

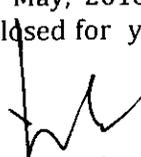
F. No.1-4/2018-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Room No. 260, Krishi Bhawan,
New Delhi, the 15th June, 2018

OFFICE MEMORANDUM

Subject: Minutes of **Screening Committee** of SDF for considering loan applications of sugar factories for **Sugarcane Development** held on Wednesday, the 30th May, 2018 at 11:00AM –regarding.

In continuation of this Ministry's OM of even number dated 11.05.2018 on the subject, a copy of the minutes of the meeting of Screening -Committee held on 30th May, 2018 at 11:00AM, under the **Chairmanship of Joint Secretary (Sugar & Admn.)** is enclosed for your kind information and necessary action.


(N.K. Kashmira)
Director (SDF)

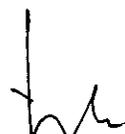
Member Secretary
Tel.No.23382338

DISTRIBUTION:

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

Special Invitees

4. The Agriculture Commissioner, Deptt. of Agriculture & Cooperation, Krishi Bhawan, New Delhi.
5. The Commissioner (CAD), Ministry of Water Resources, Shram Shakti Bhawan, New Delhi.
6. The Director, Indian Institute of Sugarcane Research, P.O Dilkhusa, Lucknow, UP
7. The Director, National Sugar Institute, Kalyanpur, Kanpur, Uttar Pradesh.
8. The Director General, Vasantdada Sugar Institute, Taluk: Haveli, Distt. Punc, Maharashtra
9. The President, Indian Sugar Mills Association, Ansal Plaza, 2nd Floor, Block-C, August Kranti Marg, New Delhi
10. The President, National Federation of Cooperative Sugar Factories Ltd., Ansal Plaza, 2nd Floor, Block-C, August Kranti Marg, New Delhi


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

Copy for information to: (i) PS to JS (S & A) (ii) PS to Director (SDF)

Minutes of the meeting of the Screening Committee under Sugar Development Fund (SDF) held on 30.05.2018.

A meeting of the Screening Committee for consideration of the loan applications for Sugar Cane Development under Sugar Development Fund (SDF) was held under the Chairmanship of Joint Secretary (S&A) on 30.05.2018 at 11:00 AM in Room No, 41, Ground Floor, Krishi Bhawan, New Delhi. List of Members, Special Invitees and Sugar Factory representatives who attended the meeting is at **Annexure-I**.

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

Agenda No. 1.

M/s Shri Datta Sakhar Karkhana, Asurle-Porle, A unit of Dalmia Bharat Sugar & Ind. Ltd., Tal – Panhala, Dis – Kolhapur - 416229, Maharashtra has submitted a proposal for SDF loan for Cane development involving SDF assistance of Rs.540.00 lakh.

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

The Committee considered the case of loans for Sugarcane Development of the Sugar factory.

SN	Name of project/scheme	Financial Out Lay (Rs. in Lakhs)
1.	Rearing of Nurseries	156.00
2.	Drip Irrigation	440.00
	Total	596.00
1.	SDF component (90%)	536.40
2.	Factory's contribution (10%)	59.60

As on 31.03.2017, as reported by sugar factory, the DSCR of the sugar company as whole 1.5 and FACR of the company as a whole is 1.53, and IRR for the project is 75%.

The average DSCR of the SF and company as a whole based of ABS for the last five years is 1.94 as per CA certificate. However, as per the calculation of IFCI Ltd., the average DSCR works out to be 1.23. As per the ABS 2016-17, the FACR of the Company is reported as 1.53. The IRR for the project is 75%.

The SF has informed that they will provide Bank Guarantee as a security against the SDF loan. However SF has to submit FACR calculation of the sugar factory (leased unit). The Balance Sheet of leased unit are not available (last three years), the charge will be created against SDF loan on the entire moveable and immoveable assets of the Company if otherwise required.

The Screening committee, on the basis of recommendation of State Government, technical and financial details, and eligible project cost recommended SDF loan of Rs. 281.70 lakh for 1st year and Rs.254.70 lakh for 2nd year for consideration of Standing Committee.

Agenda No. 2.

M/s Khaitan (India) Ltd. Khaitan Nagar Post-Plassey, Dist. Nadia, 741157 - West Bengal has submitted a proposal for SDF loan for Cane development involving SDF assistance of Rs.540.00 lakh. The application has been recommended and forwarded by the State Government of West Bengal.

Regarding LSPEF Dues:

LSPEF dues pending against the sugar mill. In this regard, the sugar factory informed that this dues is of the previous management and **they hereby undertake to clear these dues before the disbursement of the SDF loan.** However, **as per the Rule 17 (1) of SDF Rules, 1983** "a sugar undertaking shall not be eligible to apply for the loan under this rule if it is a defaulter in respect of repayment of Sugar Development Fund loan or payment of Levy Sugar Price Equalization Fund in respect of any of its sugar factories" therefore, the Committee directed to the sugar mill to clear the pending LSPEF dues immediately to make the sugar factory eligible for applying for SDF loan.

The Screening Committee considered the case of loans for Sugarcane Development of the Sugar factory.

The sugar factory had been asked by the Committee to furnish the following:

1. NDC certificate in respect of LSPEF dues from SPF Section.
2. NDC certificate in respect of Levy sugar Dues from Directorate of Sugar.
3. The sugar factory proposed complete varietal changes in the loan application, the action plan for the complete varietal change may be submitted.
4. The clarification on information submitted regarding expected benefits on completion of the project as the SF proposed doubled the cane area to be covered under drip irrigation.
5. Qualitative out come of the project (pol % of cane).
6. Clarification on total cane cultivated area as furnished by the SF should be **supported by documentary proof.**
7. Tender/quotation floated for procuring of Drip Irrigation system (minimum 3 quotations)
8. The Sugar Factory may submit clarification regarding the loan under category Rearing of Nurseries is being availed for foundation of seed nurseries through conventional seed/tissue culture plantlets/Certified seed.
9. Average DSCR of the Sugar Factory & Company as a whole based on projections, duly certified, along with calculation sheet.



10. FACR of SF & Co. as a whole based on latest Audited balance Sheet, along with calculation sheet, duly certified.
11. Calculation sheet of IRR of the project duly certified.
12. Net worth calculation sheet for past 3 years, duly certified.

Committee directed Directorate of Sugar to settle the issue of levy dues against the factory and its other sister units, within 15 days for issue of NDC.

Accordingly, case of Sugar Factory was deferred by the Committee and Sugar Factory was directed to submit revised application along with necessary clarification/information/documents.

Annexure-I

List of Participants of Screening Committee Meeting held on 30.05.2018

S. No.	Name of Members	Department
1	Shri Suresh Kumar Vashishth Joint Secretary (S & A)	Chairman
2	Shri G.S.Sahu Director (S & VO) Directorate of Sugar	Member
3	Shri R.K.Pandey Director (Finance)	Member
4	Dr. R.K. Singh Representative of ICAR	Member
5	Shri N.K. Kashmira Director (SDF)	Member Secretary
Special Invitees		
6	Shri S.R. Kachru Asst. Commissioner (CC)	Department of Agriculture



- | | | |
|----|--|--|
| 7 | Shri Ravi Sinha
Director (CAD) | Ministry of Water Resources |
| 8 | Dr. S.N.Sushil
Principal Scientist | Indian Institute of Sugarcane Research,
Lucknow |
| 9 | Shri Shivajirao C. Desmukh
Director General | Vasantdada Sugar Institute, Pune |
| 10 | Shri Narendra Mohan
Director, NSI Kanpur | National Sugar Institute, Kanpur |
| 11 | Dr. Sanjay Awasthi
President | Sugar Technologist's Association of India |
| 12 | Shri G.K. Thakur
Director (Policy) | Indian Sugar Mills Association |
| 13 | Dr. J.P.
Singh
(CCA)
Shri S.K. Seth
(Consultant) | National Federation of Co-operative
Sugar Factories (NFCSF) |
| | Others | |
| 14 | Shri Dilip K. Jha | Under Secretary (SDF) |
| 15 | Shri Kanav Dua | Asst. Director (Cost) |
| 16 | Shri Manmohan Kumar | Section Officer (SDF) |
| 17 | Shri Sushil Kumar | Section Officer (SDF A/c) |
| 18 | Shri Nitesh Bhasin | Section Officer (SPF) |

4.

