

No.1-3/2022-SDF

भारत सरकार

Government of India

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय

Ministry of Consumer Affairs, Food & Public Distribution

खाद्य और सार्वजनिक वितरण विभाग

Department of Food & Public Distribution

www.dfpd.nic.in

कृषि भवन, नई दिल्ली

दिनांक : 12.09.2024

कार्यालय ज्ञापन

विषय : Minutes of Meeting of the 148th Meeting of the Standing Committee of Sugar Development Fund chaired by Secretary(F&PD), held on 06.09.2024 at 10.30 a.m. - Regarding

In continuation of this Department's O.M. of even number dated 30.08.2024 on the subject mentioned above, a copy of the minutes of the 148th meeting of Standing Committee on SDF held on 6th September, 2024 under the Chairmanship of Secretary (Food & PD) is enclosed, for kind information and necessary action.



(संगीत)

निदेशक (एस. डी. एफ.)

सदस्य सचिव

फोन : 011-2338 3760

ईमेल : sangeet.cgda@nic.in

To :

1. Finance Secretary, Ministry of Finance, North Block, New Delhi (Member).
2. Secretary, Department of Agriculture & Farmers Welfare, Krishi Bhavan, New Delhi (Member).
3. Additional Secretary & Financial Adviser, Department of Food & Public Distribution, Krishi Bhavan, New Delhi (as nominee of Secretary, Department of Expenditure-Member).
4. Joint Secretary, Ministry of Finance (Department of Financial Services), Jeewan Deep Building, New Delhi (Member).
5. Joint Secretary (Sugar), Department of Food & Public Distribution, (Member).
6. Director (S&VO), Directorate of Sugar, Department of Food & Public Distribution.
7. Director General, Indian Council of Agricultural Research, Krishi Bhawan, New Delhi (Nominated Additional Member as expert under First Proviso to Rule 6).
8. Director, National Sugar Institute, Kanpur (Nominated Additional Member as expert under First Proviso to Rule 6).
9. Representative from IFCI Limited (as special invitee from financial institution under Second Proviso to Rule 6)
10. Representative from NCDC (as special invitee from financial institution under Second Proviso to Rule 6)



(Sangeet)

Director (SDF)

Member Secretary

Copy for information to :

- (i) PS to Hon'ble Minister of Consumer Affairs, Food & Public Distribution
- (ii) PS to Hon'ble Minister of State of Consumer Affairs, Food & Public Distribution
- (iii) Sr.PPS to Secretary, Department of Food & Public Distribution
- (iv) Chief Controller of Accounts, Department of Food & Public Distribution

Minutes of the 148th Meeting of the Standing Committee of Sugar Development Fund held on 06.09.2024 at 10.30 a.m. in the Department of Food and Public Distribution, Krishi Bhawan, New Delhi

The 148th meeting of the Standing Committee of Sugar Development Fund (SDF) was held on 06.09.2024 under the Chairmanship of Secretary (F&PD). A list of participants is at **Annexure**.

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

Director (SDF) informed that due to recovery under OTS, there is a decline in principal amount in SDF default cases during the last three months. In this regard, Secretary (DFPD) appreciated the efforts and further directed to fix a timeline for sugar mills for submission of applications under OTS scheme as per revised restructuring guidelines. Further, another round of VC with defaulter co-operative and private sugar mills may also be organised.

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

Agenda No. 148.1: Action Taken Report (ATR) on the decisions/directions of the 147th Standing Committee meeting held on 13.06.2024

The Action Taken Report (ATR) on the decisions/directions taken in the 147th Standing Committee meeting held on 13.06.2024 was considered case by case. Updated position was brought to the notice of the Committee.

Agenda No. 148.2: M/s. Rajshree Sugars & Chemicals Ltd., Dist. Villupuram, Tamil Nadu for One Time Settlement (OTS) of SDF loans

The Committee considered the application of M/s. Rajshree Sugars & Chemicals Ltd., Dist. Villupuram, Tamil Nadu for One Time Settlement (OTS) of SDF Cogeneration and Ethanol Loans of ₹ 21,10,00,000/- and ₹ 32,45,08,000/- respectively under Revised Operational Guidelines for Restructuring of loans under Rule 26 of SDF on 28.02.2024.

2. The application was received online through the SDF portal. The Nodal Agency, IFCI has also recommended the case of the sugar factory for OTS of SDF loans.
3. The case was considered and recommended by Committee for Rehabilitation (CFR) meeting held on 09.08.2024 for OTS of SDF loans of the sugar factory.
4. As per the defaulters list as on 31.07.2024 provided by the O/o.CCA, SDF dues position of the company is as under:

Contd....2/-


14/09

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Cogeneration	VII-41	21,10,00,000	7,58,35,622	2,52,77,994	2,19,61,705	12,30,75,321
Ethanol	X-6	32,45,08,000	27,97,74,362	18,01,27,872	3,87,96,237	49,86,98,471
Total		53,55,08,000	35,56,09,984	20,54,05,866	6,07,57,942	62,17,73,792

5. The application, along with CFR recommendations, was discussed in detail and the Committee observed that the company meets the eligibility criteria for OTS of the Revised operational guidelines dated 28.02.2024. The Committee further observed that if the proposal is accepted, this may result in recovery of Principal and Interest dues from a defaulter sugar mill and may lead to closure of default accounts of the sugar factory. The Committee was also of the view that as per the guidelines, maximum six months' time may be granted for making full payment under the OTS to the sugar factory.

6. After due deliberations, the Committee recommended the OTS of the SDF Cogeneration Loan of ₹10,11,13,616/- (principal of ₹7,58,35,622/- & interest of ₹2,52,77,994/-) and Ethanol Loan of ₹45,99,02,234/- (principal of ₹27,97,74,362/- & interest of ₹18,01,27,872) amounting to a total of ₹56,10,15,850/- (as on 31.07.2024) to the sugar factory, as per Revised Operational Guidelines dated 28.02.2024. Further, the sugar factory is eligible for waiver of additional interest (as on 31.07.2024) amounting to ₹2,19,61,705/- & ₹3,87,96,237/- for Cogeneration & Ethanol Loans respectively. However, the actual amount of outstanding principal & interest to be paid by the sugar factory along with waiver of additional interest in full may vary as per the date of Administrative Approval for OTS. Further, normal interest at prevailing bank rate shall accrue and be charged till the date of complete payment of said principal and interest.

Agenda No. 148.3: M/s. Sree Rayalseema Sugar & Energy (P) Limited, Anantapur, Andhra Pradesh for One Time Settlement (OTS) of SDF loans

The Committee considered the application of M/s. SreeRayalseema Sugar & Energy (P) Limited, District Anantapur, Andhra Pradesh for One Time Settlement (OTS) of SDF Cane Development Short Term Loan of ₹ 1,00,00,000/- and Cane Development Loan of ₹ 5,27,85,000/- under Revised Operational Guidelines for Restructuring of loans under Rule 26 of SDF on 28.02.2024.

2. The application was received online through the SDF portal. The Nodal Agency, IFCI has also recommended the case of the sugar factory for OTS of SDF loans.

3. The case was considered and recommended by Committee for Rehabilitation (CFR) meeting held on 09.08.2024 for OTS of SDF loans of the sugar factory.

4. As per the defaulters list as on 31.07.2024 provided by the O/o. CCA, SDF dues position of the company is as under :

12/5/24

Contd...3/-

Loan Type	Ledger No.	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total Default Amount
Cane Development Short Term Loan	A-1/85	1,00,00,000	50,00,000	40,26,060	46,85,786	1,37,11,846
Cane Development	V-16	2,62,35,000	2,62,35,000	1,83,46,491	1,78,85,117	6,24,66,608
	V-17	2,65,50,000	2,65,50,000	4,56,79,299	2,35,15,121	9,57,44,420
Total		6,27,85,000	5,77,85,000	6,80,51,850	4,60,86,024	17,19,22,874

5. The application, along with CFR recommendations, was discussed in detail and the Committee observed that the company meets the eligibility criteria for OTS of the Revised operational guidelines dated 28.02.2024. The Committee further observed that if the proposal is accepted, this may result in recovery of Principal and Interest dues from a defaulter sugar mill and may lead to closure of default accounts of the sugar factory. The Committee was also of the view that as per the guidelines, maximum six months' time may be granted for making full payment under the OTS to the sugar factory.

6. After due deliberations, the Committee recommended the OTS as per Revised Operational Guidelines dated 28.02.2024, of the SDF Cane Development Short Term Loan of ₹90,26,060/- (principal of ₹50,00,000/- & interest of ₹40,26,060/-) and Cane Development Loan of ₹11,68,10,790/- (principal of ₹5,27,85,000/- & interest of ₹6,40,25,790/-) amounting to a total of ₹12,58,36,850/- (as on 31.07.2024) to the sugar factory. Further, the sugar factory is eligible for waiver of additional interest (as on 31.07.2024) amounting to ₹46,85,786/- & ₹4,14,00,238/- for Cane Development Short Term Loan and Cane Development Loan respectively. However, the actual amount of outstanding principal & interest to be paid by the sugar factory along with waiver of additional interest in full may vary as per the date of Administrative Approval for OTS. Further, normal interest at prevailing bank rate shall accrue and be charged till the date of complete payment of said principal and interest.

Agenda No. 148.4: M/s. Sri Chamundeshwari Sugars Ltd., Mandya District, Karnataka for One Time Settlement (OTS) of SDF loans

The Committee considered the application of M/s. Sri Chamundeshwari Sugars Ltd., Mandya District, Karnataka for One Time Settlement (OTS) of SDF Cogeneration Loan of ₹28,84,80,000/- under Revised Operational Guidelines for Restructuring of loans under Rule 26 of SDF on 28.02.2024.

2. The application was received online through the SDF portal. The Nodal Agency, IFCI has also recommended the case of the sugar factory for OTS of SDF loans.

3. The case was considered and recommended by Committee for Rehabilitation (CFR) meeting held on 09.08.2024 for OTS of SDF loans of the sugar factory.

4. As per the defaulters list as on 31.07.2024 provided by the O/o. CCA, SDF dues position of the company is as under :

[Signature]
12/9/24

Contd...4/-

(in Rupees)

Loan Type	Ledger No.	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Cogeneration	V-90	25,61,29,170	25,22,57,832	20,82,44,018	19,26,12,350	65,31,14,200
	V-91	3,23,50,830	3,12,14,888	2,31,28,552	1,80,05,987	7,23,49,427
Total		28,84,80,000	28,34,72,720	23,13,72,570	21,06,18,337	72,54,63,627

5. The application, along with CFR recommendations, was discussed in detail and the Committee observed that the company meets the eligibility criteria for OTS of the Revised operational guidelines dated 28.02.2024. The Committee further observed that if the proposal is accepted, this may result in recovery of Principal and Interest dues from a defaulter sugar mill and may lead to closure of default accounts of the sugar factory. The Committee was also of the view that as per the guidelines, maximum six months' time may be granted for making full payment under the OTS to the sugar factory.

6. After due deliberations, the Committee recommended the OTS of the SDF Cogeneration Loan of ₹51,48,45,290/- (principal of ₹28,34,72,720/- & interest of ₹23,13,72,570/-) (as on 31.07.2024) to the sugar factory, as per Revised Operational Guidelines dated 28.02.2024. Further, the sugar factory is eligible for waiver of additional interest (as on 31.07.2024) amounting to ₹21,06,18,337/- for Cogeneration Loan. However, the actual amount of outstanding principal & interest to be paid by the sugar factory along with waiver of additional interest in full may vary as per the date of Administrative Approval for OTS. Further, normal interest at prevailing bank rate shall accrue and be charged till the date of complete payment of said principal and interest.

Agenda No. 148.5: M/s. Dharani Sugars & Chemicals Ltd., Kallakurichi District, Tamil Nadu for One Time Settlement (OTS) of SDF loans

The Committee considered application of M/s. Dharani Sugars & Chemicals Ltd., Kallakurichi District, Tamil Nadu for OTS of SDF Ethanol and Cogeneration Loans of ₹22,57,34,219/- and ₹23,65,84,000/- respectively under Revised Operational Guidelines for restructuring of loans under Rule 26 of SDF on 28.02.2024.

2. The application was received online through the SDF portal. The Nodal Agency, IFCI has also recommended the case of the sugar factory for OTS of SDF loans.

3. The case was considered and recommended by Committee for Rehabilitation (CFR) meeting held on 09.08.2024 for OTS of SDF loans of the sugar factory.

4. As per the defaulters list as on 31.07.2024 provided by the O/o. CCA, SDF dues position of the company is as under:


14/9/24

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Loan Type	Ledger No.	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total Defaults
Ethanol	VI-80	11,40,30,696	5,73,17,627	3,35,92,168	3,62,45,260	12,71,55,055
	VI-81	11,17,03,523	6,99,34,583	9,50,61,505	5,25,02,828	21,74,98,916
Cogeneration	VII-91	23,65,84,000	18,99,22,154	10,40,05,535	9,56,56,723	38,95,84,412
Total		46,23,18,219	31,71,74,364	23,26,59,208	18,44,04,811	73,42,38,383

5. The application, along with CFR recommendations, was discussed in detail and the Committee observed that the company meets the eligibility criteria for OTS of the Revised operational guidelines dated 28.02.2024. The Committee further observed that if the proposal is accepted, this may result in recovery of Principal and Interest dues from a defaulter sugar mill and may lead to closure of default accounts of the sugar factory. The Committee was also of the view that as per the guidelines, maximum six months' time may be granted for making full payment under the OTS to the sugar factory.

6. After due deliberations, the Committee recommended the OTS of the SDF Ethanol Loan of ₹25,59,05,883/- (principal of ₹12,72,52,210/- & interest of ₹12,86,53,673/-) and Cogeneration Loan of ₹29,39,27,689/- (principal of ₹18,99,22,154/- & interest of ₹10,40,05,535/-) amounting to a total of ₹54,98,33,572/- (as on 31.07.2024) to the sugar factory, as per Revised Operational Guidelines dated 28.02.2024. Further, the sugar factory is eligible for waiver of additional interest (as on 31.07.2024) amounting to ₹8,87,48,088/- & ₹9,56,56,723/- for Ethanol and Cogeneration Loan respectively. However, the actual amount of outstanding principal & interest to be paid by the sugar factory along with waiver of additional interest in full may vary as per the date of Administrative Approval for OTS. Further, normal interest at prevailing bank rate shall accrue and be charged till the date of complete payment of said principal and interest.

Agenda No. 148.6: M/s. Kumbhi Kasari Sahakari Sakhar Karkhana Ltd., District Kolhapur, Maharashtra for One Time Settlement (OTS) of SDF loans

The Committee considered the application of M/s. Kumbhi Kasari Sahakari Sakhar Karkhana Ltd., District Kolhapur, Maharashtra for One Time Settlement (OTS) of SDF Modernisation and Cogeneration Loans of ₹11,17,66,000/- and ₹22,70,59,000/- respectively under Revised Operational Guidelines for Restructuring of loans under Rule 26 of SDF on 28.02.2024.

2. The application was received online through the SDF portal. The Nodal Agency, NCDC has also recommended the case of the sugar factory for OTS of SDF loans.

3. The case was considered and recommended by Committee for Rehabilitation (CFR) meeting held on 09.08.2024 for OTS of SDF loans of the sugar factory.

4. As per the defaulters list as on 31.07.2024 provided by the O/o. CCA, SDF dues position of the company is as under:

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14/9/24

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(in Rupees)

Loan Type	Ledger No.	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Cogeneration	IX-36	18,16,47,000	1,30,31,169	11,77,216	7,24,440	1,49,32,825
	IX-37	4,54,12,000	3,63,29,440	1,24,83,032	57,02,348	5,45,14,820
Modernisation	AA-63	11,17,66,000	8,94,12,800	5,48,88,974	1,08,93,131	15,51,94,905
Total		33,88,25,000	13,87,73,409	6,85,49,222	1,73,19,919	22,46,42,550

5. The application, along with CFR recommendations, was discussed in detail and the Committee observed that the company meets the eligibility criteria for OTS of the Revised operational guidelines dated 28.02.2024. The Committee further observed that if the proposal is accepted, this may result in recovery of Principal and Interest dues from a defaulter sugar mill and may lead to closure of default accounts of the sugar factory. The Committee was also of the view that as per the guidelines, maximum six months' time may be granted for making full payment under the OTS to the sugar factory.

6. After due deliberations, the Committee recommended the OTS of the SDF Cogeneration Loan of ₹6,30,20,857/- (principal of ₹4,93,60,609/- & interest of ₹1,36,60,248/-) and Modernisation Loan of ₹14,43,01,774/- (principal of ₹8,94,12,800/- & interest of ₹5,48,88,974/-) amounting to a total of ₹20,73,22,631/- (as on 31.07.2024) to the sugar factory, as per Revised Operational Guidelines dated 28.02.2024. Further, the sugar factory is eligible for waiver of additional interest (as on 31.07.2024) amounting to ₹64,26,788/- & ₹1,08,93,131/- for Cogeneration and Modernisation Loan respectively. However, the actual amount of outstanding principal & interest to be paid by the sugar factory along with waiver of additional interest in full may vary as per the date of Administrative Approval for OTS. Further, normal interest at prevailing bank rate shall accrue and be charged till the date of complete payment of said principal and interest.

Agenda No. 148.7: Loan-wise One Time Settlement (OTS) for sugar mills - Regarding

The Committee considered the proposal for loan-wise OTS for sugar mills. The Committee noted that under Sugar Development Fund Act, 1982, loans were given to sugar mills, for Modernization Cum Expansion of sugar mill, Cane Development, Bagasse-Based Cogeneration power projects, production of Anhydrous Alcohol or Ethanol/Zero Liquid Discharge (ZLD) plant. Accordingly, scheme-wise separate Administrative Approval (AA) and disbursement of SDF loans were also issued to the sugar undertakings/mills. On advice of the Department of Expenditure, the SDF loan schemes for providing financial assistance to the sugar mills has been closed forthwith, vide Department's Order dated 21.09.2021.

2. This Department vide letter dated 28.02.2024 has issued revised guidelines for restructuring of SDF loans which also has provision for OTS of SDF loans. The Committee appreciated the fact that with the provision of OTS, the focus of this Department is to recover SDF dues and closure of SDF loan accounts.

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3. The Committee observed that based on these guidelines, this Department has approved OTS of SDF Loans of four sugar mills under OTS Scheme on recommendation of 147th Standing Committee on SDF. However, due to multiple loans under these SDF schemes on a sugar mill, some of the sugar mills have shown their inability to pay the entire amount at one tranche and have offered to settle individual scheme loans.

4. The Committee further noted that since the proposal of all the loans which have been given to the sugar mills have been considered separately and sanction letters for these loans have also been issued separately, OTS of these SDF loans may also be carried out on loan-wise basis as per the request of the sugar mills and considering difficulties faced by them. Further, loan-wise OTS for sugar mills will facilitate faster recovery leading to settling of SDF loan accounts and will help the industry to pay the dues as per their financial conditions.

5. As the aim of OTS of SDF loans is to recover and reduce the SDF Dues, after due deliberations, the Committee recommended the proposal for Loan-wise OTS for sugar mills to facilitate recovery of SDF dues from the defaulter sugar mills and reduce the overdue amount against such sugar mills.

6. The Committee also noted that M/s. Loknete Sunderraoji Solanke SSK Ltd. has availed OTS for SDF Modernization, Cane Development and Cogeneration Loans vide Administrative Approval (AA) dated 04.07.2024. However, due to financial constraints, the sugar mill has offered to settle complete payment of SDF cogeneration loan and cane development loans only as per terms and condition of OTS already approved to the sugar mill.

7. In a similar case, M/s. Kisanveer Satara SSK Ltd. has availed OTS for SDF Modernization and Cogeneration Loans vide AA dated 04.07.2024. However, due to financial constraints, the sugar mill has offered to settle complete payment of SDF modernization loan only as per terms and condition of OTS already approved to the sugar mill.

8. The Committee also considered and recommended the proposal of M/s. Loknete Sunderraoji Solanke SSK Ltd. and M/s. Kisanveer Satara SSK Ltd. for Loan wise OTS of SDF loans availed and covered under Administrative approval issued on 04.07.2024 subject to condition that settlement of these loan schemes under OTS will be as per the terms & conditions of respective AAs for OTS already issued in both the cases.

Agenda No. 148.8: Review of Recoveries of SDF Loans/Dues

The Committee reviewed the progress made on recovery of SDF dues during FY 2024-25 (up to 31.07.2024) and directed to take necessary steps to expedite the recovery for current Financial Year.

Recoveries as per O/o CCA		
Sl. No.	Financial Year	Recovered Amount (in CroreRupees)
1	2021-22	571.21
2	2022-23	418.78
3	2023-24	403.39
4	2024-25 as on 31.07.2024 (4 months)	151.21

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12/9/24

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2. It was noted that the One Time Settlement (OTS) of SDF loans may result in increase in recovery of SDF loans for the current Financial Year.
3. Secretary (DFPD) further directed to hold a review meeting for assessing the progress of NCLT cases at JS level. Further, assessment of defaulting sugar mills for taking action under IBC 2016 (as amended) may also be made.

The meeting ended with Vote of Thanks to the Chair.


12/5/14
