

Through Email

No.1-3/2022-SDF

भारत सरकार

Government of India

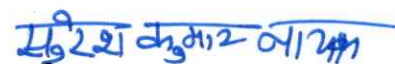
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय
Ministry of Consumer Affairs, Food & Public Distribution
खाद्य और सार्वजनिक वितरण विभाग
Department of Food & Public Distribution
www.dfpd.nic.in

कृषिभवन, नई दिल्ली
दिनांक : 23.05.2025

कार्यालयज्ञापन

विषय : Minutes of the Meeting of 150th Meeting of the Standing Committee of Sugar Development Fund chaired by Secretary(F&PD), held on 19.05.2025 at 11.00 a.m. - Regarding

In continuation of this Department's O.M. of even number dated 13.05.2025 on the subject mentioned above, a copy of the minutes of the 150th meeting of Standing Committee on SDF held on 19th May, 2025 under the Chairmanship of Secretary (Food & PD) is enclosed, for kind information and necessary action.



(सुरेश कुमार नायक)

उपसचिव (SDF)

सदस्य सचिव

ईमेल : ds-sugar@gov.in

Tel No. 23380266

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), Department of Food & Public Distribution, (Member).
6. Director (S&VO), Directorate of Sugar, Department of Food & Public Distribution.
7. Director General, Indian Council of Agricultural Research, Krishi Bhawan, New Delhi (Nominated Additional Member as expert under First Proviso to Rule 6).
8. Director, National Sugar Institute, Kanpur (Nominated Additional Member as expert under First Proviso to Rule 6).
9. Representative from IFCI Limited (as special invitee from financial institution under Second Proviso to Rule 6)
10. Representative from NCDC (as special invitee from financial institution under Second Proviso to Rule 6)



(सुरेश कुमार नायक)

उपसचिव (SDF)

सदस्य सचिव

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

Minutes of the 150th Meeting of the Standing Committee of Sugar Development Fund held on 19.05.2025 at 11.00 a.m. in the Department of Food and Public Distribution, Krishi Bhawan, New Delhi

The 150th meeting of the Standing Committee of Sugar Development Fund (SDF) was held on 19.05.2025 under the Chairmanship of Secretary (F&PD). A list of participants is at **Annexure.**

At the outset, the Chairman welcomed all the members of the Standing Committee. The Committee was informed that with the approval of Ministry of Finance, Department of Expenditure vide O.M. dated 12.02.2024, SDF, GoI has issued Revised Operational Guidelines for Restructuring of SDF loans under Rule 26 of SDF Rules 1983 on 28.02.2024. Salient provisions of the 'Revised Operational Guidelines for restructuring of SDF loans' were also noted highlighting the Scheme of 'One Time Settlement (OTS)' giving option to the sugar factories/undertakings for complete payment of Principal and Interest (with waiver of additional interest) for settlement of SDF loan accounts.

After that, each Agenda Item was deliberated upon. The brief of deliberations and recommendations of Standing Committee are as under:

Agenda No. 150.1: Action Taken Report (ATR) on the decisions/directions of the 149th Standing Committee meeting held on 26.12.2024

The Action Taken Report (ATR) on the decisions/directions taken in the 149th Standing Committee meeting held on 26.12.2024 was considered case by case. Updated position was brought to the notice of the Committee.

Agenda No. 150.2: M/s. Kisanveer Satara Sahakari Sakhar Karkhana Ltd., Taluka-Wai, District-Satara, Maharashtra for Restructuring of SDF loan

The Committee considered the application of M/s Kisanveer Satara Sahakari Sakhar Karkhana Ltd., Taluka-Wai, District-Satara, Maharashtra for Restructuring of SDF Cogeneration Loan of Rs.27,10,56,226/-under Revised Operational Guidelines dated 28.02.2024 issued under Rule 26 of SDF Rules, 1983.

2. The Nodal Agency, NCDC, has recommended the case of the sugar factory for restructuring of SDF loan.
3. The TEV Report has been prepared by National Federation of Cooperative Sugar Factories Ltd. indicating that the society meets the guidelines for restructuring under Rule 26 of SDF loans and is eligible for restructuring of SDF loan.
4. The sugar factory's Profit as well as net worth is negative for the financial years 2021-22, 2022-2023 and 2023-24.
5. NOCs for restructuring of SDF loan has been received from lenders, DNS Bank & MSC Bank. However, NOCs is awaited from IDBI Bank, Sindhudurg Bank and Bank of India.
6. FACR of the sugar factory on the basis of audited annual accounts for the year 2023-24 works out to 8.10, which is above the bench mark of 1.33. However, security, if any, of the restructured loan will be decided at the time of creation of charge as per extant SDF rules/guidelines.

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7. The Committee observed that presently the sugar factory is not under litigation by any other lender except SDF, GOI and the same is pending in DRT, Delhi. The committee observed that as per the 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 SDF dues.

8. As per O/o. Chief Controller of Accounts letter dated 29.04.2025, the dues position of the society as on 29.04.2025 is as under :

(in Rs.)

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Cogeneration	VIII-58	27,10,56,226	27,10,56,226	36,87,79,565	14,21,58,690	78,19,94,481
Total		27,10,56,226	27,10,56,226	36,87,79,565	14,21,58,690	78,19,94,481

9. The sugar factory is eligible for the waiver of additional interest of ₹14,21,58,690/- (as on 29.04.2025). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.

10. The application, along with Committee for Rehabilitation (CFR) recommendations in its meeting held on 08.04.2025, was discussed in detail and the Committee observed that the society meets the eligibility criteria for restructuring of the Revised Operational Guidelines dated 28.02.2024.

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

- Receipt of NOCs from other lenders, IDBI Bank, Sindhudurg Bank and Bank of India.
- Fulfillment of security requirement by the society as per extant SDF Rules/guidelines.
- Opening of Escrow Account/Trust and Retention Account (TRA) for regular payment of SDF dues post restructuring.

Agenda No. 150.3: M/s. Madhucon Sugars and Power Industries Ltd., Rajeswarapuram, Khammam District, Telangana for Restructuring of SDF loans

The Committee considered the application of M/s Madhucon Sugars and Power Industries Ltd., Rajeswarapuram, Khammam District, Telangana for Restructuring of SDF Modernisation and Cane Development Loans of Rs.14,28,89,000/- (disbursed amount under Ledger No. AA-18) and Rs.5,40,00,000/- respectively under Revised Operational Guidelines dated 28.02.2024 issued under Rule 26 of SDF Rules, 1983.

2. The Nodal Agency, IFCI Ltd., has recommended the case of the sugar factory for restructuring of SDF loans.

3. The TEV Report has been prepared by IFCI Ltd. indicating that the company is technically, commercially and financially viable.



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4. The sugar factory's net worth is negative for the financial years 2022-23 and 2023-24.
5. The Committee observed that the SDF, GOI is the sole lender to the company with 1st exclusive charge on the assets of the sugar factory.
6. FACR of the sugar factory on the basis of audited annual accounts for the year 2023-24 for the 'Rajeswarapuram Unit' and 'Company as a whole' works out to 3.65, which is above the bench mark of 1.33. However, security, if any, of the restructured loan will be decided at the time of creation of charge as per extant SDF rules/guidelines.
7. The Committee further observed that presently the sugar factory is not under litigation by any other lender except SDF, GOI and the same is pending in DRT, Hyderabad. The committee observed that as per the 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 SDF dues.
8. The Committee also noted the intention of the company to start repayment of the restructured SDF loans in 60 monthly instalments, a tenure of 5 years, immediately pursuant to approval of restructuring of the SDF loans by SDF, GoI.
9. As per defaulters list as on 31.03.2025 provided by the O/o. CCA, SDF dues position of the company is as under :

(inRs.)

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Modernisation	AA-18	14,28,89,000	14,28,89,000	18,26,71,739	4,26,06,042	36,81,66,781
Cane Development	V-22	2,84,00,000	2,31,14,151	1,01,69,952	56,80,923	3,89,65,026
	V-23	2,56,00,000	2,56,00,000	1,07,30,324	49,74,545	4,13,04,869
Total		19,68,89,000	19,16,03,151	20,35,72,015	5,32,61,510	44,84,36,676

10. The sugar factory is eligible for the waiver of additional interest of ₹5,32,61,510/- (as on 31.03.2025). Actual amount of additional interest for waiver may vary as on the date of Administrative Approval.
11. The application, along with CFR recommendations in its meeting held on 08.04.2025, was discussed in detail and the Committee observed that the company meets the eligibility criteria for restructuring of the Revised Operational Guidelines dated 28.02.2024.
12. After due deliberations, the Committee recommended the Restructuring of SDF Modernisation and Cane Development Loans and waiver of additional/penal interest in full in respect of the said SDF Loans, subject to the following conditions:

- Fulfillment of security requirement by the society as per extant SDF Rules/guidelines.
- Opening of Escrow Account/Trust and Retention Account (TRA) for regular payment of SDF dues post restructuring.



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Further, the company may be allowed to commence repayment of the restructured SDF loans in 60 monthly instalments, a tenure of 5 years, immediately pursuant to approval of restructuring of the SDF loans by SDF, GoI and completion of necessary formalities as per extant SDF rules/guidelines without availing moratorium period of 2 years.

Agenda No. 150.4: M/s.Siddhanath Sugar Mills Ltd., Post-Tirhe, North Solapur Taluka, District-Solapur, Maharashtra for One Time Settlement (OTS) of SDF loans

The Committee considered the application of M/s. Siddhanath Sugar Mills Ltd., Post-Tirhe, North Solapur Taluka, District-Solapur, Maharashtra for One Time Settlement (OTS) of SDF Modernisation and Cogeneration Loans of ₹24,43,00,000/- and ₹4,16,88,321/- respectively under Revised Operational Guidelines dated 28.02.2024 for restructuring of loans under Rule 26 of SDF.

2. The Nodal Agency, IFCI Ltd. has recommended the case of the sugar factory for OTS of SDF loans.

3. The case was considered and recommended by Committee for Rehabilitation (CFR) meeting held on 08.04.2025 for OTS of SDF loans of the sugar factory.

4. The Committee was informed that the company has submitted an Undertaking dated 29.01.2025 regarding complete payment of outstanding SDF dues for OTS within a period of 06 months from the date of issuance of AA and no further extension of time will be sought by the Company in any circumstances.

6. The Committee also noted that PNB, one of the lenders of the Company, had filed an insolvency petition under Section 7 of IBC, 2016 and regulations thereof against the company before NCLT, Mumbai. However, the said petition has been disposed of by the Hon'ble NCLT for want of prosecution.

7. As per O/o. CCA letter dated 29.04.2025, SDF dues position of the company as on 29.04.2025 is as under :

(inRs.)

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total default
Modernisation	AA-78	24,43,00,000	24,43,00,000	14,46,29,784	3,00,98,340	41,90,28,124
Cogeneration	VIII-71	4,16,88,321	1,25,06,497	67,79,749	37,12,907	2,29,99,153
Total		28,59,88,321	25,68,06,497	15,14,09,533	3,38,11,247	44,20,27,277

8. The application, along with CFR recommendations, was discussed in detail and the Committee observed that the company meets the eligibility criteria for OTS of the Revised Operational Guidelines dated 28.02.2024. The Committee further observed that if the proposal is accepted, this may result in recovery of Principal and Interest dues from a defaulter sugar mill and may lead to closure of default account of the sugar factory.

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9. After due deliberations, the Committee recommended the OTS of the aforementioned SDF loans to the sugar factory, as per Revised Operational Guidelines dated 28.02.2024, as per details given below :

Loan Type	Additional Interest to be waived of (as on 29.04.2025) (₹)	OTS amount expected to be recovered from the company including Principal & Interest due as on 29.04.2025 (₹)
Moderisation	3,00,98,340/-	38,89,29,784/-
Cogeneration	37,12,907/-	1,92,86,246/-
Total	3,38,11,247/-	40,82,16,030/-

However, the actual amount of outstanding principal & interest to be paid by the sugar factory along with waiver of additional interest in full may vary as per the date of Administrative Approval for OTS. Further, normal interest at prevailing bank rate shall accrue and be charged till the date of complete payment of said principal and interest.

Agenda No. 150.5: M/s. Sadashivrao Mandlik Kagal Taluka SSK Ltd., Sadashivnagar, Hamidwada Kaulage, Taluka-Kagal, Dist.-Kolhapur, Maharashtra for Ex-post facto approval for One Time Settlement (OTS) of SDF loans

The Committee considered the application of M/s. Sadashivrao Mandlik Kagal Taluka SSK Ltd., Sadashivnagar, Hamidwada Kaulage, Taluka-Kagal, Dist.-Kolhapur, Maharashtra for One Time Settlement (OTS) of SDF Ethanol and Cane Development Loans of ₹18,00,59,600/- and ₹2,47,05,000/- respectively under Revised Operational Guidelines dated 28.02.2024 for restructuring of loans under Rule 26 of SDF.

2. The Nodal Agency, NCDC, has recommended the case of the sugar factory for OTS of SDF loans.

3. The case was considered and recommended by Committee for Rehabilitation (CFR) meeting held on 08.04.2025 for OTS of SDF loans of the sugar factory.

4. The Committee was informed that the society has submitted an Undertaking regarding complete payment of outstanding SDF dues for OTS.

5. The Committee observed that an OTS amount of Rs. 19,26,09,804/- (upto 31.03.2025) has already been recovered from the society by the Nodal Agency, NCDC from the earmarked loan of the society at NCDC and the amount has been deposited in the RBI, comprising of SDF Cane Development loan and SDF Ethanol loan.

6. The Committee also noted the confirmation of PAO vide letter dated 27.03.2025 stating that NCDC has intimated the O/o. CCA to transfer the amount of Rs.19,26,09,804/- to the Govt. Account on 10.03.2025 with value date (date of credit) on 06.03.2025. The interest and penal interest is to be adjusted till 05.03.2025 one day before the date of credit. The same has been credited into Govt. account vide RBI receipt scroll No. 141 dated 10.03.2025. Total outstanding SDF dues as on 05.03.2025 is Rs.20,13,47,437/- i.e principal, interest and penal interest of Rs.17,72,14,073/-, Rs.1,50,45,821/- and Rs.90,87,543/- respectively.

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7. As per information provided by the O/o. CCA vide letter dated 27.03.2025, SDF dues position of the society as on 05.03.2025 is as under :

(in Rs.)

Loan Type	Ledger No	Loan Disbursed (Rs. in lakh)	Amount in default			
			Principal Amount	Interest	Additional Interest	Total default
Cane Development	(CC-31)	51,39,000	38,54,250	5,81,934	2,90,707	47,26,891
	(CC-32)	1,95,66,000	1,47,01,610	22,17,815	10,60,810	1,79,80,235
Ethanol	(X-81)	9,00,30,000	6,86,28,613	44,06,736	32,13,069	7,62,48,418
	(X-82)	9,00,29,600	9,00,29,600	78,39,336	45,22,957	10,23,91,893
			17,72,14,073	1,50,45,821	90,87,543	20,13,47,437

8. The application, along with CFR recommendations dated 08.04.2025 was discussed in detail and the Committee observed that the company meets the eligibility criteria for OTS of the Revised Operational Guidelines dated 28.02.2024. The Committee further observed that since the entire principal and interest amounting to Rs.19,22,59,894/- (Principal= Rs.17,72,14,073/- + Interest= Rs.1,50,45,821/-) have been fully repaid in advance on 06.03.2025, cut-of date for the outstanding SDF loans may be considered as 05.03.2025 alongwith waiver of penal interest of Rs.90,87,543/- (as on 05.03.2025) on account of OTS.

9. After due deliberations, the Committee recommended **ex-post facto approval** for the **settlement of the said SDF Ethanol & Cane Development Loans under OTS** amounting to Rs.19,22,59,894/- with cut of date for the outstanding SDF loans as 05.03.2025 alongwith **waiver of penal interest of Rs.90,87,543/- (as on 05.03.2025) on account of OTS** of M/s. Sadashivrao Mandlik Kagal Taluka SSK Ltd., District Kolhapur, Maharashtra.

10. The Committee further directed that although recovery of SDF overdue from the defaulter sugar factories is commendable, but the nodal agencies should seek approval of such cases in advance from the Committee for Rehabilitation (CFR) on SDF. And thereafter the matter may be placed before the Standing Committee for ex-post facto approvals.

Agenda No. 150.6: Closure of Administrative Approval for One Time Settlement (OTS) of SDF Ethanol & Cogeneration Loans of Rs.24,07,00,000/- and Rs.24,24,84,000/- respectively in respect of M/s. Dharani Sugars & Chemicals Ltd., Kallakuruchi District, Tamil Nadu

The fact of closure of OTS case of SDF Ethanol and Cogeneration Loans of Rs.24,07,00,000/- and Rs.24,24,84,000/- respectively and restoration of original liabilities in respect of M/s. Dharani Sugars & Chemicals Ltd., Kallakuruchi District, Tamil Nadu on account of non-receipt of OTS payment within six months of issuance of AA has been taken on record by the Standing Committee.

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Agenda No. 150.7: Review of Recoveries of SDF Loans/Dues

The Committee reviewed the default status as on 31/03/2025 and the progress made on recovery of SDF dues during the FY 2022-23 onwards and directed to take necessary steps to expedite the recovery for the current Financial Year.

Recoveries as per o/o CCA		
(Rs. in Crore)		
Sl. No.	Year	Recovered Amount
1	2022-23 (12 months)	418.73
2	2023-24 (12 months)	403.38
3	2024-25 (12 months)	597.08
4	2025-26 as on 30.04.2025 (1 month)	5.60

2. The Committee also reviewed the recovery made through OTS and Restructuring of SDF loans so far and appreciated the recoveries made through the OTS. It was also noted that the One Time Settlement (OTS) of SDF loans for which Administrative Approvals have already been issued and cases which are under consideration may result in increase in recovery of SDF loans for the current Financial Year.

After the proposed Agenda, as a part of ATR regarding breaches on agreement/guidelines, the Committee took up data related to breaches that had occurred on case-to-case basis in respect of various SDF loans by different sugar factories and action taken up by the nodal agencies to deal with such breaches.

However, the Committee was not satisfied by the information provided and justifications given by the nodal agencies and advised JS (Sugar) to take a meeting to review the status of each case and present before next meeting of Standing Committee:

- (i) Details of such breaches consisting when it actually happened, when the nodal agencies came to know about it and when the action was taken by them to protect the interest of SDF, GOI along with present status of the case.
- (ii) The corrective measures taken to prevent such instances in future.

The Committee also desired that JS (Sugar) will henceforth regularly review such cases in consultation with Nodal agencies.

Further, the committee directed the nodal agencies to :

- (i) Examine the legal cases promptly for violation of any rules/agreement and take immediate measures to avoid any loss to the SDF, GOI.
- (ii) Initiate proactive measures for recovery of SDF dues from the defaulter sugar mills by sending them demand notices, through persuasion and other available legal means.

The meeting ended with Vote of Thanks to the Chair.

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