conditions of the company as assessed by IFCI, decided not to recommend any SDF loan to the Sugar Factories of M/s NSL Sugars Ltd.

- (iii) M/s Shetkari Sakhar Karkhana (Chandapuri) Ltd., Taluk Malshiras, Distt. Solapur, Maharashtra(Agenda No.4)

1. The Standing Committee considered the loan application for its cane development schemes namely, Drip Irrigation, involving SDF assistance of Rs. 540.00 lakh.



2. The average DSCR of the sugar factory and the society as a whole is 1.41 and 1.51 respectively. FACR of the sugar factory and society as a whole is 1.77 and 1.77 respectively as on 31.3.2015. IRR of the project is 28.02%.

3. After consideration of the Screening Committee recommendations and in pursuance of the decision taken by the Standing Committee in its 127th meeting, the Standing Committee recommended SDF loan **only for drip irrigation scheme** amounting to Rs.243.00 lakh to the sugar factory to be disbursed in two installments.

Eligibility of the sugar factory as per the scheme is as follows:

Sl. No.	Name of Scheme	Physical targets (ha)		Unit Cost (Rs./ha)	Total (ha)	Financial Outlay (Rs. in lakh)		Total (Rs. in lakh)
		1st Yr.	2 nd Yr.			1st Yr.	2 nd Yr.	
1.	Drip Irrigation	320	130	60000	450	192.00	78.00	270.00
	Total	-	-		-	192.00	78.00	270.00
	Factory Contribution (10%)					19.2	7.8	27.0
	Loan applied					172.8	70.2	243.00

4. However, prior to the disbursement of loan, the sugar factory shall give an undertaking to the effect that no loan/assistance has been taken by the Sugar Factory from State Government for the above drip irrigation scheme for which SDF loan has been sought. The sugar factory will also give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

3. MODERNIZATION CUM EXPANSION WITH BAGASSE BASED CO-GENERATION POWER PROJECT

(i) **Proposals of M/s Mula Sahakari Sakhar Karkhana Ltd., Dist. Ahmednagar, Maharashtra for Modernization cum expansion and bagasse based co-generation power.**

Modernization cum expansion (Agenda Items No. 5)

1. The Standing Committee considered the loan application for **modernization cum expansion** of sugar factory at a cost Rs.1988.00 lakhs. SDF assistance of Rs. 795.00 lakh has been requested by the Sugar Factory.

2. The average DSCR of the sugar factory and the company as a whole is 2.25. FACR of the sugar factory and company as a whole as on 31.3.2014 is 1.61. IRR of the project is 25.09%.

3. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 676.44 lakh.

4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

Bagasse based co-generation power project (Agenda Item No. 11)

1. The Standing Committee considered the loan application for **setting up of 30 MW bagasse based co-generation power project at cost of 6664.00**. SDF assistance of Rs. 2032.00 lakh has been requested by the Sugar Factory.

2. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 1198.29 lakh.

3. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

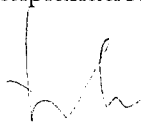
(ii) Proposals of M/s. Chhatrapati SSK Ltd., Dist. Pune, Maharashtra for Modernization cum expansion and bagasse based co-generation power.

Modernization cum expansion (Agenda Item No. 6)

1. The Standing Committee considered the loan application for **modernization cum expansion** of sugar plant from 3500 TCD to 6500 TCD at a cost of 7772.36. SDF assistance of Rs. 3109.00 lakh has been requested by the Sugar Factory.

2. The average DSCR of the sugar factory and the company as a whole is 1.96. FACR of the sugar factory and company as a whole as on 31.3.2015 is 6.25. IRR of the project is 31.09%.

3. It was found that the sugar factory had taken one cane development loan in the year 1990 from SDF. However the status of UC was not reflected in the agenda notes. NCDC officials confirmed during the meeting that the practice of taking UC for the SDF loan was not prevailing before the year 2000. Therefore the status of UC was not reflected in the agenda notes. Further, as per the available records, it was also confirmed that the loan had been fully repaid by the sugar factory and the committee was satisfied with the above explanation.


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4. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 2696.44 lakh.
5. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

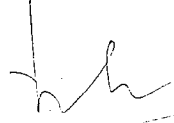
Bagasse based co-generation power project (Agenda Item No. 12)

1. The Standing Committee considered the loan application of M/s. Chhatrapati SSK Ltd., Bhavaninagar, Tal. Indapur, Dist. Pune, Maharashtra for **Setting up of 18 MW bagasse based co-generation power project** at a cost of Rs. 7293.00 lakh. SDF assistance of Rs. 2613.00 lakh has been requested by the Sugar Factory.
2. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 2414.63 lakh.
3. IRR of the project is 31.09%.
4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

(iii) Proposals of M/s Rajarambapu Patil SSK Ltd., Rajaramnagar, Unit - 1 (Walwa/15501) District Sangli, Maharashtra for Modernization cum expansion and bagasse based co-generation power.

Modernization cum expansion (Agenda Item No. 7)

1. The Standing Committee considered the loan application for **Modernization and expansion of sugar plant from 4000 TCD to 7000 TCD** at a cost of Rs. 6600.00 lakh. SDF assistance of Rs. 2640.00 lakh has been requested by the Sugar Factory.
2. The average DSCR of the sugar factory and the society as a whole is 2.63 and 1.91 respectively. FACR of the sugar factory and society as a whole is 1.49 and 1.73 respectively as on 31.3.2015. IRR of the project is 29%.
3. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 2067.00 lakh.
4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.


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Bagasse based co-generation power project (Agenda Item No. 13)

1. The Standing Committee considered the loan application for **Setting up of 28 MW bagasse based co-generation power project** at a cost of Rs. 12600.00 lakh. SDF assistance of Rs. 4060.00 lakh has been requested by the Sugar Factory.
 2. IRR of the project is 17.9%.
 3. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 3706.45 lakh.
 4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.
- (iv) **(Proposals of M/s. Sahakar Shiromani Vasantrao Kale Sahakari Sakhar Karkhana Ltd., District Solapur, Maharashtra for Modernization cum expansion and bagasse based co-generation power.**

Modernization cum expansion (Agenda Item No. 8)

1. The Standing Committee considered the loan application for **Modernization and capacity optimization of existing sugar plant**, so as to achieve a crushing rate from the existing 2500 TCD to 3600 TCD i.e. 150 TCH on 24 hr basis, with smooth and efficient operations. The proposed project has been designed with a view to improve the steam economy of the plant so as to achieve the steam consumption of 44% at a cost of Rs. 3032.51 lakh. SDF assistance of Rs. 1137.19 lakh has been requested by the Sugar Factory.
2. The average DSCR of the sugar factory and the company as a whole is 3.83 and 1.38 respectively. FACR of the sugar factory and company as a whole as on 31.3.2015 is 2.45 and 1.93. IRR of the project is 16.03%.
3. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 983.00 lakh.
4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

Bagasse based co-generation power project (Agenda Item No. 14)

1. The Standing Committee considered the loan application for **Setting up of 18**


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MW bagasse based co-generation power project at a cost of Rs. 9230.61 lakh. SDF assistance of Rs. 2613.6 lakh has been requested by the Sugar Factory.

2. IRR of the project is 15.73%.
3. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 2268.97 lakh.
4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

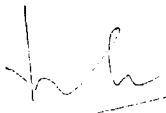
(v) Proposals of M/s Dalmia Bharat Sugar & Industries Limited Distt. Kolhapur, Maharashtra for Modernization cum expansion and bagasse based co-generation power.

Modernization cum expansion (Agenda Item No. 9)

1. The Standing Committee considered the loan application for **Modernisation cum expansion** of sugar plant, from 2500 TCD to 5000 TCD at a cost of Rs. 7472.28 lakh. SDF assistance of Rs. 2241.68 lakh has been requested by the Sugar Factory.
2. The average DSCR of the sugar factory and the company as a whole is 1.45 and 1.20 respectively. FACR of the sugar factory and company as a whole as on 31.3.2015 is 1.25 and 1.75 respectively. IRR of the project is 15.31%.
3. The matter regarding eligibility of sugar factory for modernisation cum expansion was discussed in detail. Based on the recommendations of Sub-Committee, the Standing committee recommended SDF loan for modernisation cum expansion from 3500 TCD to 5000 TCD.
4. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 1341.84 lakh.
5. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

Bagasse based co-generation power project (Agenda Item No. 10)

1. The Standing Committee considered the loan application for Setting up of **23 MW bagasse based co-generation power project** at a cost of Rs. 13616.89 lakh. SDF assistance of Rs. 2158.81 lakh has been requested by the Sugar Factory.



2. IRR of the project is 16.03%.
 3. The matter regarding eligibility of sugar factory either for cogeneration project was discussed in detail. Based on the recommendations of Sub-Committee, the Standing committee recommended SDF loan for enhancing the cogeneration capacity from 15MW to 23 MW.
 4. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 688.66 lakh.
 5. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.
- (vi) **Proposals of M/s. NSL Sugars Ltd. - Unit-II, (Lessee of Sahakare Sakkare Karkhane Niyamit, Aland), District Gulbarga, Karnataka for Modernization cum expansion and bagasse based co-generation power.**

The following proposals of M/s. NSL Sugars Ltd. were considered by the Standing Committee.

Modernization cum expansion (Agenda Item No. 17)

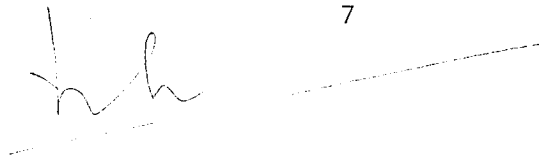
for deviation in project design from 1250 TCD to 7000 TCD, extension in AA validity up to 31.03.2016 and revision in loan amount from Rs. 33.65 crore to Rs. 24.04 crore for its earlier approved proposal of **modernisation cum expansion** of sugar unit.

M/s. NSL Sugars Ltd. - Unit-II, (Lessee of Sahakare Sakkare Karkhane Niyamit, Aland), , District Gulbarga, Karnataka for Modernization cum expansion and bagasse based co-generation power.

Bagasse based co-generation power project (Agenda Item No. 18)

for deviation in project design from 34 MW in place of 28 MW, extension in AA validity up to 31.03.2016 and revision in loan amount from Rs. 37.18 crore to Rs. 30.62 crore for its earlier approved proposal for **bagasse based cogeneration power project** of sugar unit.

It was observed by the Committee that due to loss of Rs.83.46 crore in 2013-14 and overall high SDF loan exposure in the company, IFCI had recommended that GOI may consider taking PDCs (post dated cheques) for due repayment of



principal and interest before disbursement. The committee in view of the financial conditions of the company as assessed by IFCI, decided not to recommend any SDF loan to the Sugar Factories of M/s NSL Sugars Ltd.

4. BAGASSE BASED CO-GENERATION POWER PROJECTS

(i) **M/s Jai Hind Sugar Pvt. Ltd., Achegaon, Taluka- South Solapur, Distt- Solapur, Maharashtra (Additional Agenda Item No.1).**

1. The Standing Committee considered the loan application of M/s Jai Hind Sugar Pvt. Ltd., Achegaon, Taluka- South Solapur, Distt- Solapur, Maharashtra for Setting up 18 MW **Greenfield bagasse based co-generation power project** at a cost of Rs. 9780.00 lakh. SDF assistance of Rs. 682.00 lakh for exportable surplus 11.63 MW has been requested by the Sugar Factory.

2. The average DSCR of the sugar factory and the company as a whole is 2.19. FACR of the sugar factory and company as a whole as on 31.3.2015 is 1.39 and 1.46 respectively. IRR of the project is 30.61%.

3. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 633.70 lakh.


4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

(ii) **M/s DSM Sugar Rajpura (a unit of Dhampur Sugar Mills Ltd.), Rajpura, Distt. Bheem Nagar, Uttar Pradesh (Additional Agenda Item No. 2)**

1. The Standing Committee considered the loan application of M/s DSM Sugar Rajpura (a unit of Dhampur Sugar Mills Ltd.), Rajpura, Distt. Bheem Nagar, Uttar Pradesh for Setting up of 35.5 MW **bagasse based co-generation power project** at a cost of Rs. 13100.00 lakh. SDF assistance of Rs. 5200.00 lakh has been requested by the Sugar Factory.

2. The average DSCR of the sugar factory and the company as a whole is 2.14 and 2.68 respectively. FACR of the sugar factory and company as a whole as on 31.3.2015 is 2.05 and 2.42 respectively. IRR of the project is 30%.

3. The Committee was informed that that LSPEF dues amounting to Rs. 1,49,00,897.29 are pending against the factory. The Committee decided that the LSPEF dues must be cleared by the sugar factory before sanction of the SDF loan.



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4. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 3568.05 lakh.

5. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

5. ANHYDROUS ALCOHOL OR ETHANOL

(i) **Proposal of M/s Athani Sugars Ltd., Distt- Belgaum, Karnataka. (Agenda Item No. 15)**

1. The Standing Committee considered the loan application for Setting up plant for production of 30 KLPD (expansion of distillery unit from 30 KLPD to 60 KLPD) **anhydrous alcohol or Ethanol** from molasses at a cost of Rs. 4500.00 lakh. SDF assistance of Rs. 1800.00 lakh has been requested by the Sugar Factory.

2. The average DSCR of the sugar factory and the company as a whole is 2.66. FACR of the sugar factory and company as a whole as on 31.3.2015 is 2.02. IRR of the project is 18%.

3. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 1564.68 lakh.

4. The sugar factory will give first pari passu charge on its assets or a higher security for SDF loan as per FACR benchmark on the date of creation of charge.

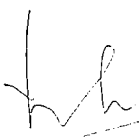
(ii) **M/s Shri Shivsagar Sugar & Agro Products Ltd., A/p.Udapudi-591130, Tq-Ramdurg, Distt-Belgaum, Karnataka. (Agenda Item No. 16)**

1. The Standing Committee considered the loan application for Setting up plant for production of 45 KLPD **anhydrous alcohol or Ethanol** from molasses at a cost of Rs. 5500.00 lakh. SDF assistance of Rs. 1925.00 lakh has been requested by the Sugar Factory.

2. The proposal was considered by the committee and it was observed that the Net Worth of the Sugar factory for the FY 2014-15 is negative. *The committee therefore, did not recommend grant of loan to the sugar factory.*

6. EXTENSION OF VALIDITY PERIOD OF ADMINISTRATIVE APPROVALS

(i) **M/s Shree Basaveshwar Sugars Ltd, Bijapur; Karnataka (Agenda Item No. 19)**

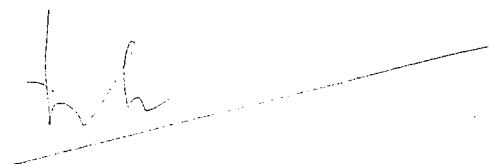

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The **Administrative Approval** for SDF loan of Rs. 13,87,67,000 was issued to the Sugar Factory on **03.05.2013** which was valid up to 02.05.2014. Thereafter, on the request of Sugar factory, extension in Administrative Approval was granted to them upto 02.11.2014. The sugar factory again requested for extension of AA. However, in pursuance of the decision taken in the 127th meeting of the Standing committee the request has not been agreed to.

(ii) M/s. E.I.D. Parry (India) Ltd., Nellikuppam, District Cuddalore, Tamil Nadu (Agenda Item No. 20)

M/s. E.I.D. Parry (India) Ltd., Nellikuppam, District Cuddalore, Tamil Nadu, was sanctioned SDF loan of Rs.2160.00 lakh for modernisation cum expansion of crushing capacity from 5000 TCD to 6500 TCD vide administrative approval dated 17.7.2009. The first instalment of Rs.1080 lakh was disbursed vide sanction letters dated 30.3.2010 and 13.4.2010.

2. Validity of Administrative Approval for availing the disbursement of second instalment by the sugar factory was extended upto 31.8.2012.
3. The sugar factory requested that second instalment may be disbursed and the sugar factory would submit the EIA on receipt.
4. The case was placed before sub-committee meeting held on 31.1.2013. The committee decided that the case may not be closed and extension may be sought after receipt of EIA.
5. The EIA has still not been received. It was also informed that Utilization Certificates for loan disbursed for sugarcane development and SDF loans can not be disbursed till these UCs are received. The sugar factory has submitted an undertaking that they will furnish all pending UCs before 31.08.2016
6. Considering the fact that the first instalment has been disbursed and the SF has furnished a Bank Guarantee dated 13.9.2010 for disbursement of second instalment of loan for an amount not exceeding Rs. 14,45,05,775 and the bank guarantee shall remain in full force upto 10.9.2021, and that the Sugar Factory has also submitted an undertaking to submit UCs by 30.8.2016, the Standing Committee decided to extend the validity period of Administrative Approval up to 30.9.2016.



AGENDA ITEM NO.-22

- (iii) M/s. Shri Vithal Sahakari Sakhar Karkhana Ltd., Venunagar, Post Gursale Taluka Pandharpur, District Solapur, Maharashtra

The case of M/s. Shri Vithal Sahakari Sakhar Karkhana Ltd., Venunagar, Post Gursale Taluka Pandharpur, District Solapur, Maharashtra for relaxation in condition of Administrative Approval (AA) regarding submission of NOC from PCB (Consent to Operate) at the time of disbursement was discussed in the meeting and it was decided that since NOC from PCB (Consent to Establish) is valid at the time of first installment of loan, and the Consent to Operate is granted after the commissioning of the project, the said condition is relaxed for disbursement of first installment of loan in this case. This will apply to other similar cases also.

7. POLICY MATTERS

MONITORING OF CANE DEVELOPMENT LOANS GRANTED FROM SUGAR DEVELOPMENT FUND (AGENDA ITEM NO.-21).

The matter relating to monitoring of Cane Development Loan from SDF have been under examination of the Department in consultation with the IFD since 2012-13. A meeting under the Chairmanship of AS& FA was also held on 05.08.2013 and it was inter-alia decided to appoint only those monitoring agencies which are having Scientific/ Research oriented expertise for monitoring work. The matter was also discussed in 121st meeting of Standing Committee.

2. Accordingly, application were invited from 18 Institutes out of which only 7 institutes showed willingness. Based on the strength of technical manpower and area of specialization following 3 Institutes have been short listed with the concurrence of IFD for assigning the work of monitoring of Cane Development loan granted from SDF.

- (i) Sugarcane Breeding Institute, Coimbatore, Tamil Nadu.
(ii) National Sugar Institute, Kanpur, Uttar Pradesh.
(iii) Vasantdada Sugar Institute, Pune, Maharashtra

3. Based on their locations, the cane development loan monitoring work in different states was proposed to be distributed amongst the above institutes as under:

S. No.	Name the Institute/Agency	Name of the States
1.	Sugarcane Breeding Institute, Coimbatore, Tamil Nadu	Tamil Nadu, Karnataka, Andhra Pradesh.

2.	National Sugar Institute, Kanpur, Uttar Pradesh.	Uttar Pradesh, Punjab, Bihar, Uttarakhand, Haryana.
3.	Vasantdada Sugar Institute, Pune, Maharashtra	Maharashtra, Gujarat, Odisha, Madhya Pradesh

The matter was discussed in detail in the Standing Committee and it was decided that :

(i) The work of monitoring of Cane Development loans granted from Sugar Development Fund will be assigned to the three agencies as per following details:

S. No.	Name the Institute/Agency	Name of the States
1.	Sugarcane Breeding Institute, Coimbatore, Tamil Nadu	Tamil Nadu, Karnataka, Andhra Pradesh, Telangana
2.	National Sugar Institute, Kanpur, Uttar Pradesh.	Uttar Pradesh, Punjab, Bihar, Uttarakhand, Haryana.
3.	Vasantdada Sugar Institute, Pune, Maharashtra	Maharashtra, Gujarat, Odisha, Madhya Pradesh

(ii) the officers of this Department may also be deputed for field visit, as and when required to assess the ground reality.

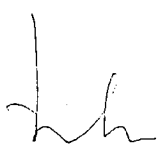
(iii) the fee pattern will remain the same i.e. @1% of the amount of loan disbursed. Monitoring report will be submitted by the concerned agency in two parts:-

- (i) Convey actual Utilization.
- (ii) Impact assessment.

Payment to the monitoring agency will be made in two parts i.e. 50% after report is received regarding actual utilization and balance 50% after receipt of report regarding impact assessment.

(iv) time period for monitoring of Cane Development loan was increased from 3 months to 12 months. Utilization Certificates (UCs) be allowed to be submitted in 12 months, as often loans cannot be utilized if linked activity cannot be carried out within the stipulated time. Accordingly, Administrative Approval and Tripartite Agreement may also be amended.





8. REVISION OF NORMATIVE COST OF THE BAGASSE BASED COGENERATION PROJECTS. (AGENDA ITEM NO.-23)

The Normative cost for arriving at the cost of the project for setting up bagasse based cogen power projects by the sugar factory are fixed by the SDF Division from time to time. The last revision in Normative cost was made by the Department in 2006 and it was fixed at Rs. 363 lakhs per MW. And in 2010 a modification was made that boiler pressure less than 67 ata will not be considered for financial assistance. The same norms are continuing since then. Since the cost of machinery and equipments and other inputs have escalated over the period of time, it is felt essential now to revise the normative cost.

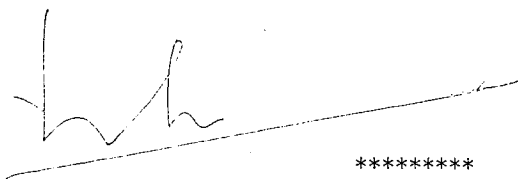
2. The NSI, Kanpur, VSI Pune, IFCI and NCDC were requested to send proposal/comments to revise normative cost to this department for further consideration. After examining the same, the Standing Committee recommended the norms as proposed by NSI Kanpur as under:

Boiler pressure/Temp. ata/°C	Installed capacity MW	Total Project cost (Rs. in lakh)	Project cost per MW Generation (Rs. lakh/MW)
67/510	84.5	32496	385
87/515	159.5	70565	442
110/540	110.95	60285	543

9. LEVY SUGAR DEFAULT (AGENDA ITEM NO.-24)

In the 127th meeting of the Standing Committee on SDF held on 8.10.15, it was decided that the sugar factories are required to clear Levy Sugar obligation before disbursement of SDF loan. However, in such cases where levy sugar obligation is pending, the disbursement of loan has been held up.

3. The matter was discussed in the Standing Committee meeting and it was decided that when a sugar factory has levy dues payable, the amount of levy sugar at prevalent rates may be withheld and the rest of the eligible amount of loan may be disbursed. After Sugar Factory clears dues of levy the balance of the eligible amount may also be released.



ATTENDANCE SHEET OF PARTICIPANTS OF 128TH MEETING OF
STANDING COMMITTEE OF SDF HELD ON 6th January, 2015 AT 11.00 A.M.

Sl. No.	Name, Designation & Organization	Name of department/Organization
1.	Ms. Vrinda Sarup, Secretary & Chairperson.	Department of Food and Public Distribution
2.	Shri. P.K. Jha, Special Secretary and Financial Advisor	Department of Food and Public Distribution
3.	Shri Prashant Trivedi, Joint Secretary (S&SA)	Department of Food and Public Distribution
4.	Smt. Shivali M Chauhan, Director	Ministry of Finance
5.	1. R.P. Singh, Asstt. Director (Corp) 2. P. Ahllan, Dy. Secretary (Cost)	Indian Council of Agricultural Research, Krishi Bhawan,
6.	Shri N. K. Kashmira Deputy Secretary (SDF) & Member Secretary	Department of Food and Public Distribution
	SPECIAL INVITEES	
7	1. Shri M. P. Sethi, GM 2. Shri Sudhir Kumar, AGM 3. Shri S Chandrasekhar, AGM	IFCI Limited, New Delhi
8	1. Smt. Vasudha Misra CMD 2. Shri A. K. Singh CD (Sugar) 3. Shri R. K. Mangala (DD (Sugar)	National Co-operative development Corporation, (NCDC) New Delhi
9	Shri R. K. Pandey, Dy. Secretary (Finance)	Department of Food and Public Distribution
10	Shri Sunil Chauhan, Under Secretary (SDF)	Department of Food and Public Distribution
11	Shri Sudesh Kumar, Under Secretary (SPF)	Department of Food and Public Distribution
12	Shri Manmohan Kumar, Section Officer (SDF)	Department of Food and Public Distribution

