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No.1-2/2020-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution
www.dfpd.nic.in

Room No.280A, Krishi Bhawan,
New Delhi, 26.06.2020

OFFICE MEMORANDUM

Subject: Meeting of Screening Committee of SDF for considering loan applications of Sugar Factories for Cane Development- regarding

In continuation of this Ministry's OMs of even number dated 09.06.2020 and 19.06.2020 on the subject mentioned above, a copy of minutes of the meeting of Screening Committee held on 24.06.2020 at 03:00 PM under the Chairmanship of Joint Secretary (Sugar & Admn.) is enclosed for your kind information and necessary action.


(L.P. Sharma)

Deputy Secretary (SDF)
Member Secretary
Tel.No.23383478

DISTRIBUTION:

1. Chief Director (Sugar), [to be represented by Director (S&VO)], Directorate of Sugar, DFPD
2. Director (Finance), D/o Food & P.D.
3. Representative of ICAR (Sugarcane expert)

Special Invitees

4. The Agriculture Commissioner, Deptt. of Agriculture & Cooperation, Krishi Bhawan, New Delhi.
5. The Commissioner (CAD), Ministry of Water Resources, Shram Shakti Bhawan, New Delhi.
6. The Director, Indian Institute of Sugarcane Research, P.O Dilkusha, Lucknow, UP
7. The Director, National Sugar Institute (NSI), Kalyanpur, Kanpur, Uttar Pradesh.
8. The Director General, Vasantdada Sugar Institute (VSI), Taluk: Haveli, Distt. Pune, Maharashtra
9. The President, Indian Sugar Mills Association (ISMA), Ansal Plaza, 2nd Floor, Block-C, August Kranti Marg, New Delhi
10. The President, National Federation of Cooperative Sugar Factories Ltd. (NFCSF), Ansal Plaza, 2nd Floor, Block-C, August Kranti Marg, New Delhi
11. Representative of Horticulture Division, Department of Agriculture Cooperation and Farmers welfare, Ministry of Agriculture and Farmers Welfare, krishi Bhawan, New Delhi


(L.P. Sharma)

Deputy Secretary (SDF)
Member Secretary

Copy for information to: PPS to JS (Sugar & Admn.)/PPS to Deputy Secretary (SDF)/US (SPF)/AD(Cost)

**Minutes of the meeting of the Screening Committee under Sugar
Development Fund (SDF) held on 24.06.2020**

A meeting of the Screening Committee for consideration of the loan applications for Sugar Cane Development under Sugar Development Fund (SDF) was held under the Chairmanship of Joint Secretary (S&A) on 24.06.2020 at 03:00 P.M. in Room No 41, Ground Floor, Krishi Bhawan, New Delhi. List of Members, Special Invitees and Sugar Factory representatives who participated, along with those who participated through VC in the meeting is at Annexure-I.

At the outset, the Chairman welcomed all the Members of the Screening Committee. Thereafter, the agenda item was taken up for discussion with the permission of the Chair. The observations/ recommendations are as follows:

Agenda Item No: 1

M/s Nirani Sugars Limited, 166, Kulali Cross, Jamakhandi Road, Mudhol Taluk, Bagalkot, Karnataka has submitted a proposal for SDF loan for Cane development involving SDF assistance of Rs.540.00 lakh.

The application was recommended and forwarded by the State Government of Karnataka.

Earlier, the loan application was considered in the Standing Committee meeting held on 08.11.2019. In the meeting, Director, NSI, Kanpur pointed out that the incremental change with respect to a variety of seeds has not been given by the sugar factory. Further, the sugar factory (SF) in 2017- 18 has shown 23940 ha area at one place and 7819.93 ha area at another place in the same application under sugar cane cultivation. Thus, the figures submitted by the sugar factory did not reflect a clear picture of the project. Further, the POL per cent, i.e. 12.4% is not realistic. After due deliberations, the Committee directed to seek clarifications from the sugar factory and accordingly deferred the case. Accordingly, the information/clarification has been sought from the Sugar Factory along with the latest financials because the application is more than one year old.

The SF has furnished the details of Area of Cultivation of proposed varieties and incremental production. They submitted that the total Cane area for 2017-18 was 23940 ha and not 7819.93 ha. The same was shown inadvertently. They also submitted that for the year 2019-20, they had estimated POL% at 12.4%. However, they have achieved 12.75%.

The loan application was discussed in detail in the meeting. In the meeting, Director, NSI, Kanpur again pointed out that there is still a mismatch in the detail of recovery % and Pol% furnished by the SF. Director, NSI also observed that in view of the projected POL% is being on higher side, the SF may provide supporting documents like RT-8C etc. It was also observed that inspite of asking for financials of the company for the year 2018-19 & 2019-20, the company has not provided the same. After due deliberations, the Committee directed the SF to justify, with supporting documents such as RT-8C, on cane recovery % and Pol% achieved in the last five years. Also, the SF should furnish the latest financials including the ABS for the FY 2018-19 & 2019-20 to the extent available for the consideration of this Department.

Accordingly, the Committee decided to defer the case.



Minutes of the meeting of the Screening Committee held on 24.06.2020

Agenda Item No: 2

M/s Sahakar Shiromani Vasantrao Kale Sahakari Sakhar Karkhana Ltd., At-Post-Bhalawani, Taluka Pandharpur, Maharashtra has submitted a proposal for SDF loan for Cane development involving SDF assistance of Rs.540.00 lakh.

The application was recommended and forwarded by the State Government of Maharashtra vide their letter dated 22.05.2018.

The loan application has been discussed in detail in the meeting. The Committee has been informed that the sugar factory (SF) has pending SDF Dues of ₹ 5,86,18,017.00 as on 30.04.2020. As per Rule 17 (1) of the SDF Rules, 'a sugar undertaking shall not be eligible to apply for the loan under this rule if it is a defaulter in respect of repayment of Sugar Development Fund loan.'

Representative of the NCDC has mentioned that there is a continuous erosion of share capital of SF in the last three financial years. Therefore, the Committee decided to obtain the latest financials of the SF along with ABS and profit and loss accounts.

During the meeting, the representative of the SF informed that they will repay the SDF dues by the end of July, 2020.

Accordingly, the Committee decided to consider the case in the next Screening Committee after the clearance of SDF dues by the sugar factory.

Agenda Item No: 3

M/s OM Sugars Ltd., Sy. No. 2, Post: Jainapur, Chikkodi Tq., Belgaum District, Karnataka - 590016 has submitted a proposal for SDF loan for Cane development involving SDF assistance of Rs.540.00 lakh.

The application was recommended and forwarded by the State Government of Karnataka vide their letter dated 21.09.2019.

The loan application was discussed in detail in the meeting. The Committee observed that the sugar factory (SF) is incurring losses during the last five years and also has accumulated losses.

Keeping in view of the poor financials of the SF, the Committee decided to re-examine the latest financials of the SF in consultation with IFCI. Accordingly, the Committee decided to defer the case.

The meeting ended with vote of thanks to the Chair.



ATTENDANCE SHEET of the SCREENING-COMMITTEE/SUB-COMMITTEE MEETING held on 24.06.2020 at 03:00 P.M., Room No. 407 Krishi Bhawan, New Delhi			
S.NO.	NAME of the MEMBER	DESIGNATION	SIGNATURE
1	Joint Secretary (S & A)	Chairman	
2	Director (Sugar Policy) Directorate of Sugar	Member	<i>[Signature]</i> 24.06.2020
3	Director (Finance)	Member	<i>[Signature]</i> 24/6/2020
4	Representative of ICAR (Sugarcane expert) (For Screening Committee)	Member	
5	Director, National Sugar Institute, Kanpur	Member	Through VC
6	DS (SDF)	Member Secretary	<i>[Signature]</i>
SPECIAL INVITEES			
7	Agriculture Commissioner, Department of Agriculture (For Screening Committee)	<i>Dr. A.P. Singh</i> Addl. Commr	<i>[Signature]</i>
8	Commissioner (CAD), Ministry of Water Resources (For Screening Committee)		
9	Director, Indian Institute of Sugarcane Research, Lucknow (For Screening Committee)		
10	Director General, Vasantdada Sugar Institute, Pune (VSI, Pune) (For Screening Committee)		Through VC
11	The President/Vice President /Director General, Indian Sugar Mills Association (ISMA)		Through VC
12	The President/Vice President /Managing Director, National Federation of Co-operative Sugar Factories Ltd. (NFCSF)		Through VC
13	Representative from Sugar Technologist's Association of India (STAI)		
14	Representative from Horticulture Division, D/o Agriculture Cooperation and Farmers Welfare		
15	Representative from NCDC		Through VC
16	Representative from IFCI		Through VC
17	Shri Dilip K. Jha	Under Secretary (SDF)	<i>[Signature]</i>
18	Shri KanavDua	Asst. Director (Cost)	<i>[Signature]</i>
19	Shri Jaivir Singh	Section Officer (SDF)	<i>[Signature]</i>
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