

F.No.1-11/2017-SDF

Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution
www.dfpd.nic.in

Room No.260, Krishi Bhawan,
New Delhi, the 5th December, 2017

Office Memorandum

Subject: Minutes of 135th meeting of the Standing Committee on Sugar Development Fund (SDF) presided over by Secretary (F&PD) as Chairman on Tuesday, the 14th December, 2017-reg.

In continuation of this Ministry's O.M. of even number dated 01.11.2017, 9.11.2017 and 13.11.2017 on the subject, a copy of the minutes of the 135th meeting of the Standing Committee held on 14.11.2017 under the Chairmanship of Secretary, (F&PD) is enclosed for kind information and necessary action.



(N.K. Kashmira)
Director (SDF)

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Distribution:-

1. Finance Secretary, Ministry of Finance, North Block, New Delhi (Member).
2. Secretary, Department of Agriculture & Farmers Welfare, Krishi Bhavan, New Delhi (Member).
3. 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. Chief Director (S&VO), Directorate of Sugar, Department of Food & Public Distribution, (Member)] :[represented by Director (S&VO)]
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 |



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

Copy for information:-

- (i) PS to Hon'ble Minister of Consumer Affairs, Food & Public Distribution.
- (ii) PS to Secretary, Department of Food & Public Distribution.
- (iii) Chief Controller of Accounts, Department of Food & Public Distribution
- (iv) NIC, DFPD for uploading the minutes on the website of the Department.

Minutes of the 135th meeting of the Standing Committee of Sugar Development Fund held on 14th November, 2017, Department of Food and Public Distribution

The 135th meeting of the Standing Committee of the Sugar Development Fund (SDF) under the Chairmanship of Secretary (F&PD) was held on 14th November, 2017. A list of participants is annexed. At the outset, the Joint Secretary (Sugar & Admn.) welcomed all the Members and invitees and thereafter the agenda was taken up for discussion and decision.

Following decisions were taken:

Agenda No. 1 : ACTION TAKEN REPORT OF 134th MEETING OF THE STANDING COMMITTEE.

The Action Taken Report on the decisions taken in the 134th meeting of the Standing Committee held on 04.07.2017 was considered and accepted.

BAGASSE BASED CO-GENERATION POWER PROJECT

Agenda No. 2: M/s The Bhogpur Co-op Sugar Mills Ltd. Bhogpur-144201, Dist. – Jalandhar, Punjab Setting up 15 MW bagasse based co-generation power project.

The Standing Committee considered the loan application for setting up of 15 MW bagasse based co-generation power project (Brown Field Project) at a cost of Rs.3265.00 lakh including SDF assistance of Rs. 1216.00 lakh requested by the Sugar Factory.

2 The project has been appraised by JP Mukherji & Associates Pvt. Ltd. Technical evaluation has been done by NSI, Kanpur. The State Govt. of Punjab agrees to stand Guarantee for the SDF term loan of Rs. 33.25 cr. for both cogen and modernization-expansion project of the Bhogpur Co-op. Sugar Mill. On the basis of technical, financial and other data placed before it, the Committee observed that the project is technically & financially viable.

3. The Committee observed that the existing crushing capacity of the Bhogpur Co-op. Sugar Mills at Bhogpur is only 1016 TCD. As per SDF Rules, the Sugar Factory below capacity of 2500 TCD are not considered for SDF loan. However, since, the State Govt. of Punjab has approved the shifting of Plant & Machinery of 2500 TCD plant of Faridkot Co-operative Sugar Mill's plant to the Bhogpur Co-operative Sugar Mills by investing Rs.20.70 crores, and the Bhogpur Co-op. Sugar Mills at Bhogpur has proposed to expand the sugar plant upto 3000 TCD with additional new equipments and

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simultaneously to install 15 MW Cogen Plant as an integrated project, the Committee observed that the expansion of 3000 TCD project is integrated with 15 MW Cogen project and will be part & parcel of new plant of 3000 TCD.

4. It was reported that the average DSCR of the sugar factory and the society as a whole is 1.33 and average DSCR of the sugar factory and the society as a whole for the previous five years is (-2.69). FACR of the sugar factory and society as a whole was 2.30 as on 31.03.2016. IRR of the project was 16.61%.

5. Dues position:

- (i) SDF dues : Nil
- (ii) LSPEF dues : Nil
- (iii) Levy sugar dues: Nil

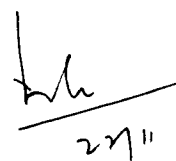
6. No refinancing of project is involved. No old plant and machinery has been considered in the project. **The copy of revised IEM dated 07.08.2017** and Copy of NOC (Consent to Establish) from the State Pollution Control Board have been received.

7. **Director (S&VO) pointed out that since the Faridkot Co-operative Sugar Mill's plant is being shifted to Bhogpur, its IEM will have to be surrendered and the surrendered IEM may be submitted to Directorate of Sugar for consideration of allowing them the shifting of plant and merger process.**

8. **Disbursal of SDF loan may be done after the Sugar Mill furnishes certificate of completion of shifting of capacity of 2500 TCD from Faridkot to comply with the requirement of SDF rules as mentioned in para 3 above.**

9. **Subject to the above and on the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs.1028.92 lakh for setting up of 15 MW bagasse based Co-generation power project which is integrated with Modernization cum Expansion from 2500 TCD to 3000 TCD.**

10. In addition to the security as applicable in the case, the Sugar factory will also furnish guarantee of the State Government in the form of Deed agreement.



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**Agenda No. 3 : M/s MRN Cane Power (India) Ltd. at Kallapur (SK) Khanpur-587155
Tq- Badami, Dis-Bagalkot, Karnataka for setting up of 30 MW
(Green Field project) bagasse based co-generation power project**

The Standing Committee considered the loan application for setting up of 30 MW bagasse based co-generation power project (Green Field) at a cost of Rs.16722.00 lakh including SDF assistance of Rs.2357.00 lakh requested by the Sugar Factory.

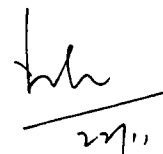
2. The Committee observed that the application had been considered in the 134th Standing Committee meeting but had been deferred. Despite the time available with the applicant for submission of FACR based on Audited Balance Sheet, Progress Report of the project etc. they have not done so in time. The sugar mill has submitted the incomplete information to SDF Division only one day before the meeting of the Standing Committee and same has not been examined. IFCI has made no effort to collect the information and give their report. The financials of sugar factory as well as company as a whole in respect of DSCR (projection/ previous five years)/FACR and other aspect of the project may be examined by the IFCI and they will submit its detailed report to this Department. After detailed deliberations, in absence of detailed information/report, **the Committee decided to defer the case.**

Modernization/expansion

**Agenda No.4: M/s Bhogpur Co-op. Sugar Mills Ltd., Dist. Jalandhar, Punjab for
modernization-expansion of sugar plant from 2500 TCD to 3000
TCD**

The Standing Committee considered the loan application for modernization-expansion of sugar plant from 2500 TCD to 3000 TCD at a cost of Rs.5679.00 lakh including SDF assistance of Rs. 2109.00 lakh requested by the Sugar Factory.

2 The project has been appraised by JP Mukherji & Associates Pvt. Ltd. Technical evaluation has been done by NSI, Kanpur. The Punjab Government with the concurrence of Finance Division of Govt. of Punjab agrees to stand Guarantee for the SDF term loan of Rs. 33.25 cr. for both cogen and modernization-expansion project of the Bhogpur Co-op. Sugar Mill. On the basis of technical, financial and other data placed before it, the Committee observed that the project is technically & financially viable.

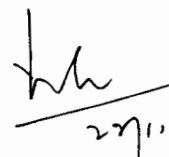


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3. No refinancing of project is involved. No old plant and machinery has been considered in the project. **The copy of revised IEM dated 18.9.2017** and Copy of NOC (Consent to Establish) from the State Pollution Control Board have been received.
4. Dues position:
 - (i) SDF dues : Nil.
 - (ii) LSPEF dues : Nil
 - (iii) Levy sugar dues: Nil
5. It was reported that the average DSCR of the sugar factory and the society as a whole is 1.33 and average DSCR of the sugar factory and the society as a whole for the previous five years is (-2.69). FACR of the sugar factory and society as a whole was 2.30 as on 31.03.2016. IRR of the project was 16.61%.
6. **Director (S&VO) pointed out that since the Faridkot Co-operative Sugar Mill's plant is being shifted to Bhogpur, its IEM will have to be surrendered and the surrendered IEM may be submitted to Directorate of Sugar for consideration of allowing them the shifting of plant and merger process.**
7. **Disbursal of SDF loan may be done after the Sugar Mill furnishes certificate of completion of shifting of capacity of 2500 TCD from Faridkot to comply with the requirement of SDF rules as mentioned in para 3 of Agenda No. 2.**
8. **Subject to the above and on the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs.1762.43 lakh for Modernization cum Expansion of Sugar Factory from 2500 TCD to 3000 TCD.**
9. In addition to the security as applicable in the case, the Sugar factory will also furnish guarantee of the State Government in the form of Deed agreement.

Agenda No. 5: M/s Bannari Amman Sugar Ltd., Alathukombai Village, Sathyamangalam Taluk, Erode District, Tamil Nadu

The Standing Committee considered the loan application for Modernization of process technology from Double Sulphitation to Raw-Refined (Sulphur less) sugar production at a cost of Rs.3716.98 lakh including SDF assistance of Rs.1166.00 lakh requested by the Sugar Factory.



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2. The project has been appraised by IFCI Ltd., New Delhi and DPR has been prepared by M/s Avant-Grade Engineers and Consultant Pvt. Ltd. The NSI Kanpur has submitted technical analysis report of the project of Sugar Mill. On the basis of technical, financial and other data placed before it, the Committee observed that the project is technically & financially viable.
3. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC (Consent to operate) from Pollution Control Board has been received. EIA clearance received.
4. Dues position:
 - (i) SDF dues : Nil.
 - (ii) LSPEF dues : Nil
 - (iii) Levy sugar dues: Nil
5. It was reported that the average DSCR of the sugar factory and the company as a whole is as 3.77 and 3.60 respectively. Average DSCR of the sugar factory for the previous five years is 2.30. FACR of the sugar factory and company as a whole are 4.45 and 2.45 respectively as on 31.03.2017. IRR of the project is 30.46%.
6. **On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs.1139.62 lakh for "Modernization of process technology from Double Sulphitation to Raw-Refined (Sulphur-less) sugar production".**

Anhydrous Alcohol or ethanol Plant from Molasses

Agenda No.6: Proposal of M/s Shri Sai Priya Limited, Hippargi - Mygur, Vishal Nagar, Hipparagi-Alabal Road, Tq-Jamkhandi, Dist - Bagalkot-587311, Karnataka for setting up of 120 KLPD anhydrous alcohol or ethanol plant from molasses .

The Standing Committee considered the loan application for setting up of 120 KLPD anhydrous alcohol or ethanol plant from molasses at a cost of Rs.16180.00 lakh including SDF assistance of Rs.6471.00 lakh requested by the Sugar Factory.

- 2 The project has been appraised by IFCI Ltd. and technically evaluated by MITCON Consultancy & Engineering Services Ltd. The project was found to be financially viable and technically feasible by the Committee. On the basis of technical, financial and other



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data placed before it, the Committee observed that the project is technically & financially viable.

3. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC (Consent to operate) from Pollution Control Board has been received. EIA clearance received.

4. Dues position:-

- (i) SDF dues : Nil.
- (ii) LSPEF dues : Nil
- (iii) Levy sugar dues: Nil

5. It was reported that the average DSCR of the sugar factory and the company as a whole is 1.51. FACR of the sugar factory and company as a whole was 1.47 as on 31.03.2016. IRR of the project was 28.55%. IFCI will submit DSCR calculation sheet on the basis of current ethanol price.


6. The Standing Committee observed that IFCI after visiting the sugar factory at the time of charge creation will also submit its report regarding construction of storage of molasses for creating in house capacity of molasses to run the plant minimum for 160 days.

7. Subject to the above and on the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs.5358.91 lakh for setting up of 120 KLPD anhydrous alcohol or ethanol plant from molasses.

Agenda No. 7 : M/s L.H. Sugar Factories Ltd., Civil lines, Pilibhit, Uttar Pradesh for setting up 60 KLPD anhydrous alcohol or Ethanol Project.

The Standing Committee considered the loan application for setting up of 60 KLPD anhydrous alcohol or ethanol plant from molasses at a cost of Project at a cost of Rs.6853.00 lakh. SDF assistance of Rs. 1980.00 lakh has been requested by the sugar factory.

2 The detailed project report has been prepared by Dun & Bradstreet, project has been appraised by SBI and technically evaluated by NSI, Kanpur and found technically viable. The project was found to be financially viable and technically feasible by the



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Committee. On the basis of technical, financial and other data placed before it, the Committee observed that the project is technically & financially viable.

3. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC (Consent to operate) from Pollution Control Board has been received. EIA clearance received.

4. Dues position:

- (i) SDF dues : Nil.
- (ii) LSPEF dues : Nil
- (iii) Levy sugar dues: Nil

5. It was reported that the average DSCR of the sugar factory as per future projections is 1.881 and previous five years average DSCR is 1.385 and the FACR of the sugar factory is 1.63 as on 31.3.2017. The IRR is 23.61%.

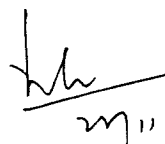
6. On the basis of available records and recommendations of the Sub-Committee, the Standing Committee, recommended SDF loan of Rs.1327.04 lakh for setting up of 60 KLPD anhydrous alcohol or ethanol plant from molasses.

Agenda No. 8: M/s Dhampur Sugar Mills Ltd. Unit – Dhampur, Moradabad Road, Distt. Bijnor, Uttar Pradesh - 246761 for Conversion of existing 200 KLPD ethanol project in to Zero Liquid Discharge Plant.

The Standing Committee considered the loan application for Conversion of existing 200 KLPD ethanol project in to Zero Liquid Discharge Plant at a cost of Rs. 8500.00 lakh. SDF assistance of Rs. 3400.00 lakh has been requested by the sugar factory.

2. The detailed project report has been prepared in house by the sugar factory and is vetted by NSI Kanpur. The project has been finally appraised by IFCI. The NSI Kanpur reported that the project of sugar factory shall be able to achieve the ZLD objectives. On the basis of technical, financial and other data placed before it, the Committee observed that the project is technically & financially viable.

3. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC (Consent to operate) from Pollution Control Board has been received. EIA clearance received.



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4. Dues position:
 - (i) SDF dues : Nil.
 - (ii) LSPEF dues : Nil
 - (iii) Levy sugar dues: Nil

5. It was reported that the average DSCR of company as a whole (previous five year) is 0.87 and that of Sugar factory is 1.26. DSCR based on future projections of the sugar factory/company as a whole is 4.77/3.69 respectively. FACR of the sugar factory/company as whole is 10.30 and 2.17 as on 31.3.2017 respectively. The IRR is 26.34%.

6. **On the basis of available records and recommendations of the Sub-Committee, the Standing Committee, recommended SDF loan of Rs.1811.62 lakh for Conversion of existing 200 KLPD ethanol project in to Zero Liquid Discharge Plant.**

7. The Standing Committee decided that the **additional Securities may be taken as security for SDF loan in view of poor DSCR in the previous five years, in line with the decision in Agenda No. 15 of these minutes .**

Agenda No. 9: M/s Dhampur Sugar Mills Ltd. Unit – Asmoli, Moradabad Road, Distt. Bijnor, Uttar Pradesh - 246761 for Conversion of existing 100 KLPD ethanol project in to Zero Liquid Discharge Plant.

The Standing Committee considered the loan application for Conversion of existing 100 KLPD ethanol project in to Zero Liquid Discharge Plant at a cost of Rs. 4500.00 lakh. SDF assistance of Rs. 1800.00 lakh has been requested by the sugar factory.

2. The detailed project report has been prepared in house by the sugar factory and is vetted by NSI Kanpur. The project has been finally appraised by IFCI. The NSI Kanpur reported that the project of sugar factory shall be able to achieve the ZLD objectives. On the basis of technical, financial and other data placed before it, the Committee observed that the project is technically & financially viable.

3. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC (Consent to operate) from Pollution Control Board has been received. EIA clearance received.



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4. Dues position:
 (i) SDF dues : Nil.
 (ii) LSPEF dues : Nil
 (iii) Levy sugar dues: Nil

5. It was reported that the average DSCR of company as a whole (previous five year) is 0.87 and that of the Sugar factory is 1.12. DSCR based on future projections of the sugar factory/company as a whole is 5.21/3.69 respectively. FACR of the sugar factory/company as whole is 5.34 and 2.17 as on 31.3.2017 respectively. The IRR is 17.21%.

6. **On the basis of available records and recommendations of the Sub-Committee, the Standing Committee recommended SDF loan of Rs. 957.87 lakh for Conversion of existing 100 KLPD ethanol project in to Zero Liquid Discharge Plant .**

7. The Standing Committee decided that the **additional Securities may be taken as security for SDF loan in view of poor DSCR in the previous five years, in line with the decision in Agenda No. 15 of these minutes .**

Charge /Securities for SDF loan

The sugar factories mentioned in Agenda No. 2 and Nos. 4 to 9 of these minutes, will be required to offer Bank Guarantee or first pari passu charge and additional securities, wherever applicable, as security for SDF loan. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines/~~requirement~~.

Agenda No. 10 : Disbursal of 2nd instalment of Cane Development Scheme to two units of M/s Bhairavnath Sugar Works Limited., - intimation to the 135th Standing Committee Meeting to be held on 14.11.2017.

The Standing Committee noted the disbursal of 2nd instalment of Rs. 177.21 lakhs each to Sonari & Vihal Units of M/s Bhairavnath Sugar Works Ltd. in pursuance of the Standing Committee observations in the 133rd meeting.


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Agenda No. 11: Extension of validity of Administrative Approval (AA) of Cane Development loan sanctioned to M/s EID Parry (India) Ltd., Sankili Unit and subsequent disbursement of 2nd instalment of Cane Development loan and ex-post-facto approval for the 2nd instalment of Cane Development disbursed to Hullati Unit.

The 133rd Standing Committee had decided that:- "the U.C. may be accepted as submitted by State Govt. while condoning the delay same being technical. It was also decided to issue a show cause notice to the sugar factory in the light of lacunae pointed out in the monitoring/impact report submitted by VSI, Pune. The reply of the sugar factory along with comments of V.S.I., Pune after examining it, may be submitted before the next Standing Committee for consideration for release of 2nd installment of SDF loan." The matter was placed before the 134th Committee which extended the time limit of AA upto 30.09.2017. The disbursal request was received before the due date but due to very short time available it was decided to disburse the amount to the sugar factory in the case of Hulali unit. However, disbursal in the case of Sankili unit could not be made.

The 135th Standing Committee considered the following proposals in r/o cane development loan to M/s EID Parry (India) Ltd. :

- a. An ex-post-facto approval for the 2nd instalment of Cane Development loan disbursed to Hullati Unit.
- b. An extension of the validity of Administrative Approval **up to 31.03.2018**, for the release of 2nd instalment of Cane Development loan to Sankili Unit.

The Committee was apprised that the sugar factory has completed all the necessary formalities for the disbursal of 2nd instalment of the SDF loan, in r/o Sankili Unit.

After due deliberation, the Committee approved the aforesaid proposal.

Agenda No. 12 : Ratification/Proposal of closure of SDF loan cases wherein Administrative Approval has expired.

The Standing Committee noted and ratified the proposal of closure of the following SDF loan cases wherein administrative approval has expired/ no requests have been received within the validity period for extension of the Administrative Approval :

- a) M/s Sharayu Agro Industries Ltd. (formerly known as Lokmanya Sakhar Udyog Ltd.) At Post Kapshi Village, Tehsil Phaltan, District Satara, Maharashtra.



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- b) M/s Fabtech Sugar Private Ltd., At Nandur, Tal. Mangalvedha, Distt. Solapur, Maharashtra.
- c) M/s. Lokmangal Sugar Ethanol and Cogeneration Industries Ltd., Village Bhandarkawathe, Taluka South Solapur, District Solapur, Maharashtra.

Agenda No. 13 : Consideration/Decision in the case of M/s Ponni Sugars (Erode) Limited, Odapalli, Cauvery RS Post, Erode 638007, Tiruchengode Taluk, Namakkal Dist, Tamil Nadu.

The Sub-committee had considered the loan application of M/s Ponni Sugars (Erode) Limited, in its meeting dated 11.05.2017. The Sub-Committee observed that the project has been completed on 17.08.2012 and all finances have been met by the sugar factory to commission the project long time back. Committee further observed that in the present circumstances, it is difficult to ensure that the SDF loan would now be given to the sugar factory would definitely be used for the project and not diverted to other project / investment by the sugar factory. Besides, the sugar factory must have generated substantial revenue by sale of power for the past 4-5 years since its commissioning. The funds under the SDF being limited it needs to be rationally utilized. It would be unfair on part of the Government if the funds are not available for fresh proposals as a result of exhausting funds on projects such as this which has been commissioned long time back and running almost for 5 years with all its finances met. **The Sub-Committee accordingly rejected the proposal.**

The Standing Committee considered the recommendation of the Sub-Committee and after due deliberation, agreed with the recommendation of the Sub-Committee and accordingly rejected the proposal of SDF loan for 19 MW BBGP in r/o M/s Ponni Sugars (Erode) Limited, Odapalli, Cauvery RS Post, Erode 638007, Tiruchengode Taluk, Namakkal Dist, Tamil Nadu.

Agenda No. 14 : M/s. DCM Shriram Industries Ltd., Unit: Daurala Sugar Works, Daurala, District Meerut, Uttar Pradesh.

The Sub-Committee had considered the loan application of M/s. DCM Shriram Industries Ltd., Unit: Daurala Sugar Works, in its meeting dated 11.05.2017. Since in this case the project has been commissioned long back in November, 2012, The Sub-Committee observed that the project has been completed in 2012 and all finances have been met by the sugar factory to commission the project long time back. Committee further observed that in the present circumstances, it is difficult to ensure that the SDF loan would now be given to the sugar factory would definitely be used for the project and



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not diverted to other project / investment by the sugar factory. Besides, the sugar factory must have generated substantial revenue by sale of power for the past 4-5 years since its commissioning. The funds under the SDF being limited it needs to be rationally utilized. It would be unfair on part of the Government if the funds are not available for fresh proposals as a result of exhausting funds on projects such as this which has been commissioned long time back and running almost for 5 years with all its finances met. **The Sub-Committee accordingly rejected the proposal.**

The Standing Committee considered the recommendation of the Sub-Committee and after due deliberation, the Standing Committee agreed with the recommendation of the Sub-Committee and accordingly rejected the loan application for SDF loan for modernization project in r/o M/s. DCM Shriram Industries Ltd., Unit: Daurala Sugar Works, Daurala, District Meerut, Uttar Pradesh.

Agenda No. 15: Additional Securities in case of poor DSCR ratio for past 5 years.

The Standing Committee considered the proposal for obtaining additional Securities from the sugar companies whose Average DSCR (any one of sugar factory or company as a whole) for past five years is less than one.

After due deliberation, the Standing Committee accepted the proposal and decided to treat the Sugar Companies whose average DSCR (any one of sugar factory or company as a whole) for past five years is less than one, as financially weak to obtain Additional Securities as decided in the 130th Standing Committee from such Sugar Companies. The additional securities will cover the full amount of SDF loan along with interest. The additional securities as decided in the 130th Standing Committee are as follows:

“(i) Post-dated cheques (PDCs) for repayment of Principal and Interest of Borrower Company shall be obtained invariably in all cases. Besides PDCs, any or all of the following securities shall be obtained:

- a. Personal Guarantee of Promoters.
- b. Corporate Guarantee of Holding Company.
- c. Pledge of company's listed shares of Holding Company/ Borrower.
- d. Assignment of Fixed Deposits of Holding /Borrower Company.
- e. Mortgage of third party assets viz. personal properties of borrower or Holding/Subsidiary Company.

(ii) These conditions shall apply at the time of creation of charge, henceforth. In cases where it is decided to obtain bank guarantee as per the FACR criteria, the above additional securities shall not be obtained.

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- (iii) In case of the Cooperatives, since it would not be feasible to obtain other securities mentioned above, only PDCs shall be obtained as additional security.
- (iv) IFCI/NCDC, the nodal agencies, will ensure compliance of these guidelines”.

Agenda No.16: Ratification of extension of AA, in case of M/s NSL Sugars Ltd. - Unit-II, (Lessee of Sahakare Sakkare Karkhane Niyamit, Aland), Village Bhusanoor, Taluk Aland, District Gulbarga, Karnataka.

The 133rd Standing Committee, after reconsideration of the case, approved revised SDF loan of cogeneration power project for Rs.2600.74 lakh and modernization-cum-expansion for Rs.1830.00 lakh with the validity of Administrative Approvals upto 31.07.2017.

2. The sugar factory was issued an Administrative Approval on 22.03.2017 with validity upto 31.07.2017. Usually one year period is given to brownfield sugar factories for completion of various formalities for disbursal of loan. However, since this was an old case, where the SDF loan was earlier sanctioned and the sugar factory had completed the necessary formalities, it was presumed that 4 months will be sufficient for the same. But on the advice of IFCI the process of charge creation was started afresh for the revised loan. The process took time and the sugar factory/IFCI could submit disbursal requests for the aforesaid loans only on 31.07.2017 i.e. the date on which the administrative approval expired. However, for disbursal of the loans, more time was required as few shortcomings (such as non furnishing of additional securities which were PDC's for instalments of principal and interest, Corporate Guarantee of M/s Mandava Holdings Pvt. Ltd., the Holding Company of NSL Group, Personal Guarantee of promoter Shri Mandava Prabhakara Rao) were noticed in the documents furnished by IFCI/sugar factory. Therefore, the validity of AAs required to be extended. Since, in this case the power to extend the validity vested with the Standing Committee, to facilitate disbursal of loan, it was decided to obtain approval of Secretary(DFPD)[Chairperson of the Standing Committee], for extension of AA upto 31.10.2017 and later on obtain the *ex post facto* approval/ratification by the Standing Committee. The disbursal requests were accordingly processed within the extended validity period.

3. The Standing Committee considered the proposal for ex-post-facto approval for extension of validity of Administrative Approval of both the cases i.e. Cogeneration and Modernization cum expansion project upto 31.10.2017 and after due deliberation, approved the proposal.



Minutes of the 135th meeting of the Standing Committee held on 14th November, 2017

Addl .Agenda No. 1 : Extension of Administrative Approval in case of SDF loan granted to M/s Sahakar Maharshee Shivajirao Narayanrao Nagawade Sahakari Sakhar Karkhana Limited At Shrigonda Factory, Post Shrigonda Sakhar Karkhana, Taluka Shrigonda, District Ahmednagar, Maharashtra.

The Standing Committee considered the proposal for granting extension of Administrative Approval to M/s Sahakar Maharshee Shivajirao Narayanrao Nagawade Sahakari Sakhar Karkhana Limited

The Committee was apprised of the fact that the sugar mill has informed that the PPA will be finalized by 30.11.2017 and has requested for extension of validity of AA upto 11.05.2018. NCDC has recommended to consider the request of the Sugar Factory.

After due deliberation, the Standing Committee extended the validity of Administrative Approval **upto 31.03.2018**.

Observation of the Standing Committee; regarding unsatisfactory performance of IFCI.

The Committee observed that the working of IFCI is not satisfactory. Despite the time available with them to analyse information in respect of loan applications to be consideration by the Standing Committee, IFCI has made little effort to collect the information and give their expert advice on financial implications/analysis of the case. It was also noted that GM/CGM concerned from IFCI was not present in the Standing Committee meeting.

The Standing Committee directed that in future the financials of sugar factory as well as the company as a whole in respect of DSCR (projection/ previous five years)/FACR and other aspects of the project may be examined by the IFCI/NCDC and they will submit its detailed report to this Department. IFCI and NCDC must examine all requirements for approval of a loan and give detailed analysis report one week before the meeting of Standing Committee. The SDF Division must also ensure that all documents are complete and analysis of financials etc are received from IFCI/NCDC well before the Standing Committee meeting and made part of the Agenda note.



Annexure**ATTENDANCE SHEET OF PARTICIPANTS OF 135th MEETING OF
STANDING COMMITTEE OF SDF TO BE HELD ON 14th November 2017 AT 11:00 A.M.**

Sl. No.	Name, Designation & Organization	Name of Department/Organization
1.	Shri Ravi Kant, Secretary -Chairperson	Department of Food and Public Distribution
2.	Shri Nikhilesh Jha, -Member Special Secretary and Financial Advisor	Department of Food and Public Distribution
3.	Finance Secretary, Ministry of Finance	-
4.	Dr. AP. Singh - ADC (Crops) Dr. R.P. singh, - Asst. director (Crops)	Ministry of Agriculture Co-operative & Farmer Welfare
5.	Shri Subhasish Panda - Member Joint Secretary (Sugar & Admin),	Department of Food and Public Distribution
6.	Shri Suchindra Mishra,	Ministry of Finance
7.	Shri G.S. Sahu, -Member Director (Sugar & VO) Directorate of Sugar, DFPD	Department of Food and Public Distribution
8.	Shri Narendra Mohan, - Member Director NSI, Kanpur,	National Sugar Institute, Kanpur
9.	Dr. R.K.singh ADG(CC)	Indian Council of Agricultural Research
10.	Shri N. K. Kashmira - Member-Secretary Director (SDF)	-
11.	Dr. Gautam Talukdar -CCA Represented by Shri R.S.Chahal, - Sr.AO	Department of Food and Public Distribution
12.	Shri Dilip Kumar Jha, Under Secretary (SDF),	Department of Food and Public Distribution
13.	Shri Sudesh Kumar Under Secretary (SPF)	Department of Food and Public Distribution
14.	Shri Kanav Dua, -Asst. Director (Cost),	Department of Food and Public Distribution
15.	Shri Manmohan Kumar Section Officer (SDF)	Department of Food and Public Distribution
16.	Shri R.C. Meena, Section Officer (SDF A/cs)	Department of Food and Public Distribution
	SPECIAL INVITEES	
17.	IFCI:-	
	1. Shri V. Subramanian, General Manager	IFCI Limited, New Delhi
	2. Shri Jagdish Garwal, DGM	
	3. Shri Manoranjan Sarma	
18.	NCDC:-	
	1. Shri R.K.Mangla, Dy. Director (Sugar)	NCDC, New Delhi
	2. Shri Gijraj Aghnihotri, Dy. Director (Sugar)	