

No.1-17/2010-SDF  
Government of India  
Ministry of Consumer Affairs, Food & Public Distribution  
Department of Food & Public Distribution

Krishi Bhavan, New Delhi.  
Dated the 18<sup>th</sup> January, 2011.

To

- (1) The President  
Indian Sugar Mills Association  
Ansal Plaza 2<sup>nd</sup> Floor Block-C  
August Kranti Marg  
New Delhi.
- (2) The President  
National Federation of Cooperative Sugar Factories Ltd.  
Ansal Plaza 2<sup>nd</sup> floor Block-C  
August Kranti Marg  
New Delhi.

Sub:- Availing of sanctioned SDF loan and submission of utilisation certificates in respect of loans already disbursed - Reg.

Sir,

It has been noticed that many sugar factories who have been sanctioned loans from SDF for development of sugarcane in their area, modernisation cum expansion of sugar factories, cogeneration of power projects or ethanol projects do not apply for disbursement of first/second instalment of the loan within the stipulated period. It may be reiterated that administrative approvals for loans are valid normally for a period of one year within which the sugar factories are required to complete all formalities and documentation as per the approval letter and the tripartite agreement to that effect and submit their requests for disbursement through the State Government concerned in the case of cane development loan and through the nodal agencies in other cases. Non-release of funds results into difficulties in deciding the committed liability and making budget provisions to meet the same. To obviate the situation it has been decided that:

- the sugar factories who have been sanctioned loans for various purposes may submit their requests for disbursements well in time failing which the administrative approvals may lapse and the sugar factories will be required to apply afresh, if the funds are required by the sugar factory at a later date.
- In case of any exigencies, where a sugar factory is unable to apply for disbursement within the stipulated time, it may request for extension of the validity of the administrative approval well before the same expires, giving full justification for delay. Requests for extension will be examined and decided on merit in each individual case.

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- In case a sugar factory has availed itself only of the first instalment of the loan sanctioned to it, the utilisation certificate and project implementation status is required to be submitted within six months of disbursement. Any delay in applying for the second/subsequent instalment after utilising the first instalment already released within six months, may be explained with justifiable reasons and requests for extension should be made before the expiry of the said period. Extensions will be examined on merit in each individual case. In case the extension is not granted by the competent authority, the administrative approval shall be revised and second instalment of loan will not be disbursed.
- In cases where a sugar factory fails to submit the utilisation certificate in respect of the first instalment released more than six months ago and if the project implementation is stalled or not being pursued by the sugar factory, the administrative approval may be cancelled and the whole amount already disbursed may be recalled with interest and additional interest at applicable rates.
- Not more than two extensions of six months each may be considered/permitted.

Yours faithfully,

  
(Adhir Jha)  
Director (SDF)  
Tel:23382338

Copy to:

- (1) The Commissioner of Sugar/Cane Commissioner  
All sugar producing States.
- (2) The General Manager  
IFCI Ltd.  
IFCI Tower  
61, Nehru Place  
New Delhi-110019.
- (3) The Chief Director (Sugar)  
National Cooperative Development Corporation  
4, Siri Institutional Area  
Hauz Khas  
New Delhi-110016.

  
(Adhir Jha)  
Director (SDF)