

F. No.1-7/2016-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Room No. 260, Krishi Bhawan,
New Delhi, the 1st July, 2016

OFFICE MEMORANDUM

Subject: Minutes of the Sub Committee of Sugar Development Fund for considering loan applications of sugar factories for f Modernization, Cogeneration and Ethanol /ZLD projects held on 24th June, 2016 at 10.30AM -regarding.

In continuation of this Ministry's OM if even number dated 07.6.2016 on the subject, a copy of the minutes of the meeting of Sub-Committee held on 24th June 2016 at 10.30 A.M., under the Chairmanship of Joint Secretary (S&SA) is enclosed for your kind information and necessary action.



(N.K. Kashmira)
Director (SDF)
Member Secretary
Tel.No.23382338

DISTRIBUTION:

1. Chief Director, Directorate of Sugar/ Director(S&VO)
2. Deputy Secretary (Finance), D/o Food & P.D.
3. Director, National Sugar Institute, Kanpur, Kalyanpur, Uttar Pradesh

Copy for information to: PS to JS (S&SA)/PS to DS (SDF)

Special Invitees

4. The President/Vice President/Director General, ISMA,
:Representative from sugar industry
5. The President/Vice President/Managing Director, NFCSF Ltd.
: Representative from sugar industry
6. Representative of Sugar Technologist's Association of India: Technical Expert
7. Representative from NCDC : Banking Expert
8. Representative from IFCI :Banking Expert



(N.K. Kashmira)
Director (SDF)
Member Secretary

Minutes of the meeting of the Sub- Committee under Sugar Development (SDF) held on 24.06.2016.

A meeting of the Sub-Committee for consideration of the loan applications for setting up of projects for modernization/expansion, production of ethanol from molasses and Bagasse based cogeneration of power project under Sugar Development Fund (SDF) was held under the chairmanship of Joint Secretary (S&SA) on 24.06.2016 at 10.30 AM in room no, 167, 1st Floor, Krishi Bhawan, New Delhi. List of Members, Special Invitees and Sugar Factory representatives who attended the meeting is at **Annex-I**.

2. At the outset, the Chairman welcomed all the Members of the Sub-Committee. Thereafter, agenda items were taken up for discussion. Case wise observations/ decisions are as follows:

Bagasse Based Cogeneration of Power project

Agenda Item No.1

M/s Ponni Sugars (Erode) Limited, Odapalli, Cauvery RS Post, Erode 638 007, Tiruchengode Taluk, Namakkal Dist, Tamil Nadu

1. The Sub-committee considered the loan application of **M/s Ponni Sugars (Erode) Limited, Odapalli, Cauvery RS Post, Erode 638 007, Tiruchengode Taluk, Namakkal Dist, Tamil Nadu**, for Setting up of 19 MW bagasse based co-generation power project at a cost of **Rs. 9487.00 lakh. SDF assistance of Rs.2599.00 lakh** has been requested. The project has been appraised by Canara Bank. Technical evaluation has been done by SPB Projects and Consultancy Ltd., Chennai.

2. Dues position:

- (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
- (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
- (iii) Levy sugar dues: 0.2MT (balance after dispatch) against the sugar factory as per the Directorate of Sugar.

3. IFCI informed that as on 31.03.2015, the DSCR of the sugar factory and the company as a whole is 1.56, FACR is 2.94 and IRR for the project is 13.73%. IFCI informed that IRR is on lower side. And there are losses for the two consecutive years 2013-14 and 2014-15. IFCI also mentioned that the project was last appraised in 2010. Therefore, the financials need to be appraised again thoroughly.

4. The Committee decided that fresh financial appraisal of the project by IFCI may be done and submitted to SDF for further examination. **Accordingly the case was deferred by the Sub-Committee.**

Agenda Item No.2

M/s Coromandel Sugar Ltd., Survey No. 141, Makkavalli-571426, District- Mandya, Karnataka.

1. The Sub-Committee considered the loan application of M/s Coromandel Sugar Ltd., Survey No. 141, Makkavalli-571426, District- Mandya, Karnataka, for sanction of financial assistance from SDF for Setting up of 30 MW bagasse based co-generation power project at a cost of Rs. 15696.00 lakh. SDF assistance of Rs. 3414.96 lakh has been requested. The project has been appraised by IFCI and technically evaluated by Pavo Power Engg. Pvt. Ltd. The cost of the old plant/machinery had also been made ineligible/deducted from the eligible cost. However the issue of use of

old/used machinery by the sugar factory will be examined by the NSI, Kanpur w.r.t. SDF rules and technical feasibility.

2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: 691.8 MT (balance after lifting +gate sale) against the sugar factory as per the Directorate of Sugar.
3. As on 31.03.2015, the average DSCR and the FACR of the sugar factory and the company as a whole is 1.66 and 1.40 respectively. The IRR is 15.00%.

4. Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1614.21 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.3

M/s Dnyaneshwar Sahakari Sakhar Karkhana Ltd., Dnyaneshwarnagar-414605, Tal.-Newasa, Distt.-Ahamednagar, Maharashtra

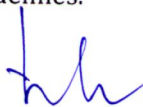
1. The Sub-Committee considered the loan application of **M/s Dnyaneshwar Sahakari Sakhar Karkhana Ltd., Dnyaneshwarnagar-414605, Tal.- Newasa, Distt.-Ahamednagar, Maharashtra**, for sanction of financial assistance from SDF for setting up 19.5 MW (Expansion from 12 MW to 31.5 MW) bagasse based co-generation power project at a cost of Rs. 7285.00 lakh. SDF assistance of Rs. 2831.40 lakh has been requested. The project has been appraised by NCDC. Technical evaluation has been done by VSI, Pune.

2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the DSCR of the sugar factory and the company as a whole is 1.53, FACR is 1.82 and IRR for the project is 18.70%.

4. The Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 2422.80 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.



Agenda Item No.4

M/s Bidar Kissan shakkar Karkhana Ltd., Village Mogdal, National Highway No. 9, Taluk & Dist: Bidar, Karnataka

1. The Sub-Committee considered the loan application of **M/s Bidar Kissan shakkar Karkhana Ltd., Village Mogdal, National Highway No. 9, Taluk & Dist: Bidar, Karnataka**, for sanction of financial assistance from SDF for setting up 15 MW Greenfield bagasse based co-generation power project at a cost of Rs. 8900.00 lakh. SDF assistance of Rs. 730.00 lakh has been requested. The project has been appraised by the Karnataka State Cooperative Apex Bank Ltd., Bengaluru and technically evaluated by TECSOL Engg. Services Ltd. No old plant and machinery has been considered in the project. NOC (Consent to Establish) from Pollution Control Board as well as EIA clearance has been received. PPA is under process.

As per the audited balance sheet for 31.03.2015, the FACR of the company was 0.86. Whereas the sugar factory representative mentioned the FACR as 1.55 based on the provisional balance sheet as on 31.03.2016. The Committee desired that the FACR shall be recalculated by the IFCI based on the audited balance sheets and other necessary information obtained from the sugar factory for the purpose. FACR based on audited balance sheet for the FY 2015-16 shall be submitted before consideration of the Standing Committee.

Director (S&VO) pointed out that the sugar factory had not obtained the plant code and short name. To which, the sugar factory representative mentioned that the same had been obtained by them. The issue of obtaining the short name and plant code shall be sorted out by the sugar factory with Directorate of Sugar, within one month and intimated to SDF Division.

2. Dues position:

Being a Greenfield project, there are no LSPEF, SDF and Levy sugar dues in r.o. the sugar factory.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory and the company as a whole is 1.68 and 0.86 respectively. The IRR is 17.97%.

4. Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 425.98 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.5

M/s Sovereign Industries Limited., Village Terdal, Jamakhandi Taluk, Bagalkot District, Karnataka.

1. The Sub-Committee considered the loan application of M/s Sovereign Industries Limited., Village Terdal, Jamakhandi Taluk, Bagalkot District, Karnataka, for sanction of financial assistance from SDF for Setting up 20 MW Greenfield bagasse based co-generation power project at a cost of Rs. 10204.61 lakh. SDF assistance of Rs. 892.00 lakh has been requested. The project has been appraised by the Karnataka State Cooperative Apex Bank Ltd., Bengaluru and technically evaluated by Manalee Engg. Pune.

The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and that the proposal complies with the provisions of the SDF rules and extant guidelines. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC (Consent to Establish) from Pollution Control Board (awaited), has been received. EIA clearance is under process. PPA is under process. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

2. Dues position:

- (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
- (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
- (iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the average DSCR and the FACR of the sugar factory and the company as a whole is 1.90 and 1.36 respectively. The IRR is 27.44%.

4. The Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 829.33 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.6

M/s Bilagi Sugar Mill Limited, Badagandi, Taluka: Bilagi, NH 218, Bagalkot - 587116, Karnataka

1. The Sub-Committee considered the loan application of **M/s Bilagi Sugar Mill Limited, Badagandi, Taluka: Bilagi, NH 218, Bagalkot - 587116, Karnataka**, for sanction of financial assistance from SDF for Setting up of 30 MW (existing 8MW to be discarded after implementation) bagasse based co-generation power project at a cost of 13750.00 lakh. SDF assistance of 3270.00 lakh has been requested. The project has been appraised by IFCI and technically evaluated by TECSOL Engineers Pvt. Ltd. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC from Pollution Control Board, PPA and EIA clearance are awaited.

IFCI pointed out that the FACR of the sugar factory as per the audited balance sheet for 31.03.2015 was 0.85. However, as per the provisional balance sheet for 31.03.2016 the FACR was 2.15. The basis of calculation of the FACR were not made clear by the IFCI. The sugar factory representative was asked to get the balance sheet audited. The Committee directed that the FACR shall be recalculated by the IFCI based on the audited balance sheets of 2015-16. IFCI may, if required, obtain necessary information from the sugar factory for the purpose. FACR based on audited balance sheet for the FY 2015-16 will be submitted to SDF by the Sugar factory/ IFCI within 15days.

2. Dues position:

- (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
- (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
- (iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR of the sugar factory and the company as a whole is 2.20. The IRR is 34.23 %.
4. **Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 3004.38 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.**
5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.7

M/s Superior Food Grains (P) Ltd. at Village-Shamla Shamli, Block Unn, Tehsil-Kairana, Distt.- Shamli, U.P

1. The Sub-Committee considered the loan application of **M/s Superior Food Grains (P) Ltd. at Village-Shamla Shamli, Block Unn, Tehsil-Kairana, Distt.- Shamli, U.P**, for sanction of financial assistance from SDF for Setting up 33 MW Bagasse based Co-generation Power Project at a cost of Rs. 16727.00 lakh. SDF assistance of Rs. 6690.80 lakh has been requested. The project has been appraised by Indian Renewal Energy Development Agency Ltd. (IREDA) and technically vetted by NSI, Kanpur.
2. At the outset, Director (S&VO) informed that the sugar factory have not been issued the Plant Code and the Short name and there is no such sugar factory by the name of M/s Superior Food Grains (P) Ltd. at Village-Shamla Shamli, Block Unn, Tehsil-Kairana, Distt.- Shamli, U.P in their record. No data had been received from the sugar factory for the purpose. The Sub Committee directed that the issue may be clarified by the Sugar Factory and Directorate of Sugar and after examination of the same, it may be brought before the next Sub Committee. **The proposal was accordingly deferred by the Sub Committee.**

Agenda Item No.8

M/s DCM Shriram Ltd., DSCL Sugar-Ajabpur, Village Ajbapur, P.o-Mullapur, Lakhimpur Kheri-261505 Uttar Pradesh

1. The Sub-Committee considered the loan application of **M/s DCM Shriram Ltd., DSCL Sugar-Ajabpur, Village Ajbapur, P.O.-Mullapur, Lakhimpur Kheri-261505 Uttar Pradesh**, for sanction of financial assistance from SDF for Expansion of bagasse based co-generation power project by 34.4 MW at a cost of 10880.00 lakh. SDF assistance of 4350.00 lakh has been requested. The project has been appraised by IFCI and technically vetted by NSI, Kanpur. The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and that the proposal complies with the provisions of the SDF rules and extant guidelines. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC for 27.5 MW from Pollution Control Board and the EIA have been received. PPA for the existing capacity of 24 MW has been received but PPA for the expanded capacity is awaited. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.
2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.

- (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
- (iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 3.39/4.35 and 1.89/2.79 respectively. The IRR is 34.70 %.

4. Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1956.96 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.9

M/s Shri Sai Priya Sugars Ltd., Hippargi-Mygur, Jamkhandi Taluk, Distt- Bagalkot, Karnataka

1. The Sub-Committee considered the loan application of **M/s Shri Sai Priya Sugars Ltd., Hippargi-Mygur, Jamkhandi Taluk, Distt- Bagalkot, Karnataka**, for sanction of financial assistance from SDF for Setting up of 50 MW bagasse based co-generation power project at a cost of 25797.00 lakh. SDF assistance of 7260.00 lakh has been requested. The project has been appraised by IFCI and technically vetted by KSM Engg., Bangalore. IFCI has also obtained technical feasibility report from NSI, Kanpur.

The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and the proposal complies with the provisions of the SDF rules and extant guidelines. No old plant and machinery has been considered in the project. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

- 2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: 383.7 MT (balance after dispatch), 383.7 MT (lifting + gatesale) against SPR Sugars Ltd. as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 1.90 and 1.40 respectively. The IRR is 28.14 %.

4. Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 6711.27 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Anhydrous Alcohol or Ethanol from Molasses Projects**Agenda Item No.10**

M/s Shri Ambalika Sugar pvt. Ltd., Ambikanagar, A/P-Jagdama Factory, Tal- Karjat, Distt. Ahmednagar, Maharashtra

1. The Sub-Committee considered the loan application of **M/s Shri Ambalika Sugar pvt. Ltd., Ambikanagar, A/P-Jagdama Factory, Tal- Karjat, Distt. Ahmednagar, Maharashtra**, for sanction of financial assistance from SDF for setting up of plant for production for 56.4/60 KLPD ethanol project at a cost of Rs. 7632.00 lakh. SDF assistance of Rs. 3052.00 lakh has been requested. The project has been appraised by Maharashtra State Cooperative Bank Ltd. (MSCB) and technically evaluated by VSI, Pune.

The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and that the proposal complies with the provisions of the SDF rules and extant guidelines. No refinancing is involved. No old plant and machinery has been considered in the project. Consent to Establish from Pollution Control Board and EIA have been received. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

2. Dues position:

(i) SDF dues : As per CCA, as on 31.03.2016 is Nil.

(ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).

(iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 2.10 and 2.02 respectively. The IRR is 26.46 %.

4. **The Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1274.15 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.**

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.11

M/s Gem Sugars Limited, Kunderagi Village, Biligi Taluk, Bagalkot Dist-587 204, Karnataka

1. The Sub-Committee considered the loan application of **M/s Gem Sugars Limited, Kunderagi Village, Biligi Taluk, Bagalkot Dist-587 204, Karnataka**, for sanction of financial assistance from SDF for Setting up 60 KLPD anhydrous alcohol or Ethanol Project at a cost of Rs. **7000.00 lakh**. SDF assistance of Rs. **2500.00 lakh** has been requested. The project has been appraised by IFCI and technically evaluated by the sugar factory in-house. As per NSI, Kanpur, considering the data in DPR and information submitted later on, the SF shall have adequate own molasses for running 60 KLPD for 160 days from 2014-15 onwards.

The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and that the proposal complies with the provisions of the SDF rules and extant guidelines. No refinancing is involved. No old plant and machinery has been considered in the

project. Acknowledgement of application for NOC from Pollution Control Board, and the EIA have been received. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: 5.530 MT (lifting + gatesale) against the sugar factory as per the Directorate of Sugar.

3. As on 30.06.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 2.51 and 2.27 respectively. The IRR is 15.41 %.

4. Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1680.84 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.12

M/s Jakraya Sugar Ltd. (JSL), at Watwate, Taluka Mohol, District Solapur, Maharashtra.

1. The Sub-Committee considered the loan application of **M/s Jakraya Sugar Ltd. (JSL), at Watwate, Taluka Mohol, District Solapur, Maharashtra**, for sanction of financial assistance from SDF for Setting up 30 KLPD anhydrous alcohol or Ethanol Project at a cost of Rs. **4000.00 lakh**. SDF assistance of Rs. 1500.00 lakh has been requested. The project has been appraised by Indian Overseas Bank and technically evaluated by MITCON Consultancy & Engg Services Ltd.

Director, NSI, Kanpur, desired clarification regarding the availability of molasses from Sugar Factory. After hearing the sugar factory representative the Sub Committee directed that NSI, Kanpur will send a report on the subject after assessing availability of molasses with the sugar factory.

The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and the proposal complies with the provisions of the SDF rules and extant guidelines. No refinancing is involved. No old plant and machinery has been considered in the project. Consent to Establish from Pollution Control Board, and the EIA have been received. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: 23.18 MT (lifting + gatesale) against the sugar factory as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 2.25 and 1.64 respectively. The IRR is 29.65 %.

4. Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1076.74 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.13

M/s Siddhi Sugar and Allied Industries Ltd., Maheshnagar, Ujana, Tal Ahmedpur, Dist. Latur, Maharashtra

1. The Sub-Committee considered the loan application of **M/s Siddhi Sugar and Allied Industries Ltd., Maheshnagar, Ujana, Tal Ahmedpur, Dist. Latur, Maharashtra**, for sanction of financial assistance from SDF for Setting up 30 KLPD anhydrous alcohol or Ethanol Project at a cost of Rs. **3695.32 lakh**. SDF assistance of Rs. **1478.12 lakh** has been requested. The project has been appraised by Maharashtra State Cooperative Bank Ltd (**MSCB**) and technically evaluated by **VSI, Pune**.

The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and that the proposal complies with the provisions of the SDF rules and extant guidelines. No refinancing is involved. No old plant and machinery has been considered in the project. Consent to Establish from Pollution Control Board, and the EIA have been received. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable

Director (S&VO) pointed out that the sugar factory has not obtained short name and the plant code. The Committee asked Sugar Factory/Director (S&VO) to finalise the matter and intimate the position to SDF within 15 days.

2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: 2.1 MT (after dispatch) and 2.00 MT (lifting + gatesale) against the sugar factory as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 2.03 and 1.50 respectively. The IRR is 31.99 %.

4. Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1035.60 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.14



M/s Shree Padmabhusan Krantiveer Dr Nagnathanna nayakawade hutatma Kisan Ahir SSK Ltd. Nagnathannanagar, Tal-Walwe, Dist. Sangli, Maharashtra

1. The Sub-Committee considered the loan application of **M/s Shree Padmabhusan Krantiveer Dr Nagnathanna nayakawade hutatma Kisan Ahir SSK Ltd. Nagnathannanagar, Tal-Walwe, Dist. Sangli, Maharashtra**, for sanction of financial assistance from SDF for Setting up 30 KLPD distillery (27 KLPD absolute alcohol plant, Ethanol) anhydrous alcohol or Ethanol Project at a cost of Rs. **4000.00 lakh**. SDF assistance of Rs. **1600.00 lakh** has been requested. The project has been appraised by **NCDC** and technically evaluated by **VSI, Pune**.

2. The financial ratios have been arrived at after considering all outstanding loans taken by sugar factory and that the proposal complies with the provisions of the SDF rules and extant guidelines. No refinancing is involved. No old plant and machinery has been considered in the project. Consent to Establish from Pollution Control Board, and the EIA have been received. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

Director (S&VO) pointed out that the sugar factory had not obtained short name and the plant code. The Committee asked Director (S&VO) to finalise the matter and give their comments within 15 days.

2. Dues position:
- (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 1.88 and 1.55 respectively. The IRR is 21.87 %.

4. **Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1290.78 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.**

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.15

M/s Kisan Sahakari Chini Mills Ltd., Sneh Road, Najibabad, Bijnor, Uttar Pradesh

1. The Sub-Committee considered the loan application of **M/s Kisan Sahakari Chini Mills Ltd., Sneh Road, Najibabad, Bijnor, Uttar Pradesh**, for sanction of financial assistance from SDF for Setting up 40 KLPD anhydrous alcohol or Ethanol Project at a cost of Rs. **4800.00 lakh**. SDF assistance of Rs. **1920.00 lakh** has been requested. The project has been appraised by **NCDC** and technically evaluated by National Federation of Co-operative Sugar Factories Ltd. (NFCSF), New Delhi. No refinancing is involved. No old plant and machinery has been considered in the project. Consent to Establish from Pollution Control Board, and the EIA have been received. On the basis of

technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR and the FACR of the sugar factory / company as a whole is 2.20 and 2.34 respectively. The IRR is 28.67 %.

4. **The Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1409.74 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.**

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.16

M/s Sonhira Sahakari Sakhar Karkhan Ltd., Mohanrao Kadamnagar, Tal. Kadegaon, Distt.-Sangli, Maharashtra

1. The Sub-Committee considered the loan application of **M/s Sonhira Sahakari Sakhar Karkhan Ltd., Mohanrao Kadamnagar, Tal. Kadegaon, Distt.-Sangli, Maharashtra**, for sanction of financial assistance from SDF for Setting up 60 KLPD anhydrous alcohol or Ethanol Project with expansion of distillery 30 KLPD to 60 KLPD at a cost of Rs. **4407.00 lakh**. SDF assistance of Rs. **1762.80 lakh** has been requested. The project has been appraised by **Bharati Sahakari Bank Ltd., Pune** and technically evaluated by VSI, Pune. No refinancing is involved. No old plant and machinery has been considered in the project. Consent to Establish from Pollution Control Board received. EIA have not been received. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

The Sub Committee discussed the availability of sufficient in house molasses for the project and observed that the quantity of molasses appeared insufficient. The Committee desired that NSI, Kanpur will assess the availability of the molasses and submit a report to the SDF.

The NSI, Kanpur vide its report dated 28.6.2016 has informed that for 60 KLPD distillery for 160 days falls short by a meager 1251 MT (required 40851 MT and projected 39600 MT). As such, on the basis of molasses availability, the capacity of distillery works out to be 58.16 KLPD but since, **the distilleries are set up for standard configurations of 30-45-60 KLPD etc, in the instant case the proposal for setting up 60 KLPLD distillation plant may be considered.**

2. Dues position:
 - (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: 8.3 MT (after dispatch) and 8.3 MT (lifting + gatesale) against the sugar factory as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR of the sugar factory / company as a whole 3.53. The FACR of the sugar factory / company as a whole is 3.38 and 1.91 respectively. The IRR is 22.67 %.

4. **Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 1361.07 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.**

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Modernization cum expansion

Agenda Item No.17

M/s Sonhira Sahakari Sakhar Karkhana Ltd., Wangi Taluka Kadegaon, District Sangli, Maharashtra.

1. The Sub-Committee considered the loan application of **M/s Sonhira Sahakari Sakhar Karkhana Ltd., Wangi Taluka Kadegaon, District Sangli, Maharashtra** for sanction of financial assistance from SDF for Modernization cum expansion of sugar capacity from 4000 TCD to 5000 TCD along with the expansion of **ethanol plant for 30 KLPD (agenda Item No. 16)**. The Modernisation cum expansion of sugar capacity from 4000 TCD to 5000 TCD at cost of **Rs.4700.00 lakhs** and **SDF assistance for Rs.1880.00 lakhs has been requested.** The financials of the project have been appraised by Bharati Sahakari Bank Ltd. and technically evaluated by Vasantdada Sugar Institute, Pune. The technical evaluation also done by NSI, Kanpur. No refinancing of project is involved. No old plant and machinery has been considered in the project. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

The NSI, Kanpur pointed out that the capacity of certain equipment is high. The Sub Committee desired that the NSI, Kanpur will submit a report on the issue.

The NSI, Kanpur vide its report dated 28.6.2016 has informed

- (i) The factory shall be able to achieve the desired crush rate of 5000 TCD/24 hrs. i.e. 4600 TCD (on 22hrs basis) with efficiency i.e. reduction in steam consumption of sugar.
 - (ii) The plant and machinery cost for proposed modernization cum expansion may be considered as Rs.2840.00 lakhs only against the project cost of Rs.3155.00 lakhs.
2. Dues position:
- (i) SDF dues : As per CCA, as on 31.03.2016 is Nil.
 - (ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).
 - (iii) Levy sugar dues: 8.3 MT (after dispatch) and 8.3 MT (lifting + gatesale) against the sugar factory as per the Directorate of Sugar.

3. As on 31.03.2015, the averaged DSCR of the sugar factory / company as a whole 3.53. The FACR of the sugar factory / company as a whole is 3.38 and 1.91 respectively. The IRR is 22.67 %.

4. **The Sub-committee, on the basis of technical and financial details, eligible project cost, NSI, Kanpur report and the loan applied for, recommended a loan of Rs. 885.984 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.**

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.18

M/s Bilagi Sugar Mill Ltd., badagandi village, Bilagi Taluk, Bagalkot District, Karanataka.

1. The Sub-Committee considered the loan application of **M/s Bilagi Sugar Mill Ltd., badagandi village, Bilagi Taluk, Bagalkot District, Karanataka** for sanction of financial assistance from SDF for Modernization cum expansion of sugar capacity from 2500 TCD to 5000 TCD along with the expansion of Cogeneration plant from 30 MW (agenda Item No. 6). The Modernization cum expansion of sugar capacity from 2500 TCD to 5000 TCD at cost of **Rs.6950.00 lakhs** and **SDF assistance for Rs.2640.00 lakhs has been requested.** The project has been appraised by IFCI Ltd. and technically evaluated by Echo-Biotech Financial Consultants Pvt. Ltd. and the project is being implemented under guidance of TECSOL Engineers Pvt. Ltd. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC from PCB and EIA clearance are awaited. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable.

IFCI pointed out that the FACR of the sugar factory as per the audited balance sheet for 31.03.2015 was 0.85. However, as per the provisional balance sheet for 31.03.2016 the FACR was 2.15. The basis of calculation of the FACR were not made clear by the IFCI. The sugar factory representative was also asked to get the balance sheet audited. The Committee directed that the FACR shall be recalculated by the IFCI based on the audited balance sheets of 2015-16. IFCI may, if required, obtain necessary information from the sugar factory for the purpose. FACR based on audited balance sheet for the FY 2015-16 will be submitted to SDF by the Sugar factory/ IFCI within 15days.

2. Dues position:

(i) SDF dues : As per CCA, as on 31.03.2016 is Nil.

(ii) LSPEF dues : No LSPEF dues against the sugar factory as informed by Under Secretary (SPF).

(iii) Levy sugar dues: Nil as per the Directorate of Sugar.

3. As on 31.03.2015, the DSCR of the sugar factory and the company as a whole is 2.20 and IRR for the project is 34.23%.

4. **Subject to the above, the Sub-committee, on the basis of technical and financial details, eligible project cost and the loan applied for, recommended a loan of Rs. 2268.85 lakh for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.**

5. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Annexure - I

List of Participants of Sub-Committee Meeting held on 24.06.2016		
S. No.	Name of Members	Office Address
1	Shri Prashant Trivedi Joint Secretary (S&SA)	In Chair
2	Shri Narendra Mohan Director, National Sugar Institute, Kanpur	Member
3	Chief Director (Sugar) [Represented by Shri G.S.Sahoo Director (S&VO)]	Member
4	Deputy Secretary (Finance) [Represented by Smt. Rajshiri Khalko US (Fin)]	Member
5	Shri N.K. Kashmira Deputy Secretary (SDF)	Member Secretary
	Special Invitees	
6	Shri Abinash Verma	Director General, Indian Sugar Mills Association
7	Shri B. Shiuanna	Technical Advisor, National Federation of Co-operative Sugar Factories Ltd.
8	Dr. Sanjay Awasthi	President, Sugar Technologist Association of India
9	Shri K.P. Vaish, Advisor (NCDC)	Representative from NCDC
10	Shri M.P. Sethi, General Manager (IFCI)	Representative from IFCI
11	Sh. Shivajirao Deshmukh, Director General, VSI	Technical Expert
	Others	
12	Shri Sudesh Sharma	Under Secretary (SPF)
13	Shri Sunil Chauhan	Under Secretary (SDF)
14	Shri Manmohan Kumar	Section Officer (SDF)