

मिसिल संख्या. 12-2/2021- एस. डी. एफ लेखा 1169
भारत सरकार
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय
खाद्य एवं सार्वजनिक वितरण विभाग
(एस. डी. एफ लेखा अनुभाग)

कृषि भवन ,नई दिल्ली
दिनांक 03.01.2022

To

1. The Chief General Manager,
IFCI Ltd., IFCI Tower, 61,
Nehru Place, New Delhi – 110019
2. The Chief Director (Sugar),
NCDC 4- Siri Industrial Area Hauz Khas,
New Delhi-110016

Subject: Operational Guidelines for Restructuring of SDF Loans under SDF Rule 26 -reg.

Sir,

Kindly refer to Notification No. G.S.R. 201(E) dated 24.03.2021 regarding Restructuring of SDF Loans under Rule 26 of SDF Rules, 1983 for potentially viable sick sugar undertakings. The guidelines for implementation of Rule 26 are at **Annexure-I**.

2. It is requested that these guidelines may be brought to the notice of all stakeholders.
3. All the restructuring applications under these guidelines shall be submitted through the SDF Portal (<https://sdfportal.in>) and then only the same will be considered by the Competent Authority.
4. This issues with the approval of Competent Authority.

Encl.:- As above.

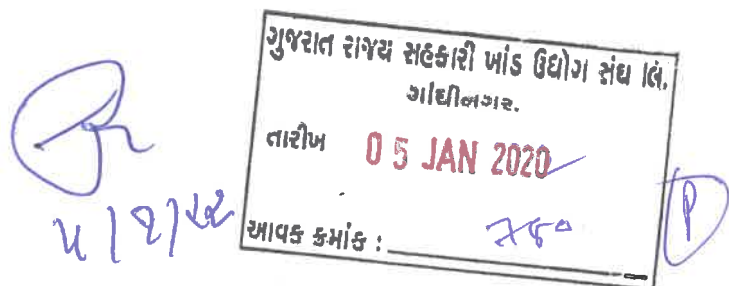
Yours faithfully,


(Sangeet)

Director (SDF)

Tel. No. 011- 23383760

Copy to: DFPD Website & SDF Portal (for information of all stakeholders)



**Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution**

GUIDELINES FOR RESTRUCTURING OF LOANS UNDER SDF RULE 26

Applications for restructuring of Sugar Development Fund (SDF) loans under rule 26 of the SDF Rules 1983 (as amended) will be considered and evaluated on the basis of the guidelines mentioned in this document. These guidelines are subject to amendment by the Standing Committee set up under the SDF Act 1982 (as amended). These guidelines are applicable for SDF loans availed by all types of concerns including Co-operative Societies, Private Limited Companies and Public Limited Companies.

2. All the applications for restructuring of loans under Rule 26 will be submitted as per Form XI in the prescribed format. Applications will be submitted on the SDF Portal and then only the same will be considered by the Competent Authority.

3. **Eligibility Criteria:**

Sugar Factory/Undertaking applying under rule 26 need to meet the following eligibility criteria:

- a. The sugar factory has been incurring cash losses continuously for the last 3 financial years or Sugar factory's net worth is negative.
- b. The sugar factory is not closed/has not ceased to crush cane for more than 2 sugar seasons excluding current sugar season.
- c. An undertaking from the applicant sugar factory certifying that the area of operation of the mills has potential for development of cane.
- d. The sugar factory has conducted latest audit, and has convened AGM timely.
- e. The Sugar Factory/Undertaking has not availed the restructuring of loan facility under Rule 26 earlier.
- f. Sugar factories which have availed restructuring of loan under Rule 26 A in last three financial years excluding current financial year of application shall not be eligible for restructuring under this rule.
- g. The proposal of the Sugar Factory/undertaking is recommended by the Committee for Rehabilitation.

- h. In case of any adverse/legal action by any lender the restructuring proposal shall not be considered. However, Restructuring may be considered even after the borrower / sugar mill is referred for litigation by the SDF nodal agencies, on behalf of SDF, at Debt Recovery Tribunal (DRT) for recovery of dues.

4. **Scope of Restructuring of Loan under Rule 26:**

- a. Restructuring of the SDF loans would be in the form of capitalization of balance interest along with principle and re-schedulement.
- b. Schedule for payment of balance of Principal amount and Interest amount will be modified with moratorium period of 24 months or the duration applied for by the sugar factory whichever is less. No repayment (of Principal or Interest) shall be made during the moratorium period. However, normal interest shall continue to accrue during the moratorium period.
- c. Balance loan amount including Principal and Interest will be divided into equal monthly installments for five years after moratorium period.
- d. Period of moratorium under restructuring of loan will start from the date of issue of the letter informing approval by the competent authority.
- e. The proposals of the sugar factories for complete payment of Principal and Interest upfront will be considered.
- f. Waiver of additional interest in full will be given to the eligible sugar factories. However, no amount of Principal and interest will be waived off.
- g. Rate of interest will be changed to the interest rate as per prevailing bank rate on the date of approval of rehabilitation package as per SDF Rule 26 (9) (a).

5. **Procedure for processing of applications:**

- a. All the interested and eligible sugar factories need to apply on SDF Portal (<https://sdfportal.in>) as per Form XI under Rule 26. The information under the form and related documents should also be submitted through email to the SDF Division of Department of Food and Public Distribution (DFPD), Government of India. Only applications complete in all respects (information and related documents) will be considered. Check list for the application is as under:
- i. Application as per Form XI
- ii. Audited financial statements for previous three years


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- iii. Annual Reports for previous three years
 - iv. Detailed Project Report indicating technical and financial viability of revival prepared by lead lender scheduled bank or Financial Institution
 - v. Minutes of the AGM for previous three years
 - vi. FACR calculation Sheet as per latest audited balance sheet, duly certified by a Chartered Accountant (CA).
 - vii. DSCR calculation sheet for the past five years as well as based on projections for future ten years, duly certified by a Chartered Accountant (CA).
 - viii. In case there are other lenders, the restructuring application shall be accompanied by 'No Objection Certificate' (NOC) from those lender organization(s), to the concerned sugar factories, regarding the settlement modalities of the loans of the concerned organizations and their willingness to permit restructuring of SDF loans in the light of the projected cash flows.
 - ix. Details of the reliefs or concessions from the Central Government or State Government or Financial Institutions or Scheduled Bank and other Banks or donations from the employees of the sugar undertaking and other agencies.
 - x. Board Resolution authorizing restructuring of SDF Loans.
 - xi. Letters from the Central Government organizations/State Government organizations/Financial Institutions/Banks/ Employees/Any other organization regarding relief/concessions/ financial assistance, if any.
 - xii. Projected Cash flow/Profit & Loss Statements for next 8 years with due justification (duly certified by a Chartered Accountant)
- b. Initial scrutiny of the applications for its completion and factual correctness will be done by the respective nodal agencies. Nodal agency will give its recommendations. At present, IFCI Ltd. and National Cooperative Development Corporation (NCDC) are the nodal agencies for the Private/Public companies and Co-operative Societies respectively. The fees structure for nodal agencies would be as per the existing system for the regular SDF loans i.e. commission linked to recovery of SDF loans.
- c. On receipt of the applications after scrutiny and complete applications from the nodal agencies, the same will be submitted for consideration before the Committee For Rehabilitation (CFR) with following composition:


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CHAIRMAN

- Joint Secretary (Sugar), DFPD

MEMBERS:

- A Representative from Department of Financial Services
- Director (S&VO), DFPD
Director, National Sugar Institute (NSI), Kanpur
- Director/Deputy Secretary (Finance), DFPD
- Director/Deputy Secretary (SDF), DFPD – Member Secretary

SPECIAL INVITIES:

- A Representative from Nodal agency – IFCI / NCDC / any other agency decided by Central Government.
 - A Representative from concerned State Government
 - Any other invitee, if required, with the permission of the chair
- d. The Committee in its meeting will evaluate the applications as per the eligibility criteria as well as any other factor to determine viability of the Sugar Factory/Undertaking to continue its operations in future and its ability to pay the loans and will give its recommendations.
- e. The recommendations of the CFR will be submitted to the Standing Committee set up under the SDF Act 1982 (as amended) for consideration and its recommendations.
- f. The Central Government may, after consideration of the recommendations of the Standing Committee and any other relevant facts, authorize restructuring subject to such terms and conditions as the Central Government may decide and communicate to the Sugar Undertaking for acceptance of the same by the Sugar Undertaking in writing.
- g. On administrative approval, the revised/additional Tripartite Agreement (TPA) will be signed for which the procedure for signing of TPA at the initial stage before disbursement of loan will be followed.
- h. Extension of the security or creation of additional security, if required as the case may be, will be completed. Where the SDF loan is secured by way of 2nd charge on the assets of the Sugar Factory, the restructuring will be subject to creation of 1st pari-passu charge on all movable and immovable assets of the Sugar Factory.
- i. Restructuring of loan will be done as per the administrative approval mentioned at 5 (f) above.


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Form No. XI

(See rule 26)

Application for restructuring of loan taken from the Sugar Development Fund

| Sl. No. | Particulars | | Information | | | | | |
|---------|--|-------------------------------|--|--------|---------------------------------|----------------|--------------------|----------------------------------|
| 1. | Name and Address of the Sugar Factory | | | | | | | |
| 2. | Plant Code | | | | | | | |
| 3. | Name of the Sugar Undertaking | | | | | | | |
| 4. | Registered Office | | | | | | | |
| 5. | Constitution of the Sugar Undertaking | | a. Co-operative Society b. Private Limited Company c. Public Limited Company d. Public Sector Company | | | | | |
| 6. | Date of incorporation | | | | | | | |
| 7. | Chairperson and Board of Directors | | | | | | | |
| 8. | SDF Loans availed | Sl. No. | Plant Code | Scheme | Year | Total Loan (₹) | Balance Amount (₹) | |
| | | | | | | | | |
| 9. | Duration of Moratorium applied for (not more than 24 months) | | | | | | | |
| 10. | Particulars of the Sugar Factory: | | | | | | | |
| | Item | Data for previous three years | | | Projection for next three years | | | Justification for the Projection |
| | | 20__ | 20__ | 20__ | 20__ | 20__ | 20__ | |
| | Licensed Crushing Capacity | | | | | | | |
| | Installed crushing capacity (TCD) | | | | | | | |
| | Area under sugarcane (acres) | | | | | | | |
| | Average yield (tonnes/acre) | | | | | | | |
| | Total production of | | | | | | | |

[Handwritten Signature]

| | | | | | | | | |
|------------|--|-------------------------------|------|------|---------------------------------|------|------|----------------------------------|
| | sugarcane | | | | | | | |
| | Gross duration of the season (days) | | | | | | | |
| | Net duration of the season (days) | | | | | | | |
| | Total cane crushed (lakh tones) | | | | | | | |
| | Average sugar recovery % | | | | | | | |
| | Total sugar produced (quintals) | | | | | | | |
| 11. | Financial Results of the Sugar Factory | | | | | | | |
| | Item | Data for previous three years | | | Projection for next three years | | | Justification for the Projection |
| | | 20__ | 20__ | 20__ | 20__ | 20__ | 20__ | |
| | Net sales | | | | | | | |
| | Gross Profit/loss | | | | | | | |
| | Interest on: | | | | | | | |
| | (a) Term loan | | | | | | | |
| | (b) Working Capital | | | | | | | |
| | (c) Total | | | | | | | |
| | Depreciation | | | | | | | |
| | Operation Profit/loss | | | | | | | |
| | Tax | | | | | | | |
| | Net Profit/loss | | | | | | | |
| | Cash accruals | | | | | | | |
| | FRP fixed by the Govt. of India (per quintal) | | | | | | | |
| | Actual cane price paid (per quintal) | | | | | | | |
| | Cane Price Arrears (₹) | | | | | | | |
| 12. | Financial Position of the Sugar Factory (for last three years as per Audited Financial Statements enclosed) | | | | | | | |
| | | | | | 20__ | 20__ | 20__ | Remarks |
| | Gross fixed assets including work-in-progress | | | | | | | |
| | Less Depreciation | | | | | | | |


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| | | | | | |
|-----|---|--|--|--|--|
| | Net fixed assets | | | | |
| | Investments | | | | |
| | Current Assets | | | | |
| | Current Liabilities | | | | |
| | Net Working Capital | | | | |
| | Net tangible assets | | | | |
| | Long-term liabilities | | | | |
| | Shareholder's Worth | | | | |
| | Share capital including share suspense and non-refundable deposits | | | | |
| | Reserves and surplus | | | | |
| | Deficit in profit and loss account and Intangible assets | | | | |
| | Net worth | | | | |
| 13. | CA certified FACR calculation sheet for Sugar Factory a. At the time of applying for restructuring loan b. At the time of applying for initial loan | | | | |
| 14. | CA certified FACR calculation sheet for Sugar Undertaking: a. At the time of applying for restructuring loan b. At the time of applying for initial loan | | | | |
| 15. | Debt Service Coverage Ratio (DSCR) of Sugar Factory a. At the time of applying for restructuring loan b. At the time of applying for initial loan | | | | |
| 16. | Debt Service Coverage Ratio (DSCR) of Sugar Undertaking a. At the time of applying for restructuring loan b. At the time of applying for initial loan | | | | |
| 17. | Details of the reliefs or concessions from the Central Government or State Government or Financial Institutions or Scheduled Bank and other Banks or donations from the employees of the sugar undertaking and other agencies, if any | | | | |


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| | | |
|-----|--|--|
| 18. | Whether the concerned agencies have agreed to provide these reliefs/concessions to the sugar undertakings? If so copies of the consent letters from the concerned agencies are to be provided alongwith this application form. | |
| 19. | Schedule of Implementation of the scheme: | |
| 20. | Summary of the projected profitability/cash flow statements for 10 years on implementation of the scheme along with critical assumptions. | |

* all amounts are in lakh of Rupees.

Signed by:

Name:

Designation:

Name and address of the sugar unit or factory

Place:

Date:

**
2/1/22*

