

Through Email

No.11-1/2022-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

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कृषि भवन, नई दिल्ली

दिनांक :16.04.2025

कार्यालय ज्ञापन

विषय : Minutes of Meeting of the Committee for Rehabilitation (CFR) for Restructuring including One Time Settlement (OTS) of SDF Loans held on 8th April, 2025 - Regarding

In continuation of this Ministry's O.M. of even number dated 3rd April, 2025 on the subject mentioned above, a copy of the minutes of the meeting of the Committee for Rehabilitation (CFR) for restructuring including One Time Settlement (OTS) of SDF loans, under Revised Operational Guidelines held on 8th April, 2025 under the chairmanship of Joint Secretary(Sugar) is enclosed, for kind information and necessary action.

सुरेश कुमार नायक

(सुरेश कुमार नायक)

उपसचिव (SDF)

सदस्य सचिव

Tel No. 011- 2338 0266

ईमेल : ds-sugar@gov.in

DISTRIBUTION :

1. Joint Secretary (Banking), Department of Financial Services (DFS), Jeewandeep Building, New Delhi.
2. Director (DSVO)
3. Director, National Sugar Institute (NSI), Kanpur
4. Director (Finance), DFPD

Special Invitees :

1. Representative from NCDC
2. Representative from IFCI Ltd.

सुरेश कुमार नायक

(सुरेश कुमार नायक)

उपसचिव (SDF)

सदस्य सचिव

Copy for information to :

1. PPS to JS (Sugar)
2. PS to Dir(PFC-I), Dept. of Expenditure, North Block, New Delhi.

Minutes of the meeting of the Committee for Rehabilitation (CFR) for Sugar Development Fund held on 08.04.2025 at 11.30 A.M. at the Department of Food and Public Distribution, Krishi Bhawan, New Delhi

A meeting of the CFR for consideration of the applications for Restructuring and One Time Settlement (OTS) of SDF loans under Revised Operational Guidelines dated 28.02.2024 issued under Rule 26 of Sugar Development Fund Rules, 1983 was held on 08.04.2025 under the chairmanship of Joint Secretary(Sugar). A list of participants is at **Annexure**. The representative of the sugar factory M/s. Kisanveer Satara Sahakari Sakhar Karkhana Ltd. attended the meeting in person and the representatives of the sugar factories, M/s. Madhucon Sugars and Power Industries Ltd., M/s. Siddhanath Sugar Mills Ltd. and M/s. Sadashivrao Mandlik Kagal Taluka SSK Ltd. also attended the meeting through VC.

At the outset, the Chairman welcomed all the members of CFR. 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. It was also observed that the OTS Scheme under restructuring of SDF loans will reduce the overall default of SDF loans and improve recovery.

After that with the permission of the Chair, the Committee took up the agenda item for discussion. The observations/recommendations of CFR are as follows :

Agenda No. 1:

M/s. Kisanveer Satara Sahakari Sakhar Karkhana Ltd., Taluka-Wai, District-Satara, Maharashtra for Restructuring of SDF Loan

The Committee considered the application of M/s Kisanveer Satara Sahakari Sakhar Karkhana Ltd. for restructuring of SDF Cogeneration sanctioned Loan of Rs. 28,66,00,000/- (disbursed loan amount of Rs.27,10,56,226/-) under Revised Operational Guidelines issued under Rule 26 of SDF Rules, 1983.

2. The application meets the eligibility criteria for restructuring of SDF loans as per Revised Operational Guidelines dated 28.02.2024. The Nodal Agency, NCDC, has also recommended the proposal of the society for restructuring of the SDF loans.
3. The TEV Report has been prepared by National Federation of Cooperative Sugar Factories Ltd. and they have concluded that the society meets all the eligibility criteria of guidelines for restructuring of SDF loans and is eligible for restructuring of SDF loan.
4. The sugar factory's net worth is negative for the financial years 2021-22 to 2023-24.



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5. NOCs for restructuring of SDF loans have been received from other lenders i.e. DNS Bank and Sindhudurg Bank showing their willingness to permit restructuring of SDF loans. However, NOC is still awaited from its lenders, IDBI Bank and Bank of India.

6. FACR of the sugar factory on the basis of audited annual accounts for the year 2023-24 works out to 8.10 times, which is above the bench mark of 1.33. However, security, if any, of the restructured loan will be decided at the time of creation of charge as per extant SDF rules/guidelines.

7. As per the dues status provided by the O/o. Chief Controller of Accounts vide letter dated 26.03.2025, SDF dues position of the society as on 25.03.2025 is as under :

(in Rs.)

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Cogeneration	VIII-58	27,10,56,226	27,10,56,226	36,36,84,123	13,92,47,008	77,39,87,357
Total		27,10,56,226	27,10,56,226	36,36,84,123	13,92,47,008	77,39,87,357

8. The sugar factory will be eligible for the waiver of additional interest of Rs. 13,92,47,008/- (as on 25.03.2025). However, actual amount of additional interest for waiver may vary as on the date of Administrative Approval.

9. The Committee observed that presently the sugar factory is not under litigation by any other lender except SDF. NCDC on behalf of SDF, GoI has filed a case in DRT, Delhi for recovery of SDF overdues. DRT vide judgement dated 27.01.2025 has directed the society to pay the SDF dues. The matter is adjourned to 21.05.2025.

10. While discussing the case during the meeting, Finance Division referred the above judgement passed by the Hon'ble DRT, Delhi on 27.01.2025 and requested to examine whether the restructuring proposal of the society may be considered and accepted by the competent authority even when the DRT has passed the judgement dated 27.01.2025 directing the society to pay the SDF dues .

In this regard, representative of NCDC informed the Committee that the society has completely repaid its modernisation loan under OTS and is now willing to restructure its cogeneration loan to make its account regular. Further implementation of the DRT order may require liquidation of the sugar mill, which is a time consuming process and may lead to closure of the mill.

The representative of the sugar mill requested the Committee to re-structure the loan and promise to regularly pay the SDF outstanding dues post restructuring.

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Since the restructuring guidelines permits a sugar factory under litigation in DRT also to apply for restructuring and the purpose of the guideline to make viable such potentially viable sick undertakings, the Committee was of the view that the society may be allowed to restructure its aforementioned SDF cogeneration loan keeping in view their commitment to regularly pay the SDF due instalments post restructuring.

11. In view of above and after due deliberations, the Committee recommended the Restructuring of the said SDF cogeneration loan and waiver of additional/penal interest in full in respect of M/s Kisanveer Satara Sahakari Sakhar Karkhana Ltd., Taluka Wai, District – Satara, Maharashtra subject to the following conditions, for consideration of the Standing Committee :

- i. The society will apprise DRT about its restructuring proposal submitted to the SDF, GoI and its intention to make the payment as per the restructuring guidelines if approved, as early as possible and before the next date of hearing i.e. 21.05.2025. The Nodal Agency, NCDC, will monitor the development and inform the status to SDF, GoI.
- ii. Fulfilment of security requirement by the society as per extant SDF Rules/guidelines.
- iii. Opening of Escrow Account/Trust and Retention Account (TRA) for regular payment of SDF dues post restructuring.
- iv. NOC from other lenders of the society i.e. IDBI Bank & Indian Bank.

Agenda No. 2:

M/s. Madhucon Sugars and Power Industries Ltd., Rajeswarapuram, Khammam District, Telangana for Restructuring of SDF Loans

The Committee considered the application of M/s Madhucon Sugars and Power Industries Ltd. for restructuring of SDF Modernisation sanctioned and disbursed Loan of Rs.14,28,89,000/- and Cane Development sanctioned and disbursed Loan of Rs.5,40,00,000/- under Revised Operational Guidelines issued under Rule 26 of SDF Rules, 1983.

2. The application meets the eligibility criteria for restructuring of SDF loans as per Revised Operational Guidelines dated 28.02.2024. The Nodal Agency, IFCI, has also recommended the proposal of the company for restructuring of the SDF loans.

3. The TEV Report has been prepared by IFCI Ltd. and they have concluded that with the remedial measures undertaken by the management of the company which were expected to be maintained in future, the operation of the company is technically, commercially and financially viable.

4. The sugar factory's net worth is negative for the financial years 2022-23 & 2023-24.



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5. The Committee observed that as per information furnished by IFCI, the company has repaid the loans of all its other lenders by way of OTS of dues and the lenders have since issued NDCs and vacated their respective charges on the assets of the company's Rajeswarapuram Unit. As on date, SDF, GoI is the sole lender to the company with 1st exclusive charge on the assets of the sugar unit.

6. FACR of the Sugar Factory for the 'Rajeswarapuram Unit' and 'Company as a whole' on the basis of audited annual accounts for the year 2023-24 works out to 3.65, which is above the bench mark of 1.33. However, security, if any, of the restructured loan will be decided at the time of creation of charge as per extant SDF rules/guidelines.

7. The Committee observed that presently the sugar factory is not under litigation by any other lender except SDF. IFCI Ltd. on behalf of SDF, GoI has filed a case in DRT, Hyderabad by way of OA which was filed in 2020. IFCI has reported to DRT that the company's restructuring of SDF loans application is in progress and a Memo will be filed before the DRT w.r.t. the decision of this proposed application once the processing is complete.

8. As per the defaulters list as on 28.02.2025 provided by the O/o. CCA, SDF dues position of the company is as under :

(in Rs.)

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total defaults
Modernisation	AA-18	14,28,89,000	14,28,89,000	18,01,83,905	4,13,99,820	36,44,72,725
Cane Development	V-22	2,84,00,000	2,31,14,151	99,65,602	55,55,168	3,86,34,921
	V-23	2,56,00,000	2,56,00,000	1,05,44,677	48,45,399	4,09,90,076
Total		19,68,89,000	19,16,03,151	20,06,94,184	5,18,00,387	44,40,97,722

9. The sugar factory will be eligible for the waiver of additional interest of Rs. 5,18,00,387/- (as on 25.03.2025). However, actual amount of additional interest for waiver may vary as on the date of Administrative Approval.

10. The application was discussed in detail. The representative of the sugar mill also committed to abide by the guidelines of the restructuring and they will regularly pay the SDF instalment dues post restructuring.

11. After due deliberations, the Committee recommended the Restructuring of the said Modernisation & Cogeneration SDF loans with waiver of additional/penal interest in full in respect of M/s Madhucon Sugars and Power Industries Limited, Khammam District, Telangana subject to the following conditions, for consideration of the Standing Committee :

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- i. Fulfilment of security requirement by the society as per extant SDF Rules/guidelines.
- ii. Opening of Escrow Account/Trust and Retention Account (TRA) for regular payment of SDF dues post restructuring.

Agenda No. 3:

M/s. Siddhanath Sugar Mills Ltd., Post-Tirhe, North Solapur Taluka, District-Solapur, Maharashtra for OTS of SDF Loans

The Committee considered the application of M/s Siddhanath Sugar Mills Ltd. for OTS of SDF Modernisation sanctioned/disbursed loan of Rs.24,43,00,000/- against Ledger No. AA-78 and Cogeneration sanctioned Loan of Rs.4,50,88,000/- (disbursed loan of Rs.4,16,88,321/- against Ledger No.VIII-71)) under Revised Operational Guidelines dated 28.02.2024 issued under Rule 26 of SDF Rules, 1983.

2. The application meets the eligibility criteria for OTS of SDF loans as per Revised Operational Guidelines dated 28.02.2024. The Nodal Agency, IFCI Ltd., has also recommended the proposal of the company for OTS of the SDF loans.

3. As per defaulters list as on 28.02.2025 provided by the O/o. CCA, SDF dues position of the company as on 28.02.2025 is as under :

(in Rs.)

Loan Type	Ledger No	Loan Disbursed	Amount in default			
			Principal Amount	Interest	Additional Interest	Total default
Modernisation	AA-78	24,43,00,000	19,54,40,000	12,55,80,158	2,76,94,685	34,87,14,843
Cogeneration	VIII-71	4,16,88,000	1,25,06,497	65,36,305	35,73,795	2,26,16,597
Total		28,59,88,000	20,79,46,497	13,21,16,463	3,12,68,480	37,13,31,440

4. The Committee observed that as on 28.02.2025, the sugar factory is eligible for waiver of additional interest for an amount of Rs. 3,12,68,480/- and if the proposal is approved by the competent authority, an amount of Rs.34,00,62,960/- is expected to be recovered from the company. However, the actual amount of outstanding principal & interest to be paid by the company along with waiver of additional interest in full may vary as on the date of Administrative Approval for OTS.

5. The Committee further noted that OAs filed by IFCI Ltd. are pending against the company before DRT, Pune. The representative of IFCI Ltd. informed the Committee that the OAs have been filed for recovery of SDF loans and the same may be withdrawn once this OTS proposal is accepted and full payment is made by the sugar factory as per the OTS.

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6. The Committee further observed that PNB, one of the lenders of the Company, has filed an insolvency petition under Section 7 of IBC, 2016 and regulations thereof against the company before NCLT, Mumbai.

The representative of the IFCI Ltd. informed the Committee that company has entered into an OTS settlement with the PNB for its loan and the said petition filed before NCLT, Mumbai may be withdrawn by PNB.

7. The representative of the sugar factory committed that they are aware about their likely dues position under OTS and will make the OTS payment within time, if it is approved.

8. The company has also submitted an undertaking regarding complete payment of outstanding SDF dues for OTS within a period of 06 months from the date of issuance of AA. Also, no extension of time will be given to the sugar factory, under any circumstances.

9. After due deliberations, the Committee recommended the OTS of the said SDF Modernisation and Cogeneration loans of M/s. Siddhanath Sugar Mills Ltd., District Solapur, Maharashtra for consideration of the Standing Committee on SDF.

Agenda No. 4:

M/s. Sadashivrao Mandlik Kagal Taluka SSK Ltd., Sadashivnagar, Hamidwada Kaulage, Taluka-Kagal, Dist.-Kolhapur, Maharashtra for OTS of SDF Loans

The Committee considered the application of M/s Sadashivrao Mandlik Kagal Taluka SSK Ltd. for OTS of SDF Cane Development sanctioned loan of Rs.5,29,74,000/- (disbursed loan of Rs.2,47,05,000/- against Ledgers No. CC-31 & CC-32) and Ethanol sanctioned/disbursed Loan of Rs.18,00,59,600/- against Ledgers No. X-81 & X-82) under Revised Operational Guidelines dated 28.02.2024 issued under Rule 26 of SDF Rules, 1983.

2. The application meets the eligibility criteria for OTS of SDF loans as per Revised Operational Guidelines dated 28.02.2024. The Nodal Agency, NCDC, has also recommended the proposal of the society for OTS of the SDF loans. The Committee also noted that first part payment of Rs.2,82,69,000/- of the cane development loan disbursed against Ledger No. CC-30 has been fully repaid alongwith interest/penal interest by the society.

3. As per information provided by the O/o. CCA vide letter dated 27.03.2025, SDF dues position of the society as on 05.03.2025 is as under :



(in Rs.)

Loan Type	Ledger No	Loan Disbursed (Rs. in lakh)	Amount in default			
			Principal Amount	Interest	Additional Interest	Total default
Cane Development	(CC-31)	51.39	38,54,250	5,81,934	2,90,707	47,26,891
	(CC-32)	195.66	1,47,01,610	22,17,815	10,60,810	1,79,80,235
Ethanol	(X-81)	900.30	6,86,28,613	44,06,736	32,13,069	7,62,48,418
	(X-82)	900.30	9,00,29,600	78,39,336	45,22,957	10,23,91,893
			17,72,14,073	1,50,45,821	90,87,543	20,13,47,437

4. The Committee observed that as on 05.03.2025, the sugar factory is eligible for waiver of additional interest for an amount of Rs.90,87,543/- and if the proposal is approved by the competent authority, an amount of Rs.19,22,59,894/- (as on 05.03.2025) is expected to be recovered from the society.

5. It was brought to the notice of the Committee that NCDC has informed that an amount of Rs. 19,26,09,804/- has been recovered from the earmarked loan of M/s Sadashivrao Mandlik SSK Ltd., Maharashtra at NCDC and the amount has been deposited in the Reserve Bank of India towards the settlement of proposed SDF OTS amount upto 31.03.2025 comprising of SDF Cane Development loan of Rs.529.74 lakh (sanctioned amount) and SDF Ethanol loan of Rs. 1800.59 lakh (sanctioned amount).

6. The Committee further noted that PAO has confirmed that NCDC has intimated the O/o.CCA to transfer the amount of Rs.19,26,09,804/- to the Govt. Account on 10.03.2025 with value date (date of credit) on 06-03-2025 in respect of the above sugar mill. The Committee was of the view that the interest and penal/additional interest is to be adjusted till 05.03.2025, one day before the date of credit as intimated by O/o CCA.

7. It was also brought to the notice of the Committee that PAO has informed that the total outstanding SDF dues as on 05.03.2025 is Rs.20,13,47,437/- comprising of principal, interest and penal interest of Rs.17,72,14,073/-, Rs.1,50,45,821/- and Rs.90,87,543/- respectively.

8. The Committee opined that since the entire principal and interest amounting to Rs.19,22,59,894/- (Principal of Rs.17,72,14,073/- + Interest of Rs.1,50,45,821/-) of the outstanding SDF loans of the society have been fully repaid by NCDC in advance on 06.03.2025 itself, Cut of date for the outstanding SDF loans may be considered as 05.03.2025 alongwith waiver of penal interest of Rs.90,87,543/- (as on 05.03.2025) on account of OTS in this case.

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9. After due deliberations, the Committee recommended ex-post facto approval for the settlement of the said SDF Ethanol & Cane Development Loans under OTS amounting to Rs.19,22,59,894/- with cut of date for the outstanding SDF loans as 05.03.2025 alongwith waiver of penal interest of Rs.90,87,543/- (as on 05.03.2025) on account of OTS of M/s. Sadashivrao Mandlik Kagal Taluka SSK Ltd., District Kolhapur, Maharashtra for consideration of the Standing Committee on SDF.

The meeting ended with Vote of Thanks to the Chair.

