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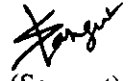
No.1-3/2022-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution
www.dfpd.nic.in

Room No.581, Krishi Bhawan,
New Delhi, the 26th October, 2022

OFFICE MEMORANDUM

Subject: 145th Meeting of the Standing Committee of Sugar Development Fund, chaired by Secretary (F&PD), held on Friday 21st October, 2022 at 10:00 AM – regarding.

In continuation to this Department's O. M. of even number dated 14.10.2022, 17.10.2022 and 19.10.2022 on the subject mentioned above, a copy of the minutes of 145th meeting of Standing Committee on SDF held on 21.10.2022 under the Chairmanship of Secretary (F&PD) is enclosed herewith for kind information and necessary action.



(Sangeet)

Director (SDF)

Member Secretary

Tel.No.23383760

To

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), Jeewan Deep Building, New Delhi (Member).
5. Joint Secretary (Sugar & Admn.), Department of Food & Public Distribution, (Member).
6. Director (S&VO), Directorate of Sugar, Department of Food & Public Distribution (Member).
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 : Expert on banking
- (ii) Representative from NCDC : Expert on banking



(Sangeet)

Director (SDF)

Member Secretary

Tel.No.23383760

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) PSO to Secretary, Department of Food & Public Distribution
- (iv) Chief Controller of Accounts, Department of Food & Public Distribution

Minutes of the 145th Meeting of the Standing Committee of Sugar Development Fund held on 21st October, 2022 in the Department of Food and Public Distribution, Krishi Bhawan, New Delhi.

The 145th Meeting of the Standing Committee of the Sugar Development Fund (SDF) was held on 21st October, 2022 at 10:00 AM under the Chairmanship of Secretary (F&PD). A list of participants is at **Annexure-I**.

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


Agenda No. 145.I: Action Taken Report on 144th Meeting of the Standing Committee.

The Action Taken Report on the decisions taken in the 144th Meeting of the Standing Committee held on 22nd April, 2022 was considered case by case. Updated position was brought to the notice of the Committee.

Agenda No.145.1: Restructuring of SDF loan in respect of M/s. Jai Bhavani SahakariSakharKarkhana Ltd, Dist. Beed, Maharashtra

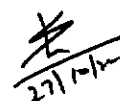
The Committee considered the application of M/s Jai Bhavani SahakariSakharKarkhana Ltd. for restructuring of Modernisation loan of Rs. 459.00 lakhs under operational guidelines issued under Rule 26 of SDF Rules, 1983.

2. The application was received online through the SDF portal.
3. The Detailed Project Report has been prepared by the lead bank, The Beed District Central Co-op Bank Ltd., Beed and they have opined that the restructuring of SDF loan is technically feasible and financially viable.
4. Owing to the default by the company, IFCI has filed a case in DRT, Pune vide OA NO 517/ 2022 LA No. 413/2020. In the event of re-structuring, the same shall be withdrawn/ kept in abeyance.
5. NOC(s) have been submitted by the company in respect of other lenders namely, (i) The Beed District Central Co-op Bank Ltd, Beed, (ii) Shivsharda Multi State Co-operative Credit Society Limited, and (iii) Buldana Urban Co-op Credit Society Ltd.
6. As per the balance sheet and other financial details submitted by the sugar factory, the sugar factory's net worth is negative for the last three financial years.
7. The FACR on the basis of audited annual accounts for the year 2020-21 works out to be 3.96 which is above the benchmark.
8. The sugar factory shall open escrow account along with other lenders for the receivables.
9. As per the defaulter's list as on 31.08.2022 of O/o CCA, the SDF dues position of the company is as under:


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Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Modernisation	J-74	4,59,00,000	3,36,21,883	2,50,71,860	3,28,08,297	9,15,02,040
	Total	4,59,00,000	3,36,21,883	2,50,71,860	3,28,08,297	9,15,02,040

10. The Sugar Unit is eligible for the waiver of additional interest of Rs. 3,28,08,297/- (as on 31.08.2022). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.
11. The security requirement for the restructured loan will be decided at the time of Charge creation as per the extant Rules/Guidelines.
12. The application along with Committee for Rehabilitation (CFR) recommendations was discussed in detail, and the Committee observed that the application meets the eligibility criteria of Operational Guidelines dated 03.01.2022.
13. After due deliberations, the Committee recommended the Restructuring of the SDF loans and waiver of additional/penal interest in full in respect of the SDF loan, subject to the following conditions:
 - i. Fulfilment of security requirement by the company at the time of charge creation.
 - ii. Conversion of 2nd charge into 1st pari-passu charge.
 - iii. Opening of Escrow Account along with other lenders for the receivables.
14. The Committee recommended the Restructuring of the SDF loan and waiver of additional/penal interest in full in respect of the SDF loan, subject to the conditions mentioned in point No. 13 above and for the following reasons:
 - a. It provides succour to the ailing sugar unit and improve its financial viability. The society will be able to come out of accumulated losses, which will be in the interest of all the stakeholders including the cane farmers.
 - b. It will increase the chances for repayment of the SDF loans.
 - c. It will reduce the SDF default and the account will become regular.
 - d. The legal route for recovery of SDF dues through DRT is time consuming and till date no major SDF recovery has been made through DRT. The restructuring of SDF loan will improve the chances of recovery in future.



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Agenda No. 145.2:Restructuring of SDF loan in respect of M/s Indian Sugar Manufacturing Company Ltd (ISML), Havinal, TqChadchan, Dist. Bijapur, Karnataka.

1. M/s Indian Sugar Manufacturing Company Ltd (ISML) has submitted the application for restructuring of Ethanol loan of ₹1986.12 lakh under operational guidelines issued under Rule 26 of SDF Rules, 1983 by making upfront payment towards principal & interest.
2. The application was received online through the SDF portal.
3. From the balance sheet and other financial details submitted by the sugar factory, it was observed that the company has incurred losses for the last three financial years, and the company's net worth is also negative.
4. As per the SDF defaulter list as on 31.08.2022, the SDF dues position of the company is as under:

Loan Type	Unit Name	GOI Ledger No.	Gross Sanction (In Lakh)	Principal Amount (In Rs.)	Interest (In Rs.)	Penal Interest Default (In Rs.)	Total Outstanding (In Rs.)
Ethanol	HAVINAL	X-17	1986.12	19,86,12,800	12,87,78,629	5,68,07,816	38,41,99,245

5. The Sugar factory is eligible for the waiver of additional interest of ₹5,68,07,816 (as on 31.08.2022). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.
6. The SDF loan availed by said sugar mill is against First Pari-Passu charge of movable & immovable properties situated at Havinal unit, Taluk Brijapur, District- Bijapur, Karnataka.
7. IFCI has filed a case with DRT, Bangalore on 26.07.2019 (OA No., 1352/2019).
8. The application of ISML along with recommendations of CFR were deliberated in detail. It was noted that the sugar mill has proposed to make upfront payment towards Principal and Interest after waiver of additional/penal interest. The Committee observed that the application meets the eligibility criteria as per the Guidelines issued vide letter dated 03.01.2022 and emphasized that it is a *win-win* situation for the SDF as the whole amount towards principal and interest will be immediately recovered.
9. It was also discussed in meeting that there is no requirement of Detailed Project Report indicating future technical and financial viability of revival of the said company as the sugar mill has opted for the complete Upfront payment of Principal and Interest.
10. After due deliberations, the Committee recommended the Restructuring of the SDF loans and waiver of additional/penal interest in full in respect of the SDF loan, subject to the condition that the company will be making upfront payment of principal and interest within 3 months of the final order (i.e. Administrative Approval) of restructuring of the SDF loan.
11. The Committee recommended the Restructuring of the SDF loan and waiver of additional/penal interest in full in respect of the SDF loan, subject to the conditions mentioned in point No. 10 above and for the following reasons:


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- a. It provides succour to the ailing sugar unit and improve its financial viability. The sugar mill will be able to come out of losses, which will be in the interest of all the stakeholders including the cane farmers.
- b. Upfront payment of about ₹ 32.74 crore will be received.
- c. It will reduce the SDF default and the account will be settled.
- d. The legal route for recovery of SDF dues through DRT is time consuming and till date no major SDF recovery has been made through DRT. The restructuring of SDF loan will help in recovery of SDF dues.

Agenda No.145.3: Restructuring of SDF loan in respect of M/s The Aska Co-operative Sugar Industries Ltd., Aska, District Ganjam, Odisha.

The Committee considered the application of M/s Aska Co-operative Sugar Industries Ltd. for restructuring of SDF Modernisation loan of Rs. 718.572 lakhs under operational guidelines issued under Rule 26 of SDF Rules, 1983.

2. The application was received online through the SDF portal.
3. In consonance with amended Clause 5(a)(iv) of the operational guidelines for restructuring dated 03.01.2022, the Detailed Project Report has been prepared by National Federation of Cooperative Sugar Factories Limited (NFCSF), New Delhi. The report concludes that M/s The Aska Co-operative Sugar Industries Ltd. meets all the criteria of the guidelines for restructuring of SDF loans and is eligible for restructuring of SDF loan.
4. The sugar factory is not under litigation by any lender except SDF, Government of India. NCDC, on behalf of SDF, Government of India has filed a case in DRT (RC 150/2019). The committee observed that as per guidelines, restructuring may be considered even after the borrower / sugar mill is referred for litigation by SDF nodal agencies, on behalf of SDF at DRT for recovery of dues.
5. There is no lender to the society except SDF, Government of India.
6. As per the balance sheet and other financial details submitted by the sugar factory, the sugar factory's net worth is negative for the last three financial years.
7. The security cover on the basis of audited annual accounts for the year 2020-21 works out to be 0.44 which is below the benchmark of 1.33. As such, the society may be required to furnish Bank Guarantee post restructuring of SDF loan. However, security requirement for the restructured loan will be decided at the time of Charge creation as per the extant Rules/Guidelines.
8. The sugar factory shall open an Escrow Account/Trust and Retention account (TRA) for regular payment of SDF dues post re-structuring in case of approval of re-structuring proposal.
9. As per the defaulter list as on 31.08.2022, SDF dues position of the company is as under:

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Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Modernisation	N-46	3,83,63,200	3,68,29,603	2,96,17,073	3,80,90,783	10,45,37,459
	N-48	3,34,94,000	3,34,94,000	11,03,76,911	9,47,94,841	23,86,65,752
	Total	7,18,57,200	7,03,23,603	13,99,93,984	13,28,85,624	34,32,03,211

10. The Sugar Unit will be eligible for the waiver of additional interest of Rs. 13,28,85,624/- (as on 31.08.2022). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.

11. The application along with recommendations of CFR was discussed in detail, and the Committee observed that the application meets the eligibility criteria of Operational Guidelines dated 03.01.2022.

12. After due deliberations, the Committee recommended the Restructuring of the SDF loans and waiver of additional/penal interest in full in respect of the SDF loan, subject to the following conditions:

- i. Fulfillment of security requirement by the society at the time of charge creation as per extant rules and guidelines.
- ii. Conversion of 2nd charge into 1st pari-passu charge on the assets of the society.
- iii. Opening of Escrow Account/Trust and Retention account (TRA) for regular payment of SDF dues post re-structuring.

13. The Committee recommended the Restructuring of the SDF loan and waiver of additional/penal interest in full in respect of the SDF loan, subject to the conditions mentioned in point No. 12 above and for the following reasons:

- a. It provides succour to the ailing sugar unit and improve its financial viability. The society will be able to come out of losses, which will be in the interest of all the stakeholders including the cane farmers.
- b. It will increase the chances for repayment of the SDF loans.
- c. It will reduce the SDF default and the account will become regular.
- d. The legal route for recovery of SDF dues through DRT is time consuming and till date no major SDF recovery has been made through DRT. The restructuring of SDF loan will improve the chances of recovery in future.

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Agenda No. 145.4: Restructuring of SDF loan in respect of M/s. Shree SiddheshwarSahakariSakharKarkhana Ltd., Kumathe (Solapur), Maharashtra.

The Committee considered the application for restructuring of Cogeneration loan of Rs. 5018.14 lakh under operational guidelines issued under Rule 26 of SDF Rules, 1983.

2. The application was received online through the SDF portal.
3. As per amended Guidelines for Structuring of SDF Loan, the Detailed Project Report has been prepared by Vasantraodada Sugar Institute (VSI), Pune and they have concluded that the re-structuring proposal of SDF loan to M/s. Shree Siddheshwar SSK Limited is technically feasible, financially viable and so can be considered for restructuring of SDF loan under SDF Rule-26.
4. From the balance sheet and other financial parameters submitted by the sugar factory, the Committee observed that the society's net worth is negative during the last three financial years.
5. FACR of the Sugar Factory on the basis of audited annual accounts for the year 2020-21 works out to 4.79 times which is above the bench mark of 1.33.
6. With regard to willingness to permit the Restructuring of SDF loans in the light of projected cash flows, the Committee observed that NOC is awaited from two lenders i.e. Bank of Baroda and Maharashtra State Cooperative Bank Ltd.
7. As informed by NCDC, the sugar factory is not under litigation by any lender.
8. Escrow Account/TRA to be opened for payment of SDF dues regularly, post restructuring.
9. As per the defaulter list as on 31.08.2022 provided by the O/o. CCA, SDF dues position of the company is as under :

(in Rs.)

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Cogeneration	IX-75	30,14,19,600	15,07,09,800	2,58,22,115	30,32,218	17,95,64,132
	IX-76	20,03,94,400	10,01,97,200	3,71,59,063	80,94,704	14,54,50,967
TOTAL		50,18,14,000	25,09,07,000	6,29,81,178	1,11,26,922	32,50,15,099

10. The company is eligible for the waiver of additional interest of Rs. 1,11,26,922/- (as on 31.08.2022). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.


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11. The security requirement, if any, for the restructured loan will be decided at the time of charge creation as per extant SDF Rules/Guidelines.
12. The application along with recommendations of CFR was discussed in detail, and the Committee observed that the application meets the eligibility criteria as per the Guidelines issued for Restructuring of SDF loans under Rule 26.
13. After due deliberations, the Committee recommended the Restructuring of the SDF loan and waiver of additional/penal interest in full in respect of the SDF loan, subject to following conditions:
- i. Fulfillment of security requirement by the society at the time of charge creation as per extant rules and guidelines.
 - ii. NOC from other two lenders for restructuring of SDF loan.
 - iii. Opening of Escrow Account/Trust and Retention account (TRA) for regular payment of SDF dues post re-structuring.
14. The Committee recommended the Restructuring of the SDF loan and waiver of additional/penal interest in full in respect of the SDF loan, subject to the conditions mentioned in point No. 13 above and for the following reasons:
- a. It provides succour to the ailing sugar unit and improve its financial viability. The society will be able to come out of losses, which will be in the interest of all the stakeholders including the cane farmers.
 - b. It will increase the chances for repayment of the SDF loans.
 - c. It will reduce the SDF default and the account will become regular.
 - d. The legal route for recovery of SDF dues through DRT is time consuming and till date no major SDF recovery has been made through DRT. The restructuring of SDF loan will improve the chances of recovery in future.

Agenda No. 145.5: Restructuring of SDF loan in respect of The Krishna SahakariSakkareKarkhaneNiyamit (KSSKN), Athani, Belgavi, Karnataka.

1. The committee considered the application for restructuring of Cogeneration loan and modernization loan of M/s Krishna SahakariSakkareKarkhaneNiyamit (KSSKN), Athani, Belgavi, Karnataka under operational guidelines issued under Rule 26 of SDF Rules, 1983.
2. The application was received online through SDF portal.
3. As per the balance sheet and other financial details submitted by the sugar factory, it was observed that the company's net worth is negative.
4. The Detailed Project Report has been prepared by Vasantrao Dada Sugar Institute (VSI), Pune. The report concludes that re-structuring of SDF loan proposal in the present form is technically feasible, financially viable and so can be considered for restructuring the SDF loan.
5. The KSSKN has submitted the NOC of all the existing charge holders.


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6. The sugar factory shall open an Escrow Account/Trust and Retention account (TRA) for regular payment of SDF dues post re-structuring.
7. As per the SDF defaulter list as on 31.08.2022, the SDF dues position of the company is as under:

Loan Type	GOI Ledger No.	Gross Sanction (In Lakh)	Principal Amount (In Rs.)	Interest (In Rs.)	Penal Interest Default (In Rs.)	Total Outstanding (In Rs.)
MOD.	AA-38	1348.80	6,74,40,000	4,60,56,912	48,08,386	11,83,05,298
Co-gen.	IX-82	1852.81	9,26,40,500	1,83,55,480	31,78,952	11,41,74,932
Total			16,00,80,500	6,44,12,392	79,87,338	23,24,80,230

8. The Sugar Unit will be eligible for the waiver of additional interest of ₹79,87,338 (as on 31.08.2022). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.
9. The security cover on the basis of audited annual accounts for the year 2020-21 works out to be 1.96 which is above the benchmark of 1.33. However, the security requirement for the restructured loan will be decided at the time of charge creation as per extant SDF Rules/guidelines.
10. The sugar factory is not under litigation by any lender as per undertaking submitted by the society.
11. The applications of The Krishna Sahakari Sakhar Karkhana Niyamit (KSSKN), Athani, Belgavi, Karnataka along with recommendations of CFR have been deliberated in detail in light of the operational guidelines dated 03.01.2021 for restructuring of SDF loan and the Committee observed that the application meets the eligibility criteria.
12. After due deliberations, the Committee recommended the Restructuring of the SDF loans and waiver of additional/penal interest in full in respect of the SDF loans, as per the Operational Guidelines for the Restructuring of SDF loans subject to the following conditions:
 - i. Fulfilment of security requirement by the company at the time of charge creation as per extant SDF Rules/guidelines.
 - ii. Opening of Escrow Account/Trust and Retention account (TRA) for regular payment of SDF dues post re-structuring.
13. The Committee recommended the Restructuring of the SDF loan and waiver of additional/penal interest in full in respect of the SDF loans, subject to the conditions mentioned in point No. 12 above and for the following reasons:
 - a. It provides succour to the ailing sugar unit and improve its financial viability. The society will be able to come out of losses, which will be in the interest of all the stakeholders including the cane farmers.
 - b. It will increase the chances for repayment of the SDF loans.
 - c. It will reduce the SDF default and the account will become regular.


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- d. The legal route for recovery of SDF dues through DRT is time consuming and till date no major SDF recovery has been made through DRT. The restructuring of SDF loan will improve the chances of recovery in future.

Agenda No. 145.6: Restructuring of SDF loans in respect of M/s. NSL Sugars Limited.

The Committee considered the application for restructuring of M/s. NSL Sugars Limited of Modernisation Loan (Jay Mahesh Unit) of ₹ 27,62,51,343/-, Modernisation Loan (Aland Unit) of ₹ 18,30,00,000/-, Ethanol Loan (Jay Mahesh Unit) of ₹ 5,58,10,016/-, Cogeneration Loan (Jay Mahesh Unit) of ₹ 25,86,91,182/- and Cogeneration Loan (Aland Unit) of ₹ 26,00,74,000/- under operational guidelines issued under Rule 26 of SDF Rules, 1983.

2. The application was received online through the SDF portal.
3. The Detailed Project Report has been prepared by IFCI Limited, as per which M/s. NSL Sugars Limited is Technically feasible and economically viable.
4. From the balance sheet and other financial parameters submitted by the sugar factory, the Committee observed that the sugar factory's net worth is negative during the last three financial years.
5. While examining the case for restructuring, the Committee observed that during restructuring in 2019, the Consortium lenders (led by Canara Bank) had sanctioned a loan for an amount of Rs. 560 Cr and created security on the assets of the Company without obtaining consent of the SDF, GOI.
6. The Committee further observed that the company has sold properties of Rs 31.2 lacs pertaining to Jay Mahesh Unit (Pawarwadi) during 2020-21 & Rs.215.54 lac in 2019-20 & Rs. 439.03 lacs in 2018-19 without obtaining consent from SDF, GOI.
7. The Committee observed that in case of restructuring of SDF loan of M/s. NSL Sugars Limited, as per SDF Guidelines for processing of applications for restructuring of loans set by 144th Standing Committee on SDF, FACR benchmark of 1.33 will be followed for deciding the security (i.e. BG or 1st pari passu charge) of the restructured loan. Thus, the security of the restructured loan will be worked afresh as per FACR calculation including all the secured loans as per guidelines.
8. FACR of the company as a whole as on 31.03.2021 is 1.01, which is on lower side as compared to benchmark. However, the security requirement would be decided at the time of creation of charge as per extant rules/guidelines.
9. With regard to willingness to permit the Restructuring of SDF loans in the light of projected cash flows, the Committee observed that NOCs received from some of the lenders is conditional and NOC is awaited from two lenders.
10. IFCI has filed the case with DRT, Bangalore on 29/01/2020 (OA No. 269/2020). In the event of restructuring, legal case shall be withdrawn/kept in abeyance.


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11. NSL has a TRA (Trust & Retention Account) with Canara bank as lead lender as part of debt resolution plan approved and implemented by consortium lenders. As per Committee's recommendation, NSL has to include SDF/GOI in TRA account.

12. As per the defaulter list as on 31.08.2022 provided by the O/o. CCA, SDF dues position of the company is as under :

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Modernisation	Z-12	13,14,11,343	13,14,11,343	5,56,13,522	67,11,821	19,37,36,686
	Z-13	14,48,40,000	12,22,91,215	1,57,28,399	41,34,850	14,21,54,464
Ethanol	X-01	5,58,00,000	1,42,66,055	7,36,846	4,21,055	1,54,23,956
Cogen	VIII-73	12,59,13,000	4,93,56,754	36,55,465	21,66,202	5,51,78,421
	VIII-74	13,27,79,000	9,29,45,051	1,54,47,999	24,70,130	11,08,63,180
	IX-91	26,00,74,000	4,71,13,648	1,09,717	1,03,263	4,73,26,627
Modernisation	DD-17	5,65,07,000	-	-	-	-
	DD-18	12,64,93,000	-	-	-	-
	Total	1,03,38,17,343	45,73,84,066	9,12,91,948	1,60,07,321	56,46,83,334

Note: All the above loans including the loans where payment is not due will be restructured. In case of loan accounts DD 17 and DD 18 above, the interest accrued thereon during moratorium period will be capitalised and restructured

13. The company is eligible for the waiver of additional interest of Rs. 1,60,07,321/- (as on 31.08.2022). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.

14. The security requirement for the restructured loan will be decided at the time of charge creation as per extant SDF Rules/Guidelines.

15. The application along with recommendations of CFR was discussed in detail, and the Committee observed that the application meets the eligibility criteria as per the Guidelines issued for Restructuring of SDF loans under Rule 26.

16. After due deliberations, the Committee recommended the Restructuring of the SDF loans and waiver of additional/penal interest in full in respect of the SDF loan, as

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per the Operational Guidelines for the Restructuring of SDF loans subject to the following conditions:

- o Fulfilment of security requirement at the time of charge creation as per the extant Rules/Guidelines.
- o Receipt of unconditional NOCs from all the lenders
- o Conversion of 2nd charge into 1st pari-passu charge
- o Inclusion of SDF/GoI in TRA Account

17. The Committee recommended the Restructuring of the SDF loan and waiver of additional/penal interest in full in respect of the SDF loans, subject to the conditions mentioned in point No. 16 above and for the following reasons:

- a. It provides succor to the ailing sugar unit and improve its financial viability. The Company will be able to come out of losses, which will be in the interest of all the stakeholders including the cane farmers.
- b. It will increase the chances for repayment of the SDF loans.
- c. It will reduce the SDF default and the account will become regular.
- d. The legal route for recovery of SDF dues through DRT is time consuming and till date no major SDF recovery has been made through DRT. The restructuring of SDF loan will improve the chances of recovery in future.

Agenda No.145.7: Amendments in Operational Guidelines for Restructuring of SDF loans under Rule 26 of SDF Rules, 1983.

Exercising the powers conferred by Section 4 read with Section 9 of the Sugar Development Fund Act, 1982, the Rule 26 of SDF Rules, 1983 was amended vide GSR 201(E) Notification dated 24.03.2021 to facilitate the restructuring of SDF loans of Potentially viable sick sugar undertakings. Accordingly, for implementing this provision, operational guidelines for Restructuring of SDF Loans were issued vide letter dated 03.01.2022.

2. Thereafter, an amendment has been made in Clause 5 (a)(iv) of operational Guidelines for Restructuring of SDF Loans under SDF Rule 26 of SDF Rules, 1983 and same has been issued by this Department vide letter dated 04.10.2022.

3. The amendment made in Clause 5 (a)(iv) of the operational guidelines was placed before the Standing Committee for information.

4. The Committee noted the same.

Agenda No. 145.8: Closure of the SDF loan application of M/s. Nirani Sugars Limited, 166, Kulali Cross, Jamakhandi Road, Mudhol Taluk, Bagalkot, Karnataka (Plant Code: 51901) for sanction of financial assistance from SDF for cane development


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The sugar factory was issued Administrative Approval (AA) of Rs. 534.60 lakhs for cane development loan vide letter dated 25.05.2021 with a validity of one year. Although the validity period of AA has expired on 24.05.2022, the SF did not execute TPA and there was no response from the Sugar Factory. On account of non-fulfilment of the conditions of the sanction letter, the case for providing financial assistance to the sugar factory for SDF loan for cane development was closed on 02.09.2022.

The above facts were noted by the Committee.

Agenda No.145.9: Review of Recoveries of SDF Loans

The Committee reviewed the progress made on recovery of SDF dues during FY 2022-23 (up to 30.09.2022) and directed to take necessary steps to further improve the recovery position.

The meeting ended with vote of thanks to the Chair.


27/10/22