

मिसिल संख्या. 1-5/2018- एस. डी. एफ लेखा (Part-I) / २८

भारत सरकार

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय  
खाद्य एवं सार्वजनिक वितरण विभाग  
(एस. डी. एफ लेखा अनुभाग)

कृषि भवन , नई दिल्ली

दिनांक 09/02/2021

To

1. The Chief General Manager,  
IFCI Ltd., IFCI Tower, 61,  
Nehru Place, New Delhi – 110019
2. The Chief Director (Sugar),  
NCDC 4- Siri Industrial Area Hauz Khas,  
New Delhi-110016

**Subject:** Operational Guidelines for Restructuring of SDF Loans affected by natural calamities Under Rule 26 A of SDF Rules, 1983 -reg.

**Reference:** (i) 141st Standing Committee on SDF presided over by Secretary (F&PD) as Chairman held on 22.12.2020.  
(ii) Minutes of 141st Standing Committee on SDF issued vide OM No. 1-6/2020-SDF dated 21.01.2021.

Sir,

I am directed to refer to the aforesaid communications on the subject matter and to hereby issue the Operational Guidelines for restructuring of SDF Loans affected by natural calamities under Rule 26 A of SDF Rules, 1983 (copy enclosed) as recommended by 141<sup>st</sup> Standing Committee on SDF.

2. This issues with the approval of Joint Secretary (S&A).

**Encl.:-** A/a

Yours faithfully,

Digitally signed by Ved  
Prakash Singh  
Date: Tue Feb 09 11:10:31 IST  
2021  
Reason: Approved

(Ved Prakash Singh)

Under Secretary to the Government of India  
Tel. 23385726

**Copy to:** DFPD Website & SDF Portal (for information of all stakeholders).

**OPERATIONAL GUIDELINES FOR RESTRUCTURING OF SDF LOANS AFFECTED  
BY NATURAL CALAMITIES UNDER RULE 26 A of SDF RULES, 1983**

**A. Eligibility Criteria**

- (i) The natural calamity should be declared and notified by the Government of the State.
- (ii) Sugar Factory located within the area of occurrence of natural calamities shall be eligible.
- (iii) The Sugar Factory shall apply for restructuring in the form as prescribed at **Annexure – I** within six months of issue of notification of the natural calamity.
- (iv) The request for a restructuring of the Sugar Development Fund (SDF) loan should be routed through concerned State Government and with appropriate recommendations of the State Government. The appropriate authority in the State Government may be Cane Commissioner of the State or any other authority as designated by State Government.
- (v) The sugar undertaking in respect of which request for restructuring is received must be regular in payments of SDF dues (i.e., not in default of SDF dues) on the date of notification of the natural calamity.
- (vi) The status of other loans, if any (Loans on the books of the Company including debtors) shall be ascertained. Company shall submit details of all liabilities along with the latest correspondences/ status with respective lenders. In case of any adverse/legal action by any lender or any other public authority, the restructuring proposal shall not be considered.
- (vii) If other Sugar factories of the same or Group Company which are not in area affected by natural calamity are in default, then the Sugar Factory/ Company in the area affected by natural calamity will also not be eligible for restructuring.

[Companies in the group shall mean an arrangement involving two or more entities related to each other through any of the following relationship [to be confirmed by Chartered Accountant (CA) and Company Secretary (CS) certificate]:

- Subsidiary- Parent (defined in terms of Accounting Standard (AS) 21)
- Joint Venture (defined in terms of AS 27)
- Associate (defined in terms of AS23)
- Promoter - promote {as defined in the Securities and Exchange Board of India (SEBI)(Acquisition of Shares and Takeover) Regulations, 1997) for listed companies.
- A Related party (defined in terms of AS18)
- Common brand name
- Investment of equity shares of 20% and above

[Note: The group to which a particular borrowing unit belongs shall be finalised by SDF, Government of India, in consultation (GoI) with IFCI Ltd./ National Cooperative Development Corporation (NCDC) and Directorate of Sugar & Vegetable Oil on the basis of relevant information available with them (including the CS certificate, CA certificate and the undertaking submitted by Sugar Factory), the guiding principle being commonality of management and effective control.

In case of a split in a group, if the split is formalised, then the splinter groups will be regarded as separate groups. If SDF, GoI has doubts about the bonafides of the split, a reference may be made by the nodal agency to a qualified Company Secretary for a final view in the matter to preclude the possibility of a split being engineered in order to prevent coverage under the Group Approach.]

(viii) Status of other dues such as Levy Sugar Price Equalization Fund (LSPEF) dues, Levy dues shall be ascertained.

## **B. Terms of Restructuring:**

(i) The request for Restructuring of SDF loan will be considered by an Empowered Committee of Department of Food & Public Distribution (DFPD) with the following composition:

### **Chairman**

- Joint Secretary (Sugar), DFPD

### **Members:**

- A Representative from the Department of Expenditure
- A Representative from the Department of Financial Services
- Director (S&VO), DFPD
- Director/Deputy Secretary (Finance), DFPD
- Director/Deputy Secretary (SDF), DFPD – Member Secretary

### **Special Invitees:**

- A Representative from Nodal agency – IFCI / NCDC / any other agency decided by Central Govt.
- Director, National Sugar Institute (NSI), Kanpur
- A Representative from concerned State Government
- Any other invitee, if required, with the permission of the chair

(ii) A moratorium of a period of 24 months or the duration applied for by the sugar factory, whichever is lower, shall be considered for the SDF loan. For restructuring of SDF loans, the period of moratorium will start from the date of notification of natural calamity. The principal and interest which falls for payment during the period of moratorium shall be recovered along with the remaining amount of the SDF loan in equal installments. The revised tenure of repayment of SDF loan shall be the balance tenure of repayment of the SDF loan left plus the moratorium period under these guidelines. A revised payment schedule will be prepared in consultation with the Nodal agency in this regard.

(iii) No portion of Principal, Simple Interest, if any shall be waived off. During the moratorium period, no additional interest shall be charged.

(iv) Where the SDF loan is secured by way of 2nd charge on the assets of the Sugar Factory, the restructuring may be subject to creation of 1<sup>st</sup> pari-passu charge on all movable and immovable assets of the Sugar Factory.

(v) Prior to evaluation of restructuring proposal at SDF, GOI, the Sugar Factory shall obtain NOC from existing lenders for entering into revised/ updated/ amended agreements with SDF, GOI and IFCI/ NCDC including charge creation for the extended period which may arise due to moratorium.

(vi) If any Lender /Operational Creditor during the moratorium period or evaluation period takes recovery/legal action, SDF, GoI will revoke the restructuring and may join the recovery proceedings or initiate any recovery proceedings on its own.

(vii) Security for restructured loans shall be decided on the basis of Fixed Asset Coverage Ratio (FACR), Debt Service Coverage Ratio (DSCR) and other financial parameters in consultation with nodal agencies, IFCI or NCDC.

C. The recommendation of the Empowered Committee mentioned in point B (i) above shall be placed before the Standing Committee on SDF for its consideration.

D. The recommendation of the Standing committee shall be placed before the competent authority for approval.

E. On the basis of approval of the Competent Authority, a supplementary Tripartite Agreement (TPA) may be entered into by the SDF, Nodal Agency and Sugar undertaking.

F. Nodal agencies appointed by the Department will be responsible for appraisal and monitoring of restructured SDF loans as well as for ensuring the repayment of SDF loans as per the revised schedule. The nodal agencies may be entrusted with the responsibility of up-gradation of charge and obtaining NOCs from other lenders if required.

G. Terms and conditions of these operating guidelines may be changed in respect of any case at any point of time by the Department of Food and Public Distribution (DFPD). The decision of DFPD shall be final and binding on all concerned.

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**Annexure-I**

**APPLICATION FORM FOR RESTRUCTURING OF SDF LOAN UNDER RULE 26 A  
OF THE SDF RULES, 1983 (AS AMENDED)**

**PART A: (TO BE FILLED BY THE SUGAR FACTORY/UNDERTAKING)**

Sl. No.	Particulars	Information				
1.	Name of the Sugar Factory					
2.	Plant Code					
3.	Name of the Sugar Undertaking					
4.	SDF Loans availed	Plant Code	Scheme	Year	Total Loan (₹)	Balance Amount (₹)
5.	Gazette Notification No. and Date of the Natural Calamity in the Official Gazette of the State (copy enclosed).					
6.	Moratorium period applied for (in months not more than 24 months)					
7.	Appraisal Agency					
8.	Recommendation of the Appraisal Agency (Appraisal report, indicating technical and financial feasibility/viability after restructuring, prepared by a scheduled bank or financial institution may be enclosed)					
9.	Physical performance of the sugar Factory	Year (descending Order)	Cane Crushed (LMT)	Recovery (%)	Pol (%)	Net Duration (days)
10.	Physical performance of the sugar undertaking in last five years	Year (descending Order)	Cane Crushed (LMT)	Recovery (%)	Pol (%)	Net Duration (days)
11.	Key Financial Parameters of the Sugar Factory (Audited financial results for past five years may be enclosed)	Year (descending Order)	PAT (₹ lakhs)	Net Worth (₹ lakhs)	Reserve & surplus	DSCR
12.	Key Financial Parameters of the Sugar Undertaking (Audited financial results for past five years may be enclosed)	Year (descending Order)	PAT (₹ lakhs)	Net Worth (₹ lakh)	Reserve & surplus	DSCR

	enclosed)					
13.	Details of Loans availed by Sugar Factory from other Banks/FI's with details of the security, amount sanctioned/ disbursed and amount outstanding as on date.	Name of bank/FI	Type of Security	Amount Sanctioned (₹ lakh)	Disbursed (₹ lakh)	Amount Outstanding (₹ lakh)
14.	Details of Loans availed by Sugar Undertaking from other Banks/FI's with details of the security, amount sanctioned/dispursed and amount outstanding as on date.	Name of bank/FI	Type of Security	Amount Sanctioned (₹ lakh)	Disbursed (₹ lakh)	Amount Outstanding (₹ lakh)
15.	Details of restructuring package from other lenders, if availed:					
16.	Original repayment schedule and revised repayment schedule of each lender.					
17.	CA certified FACR calculation sheet for Sugar Factory as per latest audited balance sheet					
18.	CA certified FACR calculation sheet for Sugar Undertaking, as per latest audited balance sheet					
19.	Certificate from a practicing Company Secretary regarding details of all group companies, along with an undertaking from the Company.					
20.	Any other information as may be required by nodal agency/ SDF for examination of the proposal.					

(Seal & Signature of Authorized Representative)  
Name of the Sugar Factory

**PART B: (TO BE FILLED BY THE STATE GOVERNMENT)**

Recommendations of the State Government:

(Seal & Signature of Officer)  
Government of \_\_\_\_\_(Name of the State)