


F. No.1-5/2017-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Room No. 260, Krishi Bhawan,
New Delhi, the 18th May, 2017

OFFICE MEMORANDUM

Subject: : Minutes of **Sub Committee** meeting of SDF for considering loan applications of sugar factories for Modernization, Cogeneration and Ethanol /ZLD projects under the Chairmanship of Joint Secretary (Sugar & Admn.) held on **Thursday, the 11th May, 2017 at 3:00PM** -reg.

In continuation of this Ministry's OM of even number dated 25.04.2017 on the subject, a copy of the minutes of the meeting of Sub Committee held on 11th May, 2017 at 3:00PM under the **Chairmanship of Joint Secretary (Sugar & Admn.)** is enclosed for your kind information and necessary action.

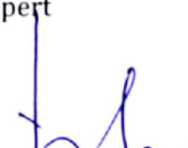

(N.K. Kashmira)
Director (SDF)
Member Secretary
Tel.No.23382338

DISTRIBUTION:

1. Chief Director (Sugar), [represented by Director (Sugar Policy)], Directorate of Sugar
2. Director (Finance), D/o Food & P.D.
3. Director, National Sugar Institute, Kanpur, Kalyanpur, Uttar Pradesh

Special Invitees

4. The President/Vice President/Director General, ISMA, New Delhi
:Representative from sugar industry
5. The President/Vice President/Managing Director, NFCSF Ltd., New Delhi :
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

Copy for information to: PS to JS (Sugar & Admn.)/PS to Director(SDF)

Minutes of the meeting of the Sub- Committee under Sugar Development (SDF) held on 11.05.2017.

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, Zero Liquid Discharge (ZLD) and Bagasse based cogeneration of power project under Sugar Development Fund (SDF) was held under the chairmanship of Joint Secretary (S & A) on **11.05.2017** at 3.00 PM in room no, 167, 1st Floor, Krishi Bhawan, New Delhi. List of participants 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 (19 MW bagasse based co-generation power project).

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.

2. The 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 observed that in the present circumstances, it is difficult to ensure that the SDF loan to 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, 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 is commissioned long time back and running almost for 5 years with all its finances met. **The Sub-Committee accordingly rejected the proposal.**



Agenda Item No.2

M/s Kukadi SSK Ltd. at Pimpalgaon Pisa, Tal-Shrigonda, Dist. Ahmednagar, Maharashtra-413703. (expansion of bagasse based co-generation power project from 12 MW to 27 MW).

The Sub-Committee considered the loan application of M/s Kukadi SSK Ltd. at Pimpalgaon Pisa, Tal-Shrigonda, Dist. Ahmednagar, Maharashtra-413703., for sanction of financial assistance from SDF for expansion of bagasse based co-generation power project from 12 MW to 27 MW at a cost of Rs. 7176.00 lakh. SDF assistance of Rs. 2178.00 lakh has been requested. The project has been appraised by Union Bank of India and technically evaluated by VSI, Pune.

2. As on 31.03.2016, the average DSCR of the factory and company as a whole is 1.98 and the FACR of the sugar factory and the company as a whole is 1.76. The IRR of the project is 17.62%.
3. Dues position:
 - (i) SDF dues: As per CCA, as on 31.03.2017 is Nil.
 - (ii) LSPEF dues: No LSPEF dues against the sugar factory.
 - (iii) Levy sugar dues: Nil
4. 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 has been received. Sugar Factory has applied for EIA clearance. PPA is under process.
5. Director, NSI, Kanpur, mentioned that though the bagasse availability was adequate, the availability of sugarcane was in doubt. As per the information furnished by the sugar factory, the projected cane crushing of 8.25 LMT is quite high compared to 4-6 LMT for the last 4-5 years. The sugar factory needed to clarify how they would be increasing the cane availability. The second issue was that the steam consumption was 44% which is very high and unacceptable. NFCSF and STAI representative also endorsed the view and expressed that it was necessary to reduce the steam consumption to acceptable levels to ensure efficiency. The sugar factory representative also mentioned that they would be achieving 39% steam consumption in future. As regards, the cane availability, drip irrigation was being encouraged by the mill and that they were having sufficient cane area.
6. The Committee directed the sugar factory to furnish the details of cane area available alongwith the survey report authenticated by the Distt./State Cane Authority as well as the ways and means to achieve the reduction in steam consumption to acceptable levels, within 30 days of issue of the minutes. The sugar factory will also furnish the expected date of commissioning of the project.
7. Subject to above observations the Sub-committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.1991.41 lakh** for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

8. 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 Shri Bhimashankar Sahakari Sakkare Karkhane, Niyamit, Marguar-589204, TQ-Indi, Distt-Vijaypur, Karnataka (14 MW Greenfield bagasse based co-generation power project).

The Sub-Committee considered the loan application of M/s Shri Bhimashankar Sahakari Sakkare Karkhane, Niyamit, Marguar-589204, TQ-Indi, Distt-Vijaypur, Karnataka, for sanction of financial assistance from SDF for Setting up 14 MW Greenfield bagasse based co-generation power project at a cost of Rs.8240.00 lakh. SDF assistance of Rs. 1648.00 lakh has been requested. The project has been appraised by The Karnataka State Co-operative Apex Bank Ltd., Bengaluru. Technical evaluation has been done by TESCO Engineering Pvt. Ltd., Bangalore.

2. As on 31.03.2016, the DSCR of the sugar factory and the company as a whole is 2.59, FACR is 2.66 and IRR for the project is 24.72%.

3. Dues position:

- (i) SDF dues: No Dues being Greenfield project.
- (ii) LSPEF dues: No Dues being Greenfield project.
- (iii) Levy sugar dues: No Dues being Greenfield Project.

4. 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 has been received. EIA clearance is not required. PPA has been executed with HESCOM.

5. Director (S&VO) pointed out that the sugar factory has not been allotted plant code and short name. Sugar factory was directed to submit progress report to the Directorate of Sugar on regular basis, and obtain plant code and short name expeditiously.

6. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable. Subject to above observations, the Sub-committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.893.51 lakh** for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

7. 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 The Seksaria Biswan Sugar Factory Ltd., P.O. Biswan Distt.-Sitapur, U.P.-261201 (32 MW bagasse based co-generation power project).

The Sub-Committee considered the loan application of M/s The Seksaria Biswan Sugar Factory Ltd., P.O. Biswan Distt.-Sitapur, U.P.-261201, for sanction of financial assistance from SDF for setting up 32 MW bagasse based co-generation power project at a cost of Rs.18800.00 lakh. SDF assistance of Rs.5800.00 lakh has been requested. The project has been appraised by State Bank of India and technically evaluated by Avant Grade Engineers and Consultants (P) Ltd.

2. As per the audited balance sheet for 31.03.2016, FACR of the sugar factory and company as a whole is 1.03. Whereas the sugar factory has calculated the FACR as 1.51 as on 31.03.2016 with revaluation of land 30.03.2017. DSCR of the sugar factory and company as a whole is 1.76. The IRR of the project is 17.5%.

3. Dues position:

- (i) SDF dues: As per CCA, as on 28.04.2017 is Nil.
- (ii) LSPEF dues: US(SPF) informed that no LSPEF dues against the sugar factory.
- (iii) Levy sugar dues: A quantity of 0.04 MT is pending.

4. No refinancing of project is involved. No old plant and machinery has been considered in the project. Sugar Factory has applied for NOC from PCB and EIA clearance. PPA has been executed with UPPCL.

5. Director, NSI, Kanpur observed that the bagasse availability was sufficient and the 125 ata boiler being used by the sugar factory was most efficient and a model plant. President (STAI) also supported the views expressed by Director, NSI, Kanpur. Director (S&VO) pointed out that the levy sugar dues were minimal at 40 kg and a 'no levy sugar dues' certificate could be issued to the sugar factory. Accordingly, Directorate of Sugar will issue the No dues certificate in due course. The sugar factory had also signed a power purchase agreement with UPPCL for a period of 20 years. The Committee noted that the project was financially viable and technically feasible.

6. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable. Subject to above observations the Sub-Committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.5422.24 lakh** for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

7. 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 Harsha Sugars Ltd. at Village-Savadatti, Savadatti Taluk, Belgaum District, Karnataka (30 MW Greenfield bagasse based cogeneration power project).

The Sub-Committee considered the loan application of M/s Harsha Sugars Ltd. at Village-Savadatti, Savadatti Taluk, Belgaum District, Karnataka, for sanction of financial assistance from SDF for setting up 30 MW Greenfield bagasse based cogeneration power project at a cost of Rs. 14975.00 lakh. SDF assistance of Rs. 1500.00 lakh has been requested. The project has been appraised by the Karnataka State Cooperative Apex Bank Ltd., Bengaluru and technically evaluated by Manalee Engineering Pune.

2. FACR of the sugar factory and the company as a whole is 1.33. The FACR calculated by the sugar factory as 1.40 includes additional land cost after valuation-Rs.1600.00 lakh which is not supported by the valuation certificate from certified (Govt.) valuer. DSCR of the sugar factory and the company as a whole is 1.82 and the IRR of the project is 27.90%.

3. Dues position:

- (i) SDF dues: No Dues being Greenfield project.
- (ii) LSPEF dues: No Dues being Greenfield project.
- (iii) Levy sugar dues: No Dues being Greenfield Project.

4. 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 has been received. Sugar Factory has applied for EIA clearance. PPA has been executed with HESCOM.

5. Sugar Factory representative mentioned that plant code was to be obtained from the Directorate of Sugar. Director (S&VO) pointed out that the sugar factory is taken on record as 'New Sugar Factory'. However, no progress report had been submitted by the sugar factory which were required as per the Sugarcane Control Order. The Committee asked the sugar factory to submit cane availability certificate from the State Government of Karnataka for year 2017-18 for which the representatives of the sugar factory assured to provide within 7 days of issue of these minutes.

6. On the basis of technical, financial and other data placed before it, the Sub-Committee concluded that the project is technically & financially viable. Subject to above observations, the Sub-committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.1383.77 lakh** for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

7. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. The sugar factory representative mentioned that they were willing to give bank guarantee if it is required at the time of charge creation on account of FACR below the benchmark. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

Agenda Item No.6

M/s MRN Cane Power (India) Ltd. at Kallapur (SK) Khanpur-587155 Tq- Badami, Dis-Bagalkot, Karnataka (30 MW Greenfield bagasse based cogeneration power project).

The Sub-Committee considered the loan application of M/s MRN Cane Power (India) Ltd. at Kallapur (SK) Khanpur-587155 Tq- Badami, Dis-Bagalkot, Karnataka, for sanction of financial assistance from SDF for Setting up 30 MW Greenfield bagasse based cogeneration power project at a cost of Rs.16722.00 lakh. SDF assistance of 2357.00 lakh has been requested. The project has been appraised by IFCI Ltd. and technically evaluated by KSM Engineering Ltd. Bangalore.

2. As regards, the FACR, information is awaited from IFCI and the sugar factory alongwith ABS for last 3 financial years. DSCR of the sugar factory and the company as a whole is 1.58 and the IRR of the project is 30.90%.

3. Dues position:

- (i) SDF dues: No Dues being Greenfield project.
- (ii) LSPEF dues: No Dues being Greenfield project.
- (iii) Levy sugar dues: No Dues being Greenfield Project.

IFCI informed that the sugar factory has cleared the SDF dues in respect of M/s Nirani Sugars Ltd. a group company. O/o CCA, DFPD has been asked to confirm the same.

4. No refinancing of project is involved. No old plant and machinery has been considered in the project. The sugar factory applied for NOC from PCB. EIA clearance received. PPA will be signed with HESCOM.

5. Director (S&VO) pointed out that the validity of the IEM issued in 2011, has lapsed and is yet to be extended by the sugar factory. The Committee directed that the sugar factory shall furnish the requisite information as well as obtain extension of IEM within 30 days of issue of these minutes.

6. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable. Subject to above observations, the Sub-Committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.2149.08 lakh** for consideration of the Standing Committee.

7. 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 Mylar Sugars Ltd., Beerabbi Village, Hoovina Hadagali Taluka, Distt.-Bellary, Karnataka (18 MW Greenfield bagasse based co-generation power project).

The Sub-Committee considered the loan application of M/s Mylar Sugars Ltd., Beerabbi Village, Hoovina Hadagali Taluka, Distt.-Bellary, Karnataka, for sanction of financial assistance from SDF for setting up 18 MW Greenfield bagasse based co-generation power project at a cost of Rs.9237.00 lakh. SDF assistance of Rs.1090.00 lakh has been requested. The project has been appraised by The Karnataka State Co-operative Apex Bank Ltd., Bengaluru and technically evaluated by ECHO-Biotech Financial consultants Pvt. Ltd.

2. The FACR of the sugar factory and the company as a whole is 0.98. Whereas the FACR as per ABS submitted by SF as on 31.03.2016 is 1.31. However, a calculation sheet certified by CA has been sought from SF. DSCR of the sugar factory and the company as a whole is 1.95 and the IRR of the project is 22.3%.

3. No refinancing of project is involved. No old plant and machinery has been considered in the project. Consent to Establish for 18MW and Consent to Operate for 14 MW from Pollution Control Board has been received. Sugar Factory has applied for EIA clearance. PPA has been executed with GESCOM.

4. Dues position:

- (i) SDF dues: No Dues being Greenfield project.
- (ii) LSPEF dues: No Dues being Greenfield project.
- (iii) Levy sugar dues: No Dues being Greenfield Project.

5. Director, NSI, Kanpur, mentioned that several technical details including the Heat Mass Balance Diagram (HMBD) and data relating to steam consumption require clarification from Sugar Factory. The Sugar Factory representatives were also asked to clarify the issues. The Committee directed the Sugar Factory to provide all information/documents to NSI, Kanpur to examine the technical proposal and Director, NSI, Kanpur after examination of the same will submit a report to this Department. Accordingly, Director, NSI, Kanpur vide e-mail dated 13.05.2017 has informed that the availability of sugarcane shall be adequate to cope-up with 3500 TCD for envisaged days of operation and capacity utilization. Director, NSI, Kanpur has also informed that adequate bagasse shall be available for carrying out envisaged power generation for 160 days on its own bagasse and the sugar factory shall be able to generate 18.00 MW power having net exportable power of 12.30 MW during season. Director, NSI, Kanpur has confirmed that the project is technically viable.

6. On the basis of technical, financial and other data placed before it, the Sub-Committee concluded that the project is technically & financially viable. Subject to above observations, the Sub-Committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.711.17 lakh** for consideration of the Standing Committee.

7. The sugar factory is required to offer Bank Guarantee or first pari passu charge as security for SDF loan. The Sugar factory shall also give an undertaking on furnishing of bank guarantee as and when required considering the FACR before the creation of charge. However, security requirement will be decided at the time of charge creation as per extant rules/guidelines.

MODERNISATION /EXPANSION PROJECTS

Agenda Item No.8

M/s. DCM Shriram Industries Ltd., Unit: Daurala Sugar Works, Daurala, District Meerut, Uttar Pradesh. (Modernisation).

The Sub-Committee considered the loan application of M/s. DCM Shriram Industries Ltd., Unit: Daurala Sugar Works, Daurala, District Meerut, Uttar Pradesh, for sanction of financial assistance from SDF for Modernisation of sugar plant at a cost of 1176.00 lakh.

2. Since, in this case also, the project has been commissioned long back in November, 2012, **the Committee decided not to recommend any SDF loan** on the grounds similar to those considered in the case of M/s Ponni Sugars (Erode) Ltd. in Agenda No. 1 during this meeting.

Agenda Item No.9

M/s. DSM Sugar Rajpura (a unit of Dhampur Sugar Mills Ltd.) Distt. Bheem Nagar, Uttar Pradesh. (Modernisation cum expansion of sugar plant from 7500 TCD to 10000 TCD).

The Sub-Committee considered the loan application of M/s. DSM Sugar Rajpura (a unit of Dhampur Sugar Mills Ltd.) Distt. Bheem Nagar, Uttar Pradesh for sanction of financial assistance from SDF for Modernisation cum expansion of sugar plant from 7500 TCD to 10000 TCD at a cost of Rs. 9312.00 lakh. SDF assistance of 3725.00 lakh has been requested. The project has been appraised by IFCI Ltd. and DPR prepared by Dhampur Sugar Mill Ltd. in house and verified & certified by A. Parida & Associates.

2. No refinancing of project is involved. No old plant and machinery has been considered in the project. NOC from Pollution Control Board for 9000 TCD has been received. Sugar Factory has furnished EIA clearance for expansion from 7000TCD to 9000 TCD. However, the sugar factory is required to furnish the NOC from PCB and EIA Clearance or acknowledgement for application thereof for 10,000 TCD. On the basis of technical, financial and other data placed before it, the Sub-Committee concluded that the project is technically & financially viable

3. As on 31.03.2016, FACR of the sugar factory and the company as a whole is 2.51/3.48. DSCR of the sugar factory and the company as a whole is 2.42/3.39. IRR of the project is 19%.

4. Dues position:
 - (i) SDF dues: As per CCA, as on 28.04.2016 is Nil.
 - (ii) LSPEF dues: No LSPEF dues against the sugar factory.
 - (iii) Levy sugar dues: Nil

5. The issue of the project being integrated with cogeneration project approved earlier was discussed during the meeting. It was informed by the Director, NSI, Kanpur that the expansion of crushing capacity from 7500 TCD to 8500 TCD and further to 10,000 TCD has been aimed by the sugar factory keeping in view the availability of sugarcane in the area and for which they have submitted a certificate from cane authorities also. In the process the factory has also increased the co-generation potential from 12 MW to 35.5 MW. The expansion of the crushing capacity shall ensure availability of the adequate bagasse for the desired number of days during season and off season and hence the co-generation project may be considered integrated with the expansion proposal. The factory has not opted to higher capacity co-generation to save on capital cost and to spread the co-generation during off-season also. President (STAI) also supported the view and informed that by doing so the gross power generation shall not be affected, on the other hand the capital cost shall remain lower. Director, NSI, Kanpur, President (STAI) and representative of NFCSF were of the opinion that the two projects were integrated.

6. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable. Subject to above observations, the Sub-committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.1842.235 lakh** for consideration of the Standing Committee.

7. 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 plant from molasses Projects

Agenda Item No.10

M/s Shri Sai Priya Limited, Hippargi – Mygur, Vishal Nagar, Hipparagi-Alabal Road, Tq-Jamkhandi, Dist – Bagalkot-587311, Karnataka (120 KLPD anhydrous alcohol or ethanol plant from molasses).

The Sub-Committee considered the loan application of M/s Shri Sai Priya Limited, Hippargi – Mygur, Vishal Nagar, Hipparagi-Alabal Road, Tq-Jamkhandi, Dist – Bagalkot-587311, Karnataka, for sanction of financial assistance from SDF for Setting up of 120 KLPD anhydrous alcohol or ethanol plant from molasses at a cost of Rs. 16180.00 lakh. SDF assistance of Rs.6471.00 lakh has been requested. The project has been appraised by IFCI Ltd. and technically evaluated by MITCON Consultancy & Engineering Services Ltd.



2. 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 has been received. EIA clearance has been received.

3. Dues position:

- (i) SDF dues: As per CCA, as on 28.04.2017 is Nil against the sugar factory.
- (ii) LSPEF dues: No LSPEF dues against the sugar factory.
- (iii) Levy sugar dues: Nil

IFCI informed that the sugar factory has cleared the SDF dues in respect of M/s Nirani Sugars Ltd. a group company. O/o CCA, DFPD has been asked to confirm the same.

4. As on 31.03.2016, the FACR of the factory and company as a whole is 1.52, DSCR is 1.51 and the IRR of the project is 28.55%.

5. Director, NSI, Kanpur pointed out that there was a shortfall in molasses. The representatives of the sugar factory informed that the company have another sugar factory i.e. M/s MRN Cane Power Ltd. and it does not have any distillery. The Committee decided that sugar factory will furnish an agreement for supply of molasses for next 10 years.

6. On the basis of technical, financial and other data placed before it, the Sub-committee concluded that the project is technically & financially viable. Subject to above observations the Sub-committee, on the basis of eligible project cost and the loan applied for, recommended a loan of **Rs.5358.91 lakh** for consideration of the Standing Committee. The sugar factory will give means of financing the shortfall.

7. 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 Bhairavnath Sugar Works Ltd., Sonari, Tal. Paranda, Dist. Osmanabad, Maharashtra (30 KLPD anhydrous alcohol or Ethanol Project).

The Sub-Committee considered the loan application of M/s Bhairavnath Sugar Works Ltd., Sonari, Tal. Paranda, Dist. Osmanabad, Maharashtra, for sanction of financial assistance from SDF for Setting up 30 KLPD anhydrous alcohol or Ethanol Project at a cost of Rs.5427.00 lakh. SDF assistance of Rs. 2211.60 lakh has been requested. The project has been appraised by IDBI and technically evaluated by Conducted by P.H.Baldota & Co.

2. 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.

3. Dues position:

- (i) SDF dues: As per CCA, as on 28.04.2017 is Nil.

- (ii) LSPEF dues: No LSPEF dues against the sugar factory.
- (iii) Levy sugar dues: Nil

4. As on 31.03.2016, the average DSCR of the sugar factory/ company as a whole is 1.74/2.49 and the FACR of the sugar factory/company as a whole is 2.07/3.07 respectively. The IRR is 17.01%.

5. Director, NSI, Kanpur, pointed out that the ethanol selling price of Rs.45/- per liter in the assumptions was not correct as the current price was hovering around Rs.39/- per liter. It therefore, needed to be ascertained whether the project would be viable if the selling price of Rs.39/- per liter is taken. Further, the pol % is 4.25 and not 4.5 as quoted in the details furnished by the sugar factory. Further, there were no details regarding implementation of ZLD. Though the sugar factory representative mentioned that the total capacity of the group was 9000 TCD to ensure availability of molasses, Director, NSI, Kanpur pointed out that the transportation cost had not been mentioned not taken into account to assess the viability. Besides, many figures/details like capacity utilization furnished by the sugar factory were vague and needed to be revisited. The Committee also noted that the additional information was furnished by the sugar factory but the same has not been received through the appraising bank, which is required for examination and calculation of SDF loan.

6. In view of the above, **the Committee decided to defer the proposal** and directed NSI, Kanpur to re-examine the technical details for which the sugar factory shall provide all the necessary information/documents to NSI, Kanpur. The sugar factory was also directed to expedite the additional information through their appraising bank.



Annexure - I

List of Participants of Sub Committee Meeting held on 11.05.2017		
S. No.	Name of Members	Department
1	Shri Subhashish Panda Joint Secretary (S & A)	Chairman
2	Shri Narendra Mohan Director, NSI Kanpur	Member
3	Shri G.S.Sahu Director (S & VO) Directorate of Sugar	Member
4	Shri R.K.Pandey Director (Finance)	Member
5	Shri N.K. Kashmira Director (SDF)	Member Secretary
	Special Invitees	
6	Shri G.K. Thakur Director (Policy)	Indian Sugar Mills Association
7	Shri Prakash P Naiknavare Managing Director	National Federation of Co-operative Sugar Factories Ltd.
8	Dr. Sanjay Awasthi President	Sugar Technologist's Association of India
9	Shri K.V.N Setty, Chief Director Shri R.K. Mangla, Deputy Director	NCDC
10	Shri S. Chandrasekaran, Asst. GM Shri Manoranjan Sharma, Asst. GM	IFCI
	Others	
11	Shri Sudesh Kumar	Under Secretary (SPF)
12	Shri Sunil Chauhan	Under Secretary (SDF)
13	Shri Kanav Dua	Asst. Director (Cost)
14	Shri Manmohan Kumar	Section Officer (SDF)