

ANNEXURE- I

No.1-18/2007-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhavan, New Delhi,
Dated the 8th January, 2008

O R D E R

Subject: Reconstitution of the Screening Committee -reg
.....

In supersession of the earlier order on the subject, as provided for in CHAPTER III, Rule 7(3) of the Sugar Development Fund Rules, 1983, screening committee on Sugar Development Fund, is reconstituted as under:-

- | | | |
|-----|---|------------|
| (1) | Joint Secretary dealing with sugar in the
Department of Food & Public Distribution | - Chairman |
| (2) | Director (Finance)
Department of Food & Public Distribution | - Member |
| (3) | Director, National Sugar Institute, Kanpur | - Member |
| (4) | Director (SDF) | - Member |

Secretary

in the Department of Food & Public Distribution

Apart from the above members, the following will be special invitees to the Committee meetings:-

- (i) The Agriculture Commissioner, Department of Agriculture
- (ii) The Commissioner (CAD), Ministry of Water Resources
- (iii) The Director, Sugarcane Breeding Institute, Coimbatore, (ICAR)
- (iv) The Director, Indian Institute of Sugarcane Research, Lucknow
- (v) Director General, Vasantdada Sugar Institute, Pune - Technical Expert
- (vi) President, Indian Sugar Mills Association - Representative from sugar industry
- (vii) President, National Federation of Co-op Sugar Factories Ltd. - Representative

industry from sugar

Sd/-
(Abinash Verma)
Director (SDF)-cum- Member

Secretary

Distribution:

All members of the Committee

ANNEXURE-I I

No.1-18/2007-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhavan, New Delhi,
Dated the 8th January, 2008

O R D E R

Subject: Reconstitution of the sub committee - reg

.....

In supersession of the earlier order on the subject, as provided for in CHAPTER III, Rule 7(3) of the Sugar Development Fund Rules, 1983, sub committee on Sugar Development Fund, is reconstituted as under:-

- | | | |
|-----|---|------------|
| (1) | Joint Secretary dealing with sugar in the
Department of Food & Public Distribution | - Chairman |
| (2) | Director (Finance)
Department of Food & Public Distribution | - Member |
| (3) | Director, National Sugar Institute, Kanpur | - Member |
| (4) | Director (SDF)
Secretary
in the Department of Food & Public Distribution | - Member |

Apart from the above members, the following will be special invitees to the Committee meetings:-

- | | | |
|-------|--|--------------------------------|
| (i) | Director General ,Vasantdada Sugar Institute, Pune
Expert | - Technical |
| (ii) | President, Indian Sugar Mills Association
industry | - Representative from sugar |
| (iii) | President, National Federation of Co-op Sugar Factories Ltd.
Representative
industry | - Representative
from sugar |
| (iv) | Shri S.K. Gupta, Director (Retd)
Expert
National Sugar Institute, Kanpur | - Technical |

Sd/-
(Abinash
Verma)

Director (SDF)-cum- Member

Secretary

Distribution:

All members of the Committee

- : 2 : -

Copy also forwarded to:

1. Secretary, Ministry of Science & Technology, Department of Science & Technology, Technology Bhavan, New Mehrauli Road, New Delhi-110016
2. NIC, Department of Food & Public Distribution, with request to post the order on the web site of this department.

S
d
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-

(S. S. Gupta)
Under Secretary to the Govt. of India
Tel No. 2309 7050

No.1-18/2007-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & PD

Krishi Bhavan, New Delhi – 110 001
Dated the 11th May, 2010

ORDER

Subject: Reconstitution of the Standing Committee and nomination of special invitees to attend Committee meetings –reg.


Standing Committee on Sugar Development Fund was reconstituted vide order of even number dated 4th January, 2008, as under:-

- | | |
|---|--------------------|
| (1) Secretary, Department of Food and Public Distribution | - Chairman |
| (2) Finance Secretary, Ministry of Finance | - Member |
| (3) Secretary, Department of Agriculture & Cooperation | - Member |
| (4) Secretary in the Ministry of Finance
(Department of Expenditure) | - Member |
| (5) Secretary, Planning Commission | - Member |
| (6) Joint Secretary, Ministry of Finance
(Department of Financial Services) | - Member |
| (7) Joint Secretary dealing with sugar in the
Department of Food & Public Distribution | - Member |
| (8) Chief Director, Directorate of Sugar,
Department of Food & Public Distribution | - Member |
| (9) Director(SDF)
in the Department of Food & Public Distribution | - Member Secretary |
| (10) Director, National Sugar Institute, Kanpur, - Addl. member nominated as expert | |

Members of the Committee will continue to remain the same as above.

In supersession of earlier orders on the subject, the following are nominated as special invitees to attend the Committee meetings, for a period of two years or any subsequent orders, whichever is earlier.

- | | |
|--|------------------------------|
| (i) Representative from IFCI | Expert on banking |
| (ii) Representative from NCDC | Expert on banking |
| (iii) Representative from VSI, Pune | Technical expert |
| (iv) Representative from Sugar Technologist Association of India | Technical expert |
| (v) President/Vice President, ISMA | Representative from industry |
| (vi) President/Director, NFCSF Ltd. | Representative from industry |


(N.Sanyal)

Joint Secretary to the Government of India

Copy to: All members/Special Invitees of the Committee.

PTO

From previous page

Copy also forwarded to:

1. IFFCO Foundation.
2. ✓ NIC, Department of Food & Public Distribution, with request to post the order on the web site of this department.



(S.S.Gupta)

Under Secretary to the Govt. of India
Tel.No.23097050

ANNEXURE IV

FORM II
[See Rule 16(2)]

Application for financial assistance from Sugar Development Fund towards promoters' contribution for financing modernization/rehabilitation scheme:

I. Name of applicant

II Address:

- (i) Registered Office
- (ii) Location of the factory

III Constitution (whether co-operative society private/public limited company joint sector/public sector company)

(IV) Date of incorporation/registration

(V) Existing activity/past performance:

- (i) Briefly state the present activities
- (ii) Performance during the last 3 years

A. Salient production and operating results:

- (1) Licensed crushing capacity (TCD)
- (2) Installed crushing capacity (TCD)
- (3) Area under sugarcane (acres)
- (4) Average yield (tonnes/acres)
- (5) Total production of sugarcane in the area (lakh tonnes)
- (6) Gross duration of the season (days)
- (7) Net duration of the season (days)
- (8) Percentage of hours lost to total available hours
- (9) Average daily rate of crushing (tonnes).—
 - (a) including stoppages
 - (b) excluding stoppages
- (10) Total cane crushed (lakh tonnes)
- (11) Pol % cane
- (12) Total sugar losses % cane

- (13) Average sugar recovery %
- (14) Total sugar produced (quintals)
- (15) Reduced mill extraction (%)
- (16) Reduced Boiling House Extraction (%)
- (17) Reduced Overall Extraction (%)
- (18) Extra fuel consumption % cane

Note: (i) In case of the performance has not been upto the accepted norms and if there has been wide fluctuation in the performance please state the reasons in brief

(ii) Please furnish installed capacity production and efficiency figures in respect of other activities if any such as distillery paper unit etc.

B. Working results:

Year ended

20 20 20

- (1) Net sales
- (2) Gross profit/loss
- (3) Interest on.—
 - (a) Term loans
 - (b) Working capital
 - (c) Total
- (4) Depreciation
- (5) Operating profit/(Loss)
- (6) Tax
- (7) Net profit/(loss)
- (8) Cash accruals
- (9) Applicable statutory cane price fixed by the Government of India (Rs. per qtl.)
- (10) Actual cane price paid (Rs. per quintal)

Year ended

20 20 20

C. Financial Position

- (1) (a) Gross fixed assets including work in progress
 - (b) Less Depreciation
- (2) Net fixed assets
- (3) Investments
- (4) Current Assets
- (5) Current Liabilities
- (6) Net working capital [(4) minus (5)]
- (7) Net tangible assets [(2)+(3)+(6)]
- (8) Long term liabilities
- (9) Shareholders' worth [(7) minus (8)]
- (10) Share capital including share suspense and

Non-refundable Deposits

- (11) Reserves and surplus
- (12) Deficit in Profit and Loss Account and Intangible assets
- (13) Net worth [(10)+(11) minus (12)]

VI. Management:

- (a) Board of Directors
- (b) Executive set-up

VII. Brief description of the proposed project and how the project is expected to improve the operations/viability of the concern (enclose a copy of the project report)

VIII. Whether the project has been approved by the All India Financial Institutions/Technology Information Forecasting and Assessment Council (TIFAC) for assistance under the Soft Loan Scheme:

(a) If so enclose a certified true copy of the "Letter of Intent" issued by the Lead institution

(b) List out any conditions(s) of material nature stipulated by the Lead Institutions including rate of interest repayment period and security

IX. Cost of the project (as approved by the All India Financial Institutions)/Technology Information Forecasting and Assessment Council (TIFAC). Please furnish break-up and certified true copy of the approval

X. Means of Financing Debt-Equity Ratio and Security Margin (as approved by the All India Financial Institution)Technology Information Forecasting and Assessment Counsel (TIFAC)

XI. Percentage and amount of Promoters' contribution stipulated by the All India Financial Institutions/Technology Information Forecasting and Assessment Council (TIFAC).

XII. Amount of assistance required from Sugar Development Fund towards promoters' contribution along with justification therefore having regard to the financial position/resourcefulness of the applicant concern/its promoters:

XIII. Schedule of implementation of the project

XIV. Please furnish a summary of the projected profitability/cash flow statements for 10 years after completion of the scheme (in the proforma at Annexure-I and II) alongwith critical assumptions.

Signature

Name

Designation

Place:

Name and address of the sugar undertaking.....

Date:

(Occupier).....

FORM II

ANNEXURE-I

Name of the concern/society

Summary of projected profitability and cash flow
(This statement should be prepared for a period of 10 years)
(Amount in Rupees in lakhs)

Year 20 _____ 20 _____

No. of working days.
% output to installed capacity production (quantity)

1. Net sales (exclusive of excise duty)
2. Gross operating profit before depreciation interest
(on term loans and deferred payments) management
remuneration Sole Selling Agency Commission and Tax
3. Depreciation
4. Interest (on term loans/deferred payments)
5. Management remuneration
6. Selling Agency Commission
7. Operating Profit before tax [2 minus (3+4+5+6)]
8. Non-operating income
9. Profit before tax (7+8)
10. Tax
11. Net profit after tax (9 minus 10)
12. Development rebate reserve/Investment Allowance Reserve
13. Net distributable profit (11 minus 12)
14. Gross cash flow (3+12+13)
15. Preferable dividend.—
 - (a) Amount
 - (b) Rate
16. Equity dividend.—
 - (a) Amount
 - (b) Rate
17. Retained profit [13 minus (15+16)]
18. Net Cash flow (14 minus (15+16))
Cover of Debt Service
19. Funds available to pay interest (11+4)

20. Interest coverage (19+4)
21. Cash available for debt service (14+4)
22. Total debt deferred service (instalments of term loans deferred payments and interest on term loans and deferred payments falling due in the year)
23. Debt Service Coverage (21+22)
Profitability Ratios
24. Percentage of operating profit before tax to net sales
25. Return on capital employed
26. Percentage of profit after tax to equity capital
Investment output ratio
27. Capital employed to sales ratio investment output ratio
28. Gross value added to net sales (%).

Note: Items 27 and 28 shall be computed in the same manner as done for the purpose of securing loan under the Soft Loan Scheme of the financial institutions.

Signed by:.....
Name:
Designation:

Place:

Name and address of the

Date:
undertaking

sugar
(Occupier)
.....

FORM II

ANNEXURE-II

Cash flow statement

(This statement should be prepared for a period of 10 operating years)

(in thousands of rupees)

Construction period	Operating Years (Half yearly)
20 20	20 20

SOURCES OF FUNDS

1. Share issue
2. Profit before taxation with interest added back
3. Depreciation provision for the year
4. Development rebate reserve/Investment Allowance Reserve
5. Increase in secured medium and long term borrowings for the projects
6. Other medium/long term loans
7. Increase in unsecured loans and deposits
8. Increase in bank borrowings for working capitals
9. Increase in liabilities for deferred payment (including interest) to machinery suppliers
10. Sale of fixed assets
11. Sale of investment
12. Other income (indicate details)
Total (A)

In thousands rupees

Construction Operating

	period		Year
	(Half yearly)		
	20	20	20

DISPOSITION OF FUNDS

1. Capital expenditure for the project
 2. Other normal capital expenditure
 3. Increase in working capital
 4. Decrease in secured medium and long term borrowings.
 - All India Institutions
 - SFCS—
 - BANKS
 5. Decrease in unsecured loans and deposits
 6. Decrease in Bank borrowings for working capital
 7. Decrease in liabilities for deferred payments
(including interest) to machinery suppliers
 8. Increase in investment in other companies
 9. Interest on term loans
 10. Interest on bank borrowings for working capital
 11. Taxation
 12. Dividends-Equity Preference
 13. Other Expenditure (indicate details)
- TOTAL (B)
14. Opening Balance of Cash in hand and at bank
 15. Net surplus/deficit (A-B)
 16. Closing balance of Cash in hand and at bank

Note: 1. Detailed working of the figures shown should be provided.

2. Borrowing (as well as repayments) for the project and for other purposes should be shown separately.

Place: _____
Date: _____

Signature
Name
Designation

Name and address of the sugar
undertaking (Occupier)

ANNEXURE V

FORM VII

Application for Financial Assistance from the Sugar Development Fund for implementing projects for production of **anhydrous alcohol or ethanol from alcohol [or from molasses]**

I. Name of applicant:

II. Address:

(i) Registered Office

(ii) Location of the factory

III. Constitution (Whether Co-operative Society
Private/Public Limited Company/Joint Sector/
Public Sector Company):

IV. Date of Incorporation/Registration:

V. Existing Activity/Past performance:

(i) Briefly state the present activities;

(ii) Performance during the last 3 years

A. Salient production and operating results Year ended
(for three consecutive years preceding the 200 200 200
year in which the application is made)

(1) Licensed crushing capacity (tonnes

- crushed per day)
- (2) Installed crushing capacity (tonnes crushed per day)
- (3) Licensed capacity of the alcohol manufacturing plant ('000 litres)
- (4) Installed capacity of the alcohol manufacturing plant ('000 litres)
- (5) Installed capacity of ethanol manufacturing plant ('000 litres)
- (6) Capacity utilisation (% of installed capacity)
 - (a) Sugar
 - (b) Alcohol
 - (c) Ethanol
- (7) Production
 - (a) Sugar ('000 tonnes)
 - (b) Alcohol ('000 litres)
 - (c) Ethanol ('000 litres)
 - ¹[(d) Molasses]

B. Working results: Year ended
 (for three consecutive years preceding the year

in which the application is made) 200 200 200

- I. (1) Sales net of Excise Duty
 - (i) Sugar
 - (ii) Alcohol
 - (iii) Any other product
 - Total of (1)
- (2) Less: Direct Production Expenses
- (3) Gross Profit (1-2)
- (4) Less:
 - (a) Manufacturing Expenses
 - (b) Administrative Expenses
 - (c) Selling and Distribution Expenses
 - Total of (4)
- (5) Operating Profit before depreciation and interest (3-4)
- (6) Add: Other income
- (7) Net profit before depreciation and interest (5+6)
- (8) Less:
 - (a) Depreciation
 - (b) Interest
 - Total of (8)
- (9) Net profit before taxation (7-8)
- (10) Less: Provision for taxation

(11)	Net profit after tax (9-10)			
(12)	Equity as at the end of			
(13)	Return on equity $[(11/(12)*100]$			
(14)	Debt as at the end of			
(15)	Average interest rate on debt $[(8b)/(14)*100]$			
(16)	Weighted average cost of capital $[(12)*(13)+(14)*(15)]/[(12)+(14)]$			
II.	(1) Cane price payable (Rs. lakhs)			
	(2) Cane price paid (Rs. lakhs)			
	(3) Cane price arrears (Rs. lakhs)			
C.	Financial position		Year ended	
	(for three consecutive years preceding the year in which the application is made)		200	200
			200	200
I.	Sources of Funds			
	1. Shareholders'/owners' funds			
	(a) Capital			
	(b) Reserve and surplus			
	Total			
	2. Loan Funds			
	(a) Secured Loans			
	1. Term loans			
	2. Sugar Development Fund Loans			
	3. Working Capital Loans			
	Total			
	(b) Unsecured Loans			
	1. From Banks/Fls.			
	2. Others			
	Total			
	Total (a+b)			
	Total of (1)			
II.	Application of Funds			
	1. Fixed Assets			
	(a) Gross Block			
	Less: Depreciation			
	(b) Net Block			
	Add: Capital work in progress			
	Total			
	2. Investments			
	3. Working capital			
	3.1 Current Assets Loans and Advances:			
	(a) Inventories			
	(b) Sundry Debtors			
	(c) Cash and Bank balances			
	(d) Other current assets			
	(e) Loan and advances			
	Total (a to e)			
	3.2 Current liabilities and provision			
	(a) Current liabilities			
	(b) Provisions			
	Total (a+b)			
	Working Capital (3.1 minus 3.2)			
	Total of (II)			

- V1. Management:
- (a) Board of Directors
 - (b) Executive set-up
- VII. A. (1) Brief description of the proposed project and how the project is expected to improve the operations/viability of the sugar factory (enclose a copy of the project report)
- (2) Proposed ethanol manufacturing capacity (` 000 litres)
 - (3) Project implementation period (months)
- B. Financial Details as appraised (Rs. lakhs)
- (1) Capital cost of project
 - (2) Sources of financing

Equity.—

(a) Promoters' contribution	Debt:
(a) Sugar Development Fund Loan	
(b) Term loan	

Total Investment
- C. Project viability details:
- (1) Average return on Equity (%)
 - (2) Average interest rate on debt (%)
 - (3) Weighted average cost of capital (%)
 - (4) Average Debt Service Coverage Ratio
 - (5) Pay back period (years)
 - (6) Net Present Value (Rs. ` 000)
 - (7) Internal Rate of Return (IRR) (%)
- VIII. Whether the project has been approved by an All India Financial Institution/Scheduled Bank for assistance under its relevant scheme (name of the scheme and pattern of funding of the scheme):
- (a) If so enclose a certified true copy of the "Letter of Intent" issued by the Lead Institution
 - (b) List out any condition(s) of material nature stipulated by the Lead Institution including rate of interest repayment period and security
- IX. Please furnish the project profitability and cash flow statement in the proforma at Annexure to Form VII.

Place:

Date:

Signature

Name

Designation

Name and Address of the Sugar
Factory (Occupier).

FORM VII

ANNEXURE

Project profitability and cash flow statement
(for the year of investment and subsequent 10 years)

Year ended
200 200 200
(Rs. in lakhs)

Capacity Utilisation (%)

1. Profitability

- (1) Sales net of Excise Duty
- (2) Less:
Direct Production Expenses
- (3) Gross Profit (1-2)
- (4) Less:
 - (a) Manufacturing Expenses
 - (b) Administrative Expenses
 - (c) Selling and Distribution ExpensesTotal of (4)
- (5) Operating profit before depreciation and interest (3-4)
- (6) Add: other income
- (7) Net profit before depreciation and interest (5+6)
- (8) Less:
 - (a) Depreciation
 - (b) InterestTotal of (8)
- (9) Net profit before taxation (7-8)
- (10) Less:
Provision for taxation
- (11) Net profit after tax (9-10)
- (12) Equity as at the end of
- (13) Return on equity $[(11)/(12)*100]$
- (14) Debt as at the end of
- (15) Average interest rate on debt $[(8b)/(14)*100]$
- (16) Weighted average cost of capital
 $[\{(12)*(13)+(14)*(15)\}/\{(12)+(14)\}]$

II. Cash flows

1. Net profit after tax (see item I(11))
2. Add: Items debited to profit and loss account
 - (a) Depreciation
 - (b) Interest expenses
 - (c) Income-tax provisions
 - (d) Other non-cash debitsTotal of (2)
3. Total (1+2)
4. Less: Items credited to profit and loss account
 - (a) Interest income

- (b) dividend income
- (c) Other credits (to specify)

- Total of (4)
- 5. Total (3-4)
- 6. Less:
 - (a) Interest paid
 - (b) Income-tax paid
 - (c) Dividends paid
 Total of (6)
- 7. Total (5-6)
- 8. Add: revenue receipts and actually received
 - (a) Interest
 - (b) Dividend
 - (c) Other receipts (to specify)
 Total of (8)
- 9. Total (7+8)
- 10. Working Capital Changes
 - (i) Add:
 - (a) Decrease in sundry debtors/receivables
 - (b) Decrease in inventories
 - (c) Increase in sundry creditors/payables
 Total of (i)
 - (ii) Less:
 - (a) Increase in sundry debtors/receivables
 - (b) Increase in inventories
 - (c) Decrease in sundry creditors/payables
 Total of (ii)
 Total of item 10[(i)-(ii)]
- 11. Cash flow from operations (9+10)
- 12. Capital Items:
 - (i) Add:
 - (a) Issue of share Capital
 - (b) Issue of Debentures
 - (c) Long term loans
 - (d) Sale of Assets
 Total of (i)
 - (ii) Less:
 - (e) Investment in Project
 - (f) Redemption of Capital
 - (g) Redemption of Debentures
 - (h) Repayment of long-term loans
 Total of (ii)
 Total of Item 12[(i)-(ii)]
- 13. Total cash flow (11+12)
- 14. Debt Service Coverage $[(11)/(2b+12h/(i-Tax\ rate))]$
- 15. Payback period (years)
- 16. Net Present Value (discount rate at I(16) above)
- 17. Internal Rate of Return

ANNEXURE VI

FORM VIII

Application of Financial Assistance from Sugar Development Fund towards Promoters' Contribution for Financing Bagasse based Co-Generation Power Projects/Scheme

I. Name of applicant:

II. Address:

- (i) Registered Office
- (ii) Location of the factory

III. Constitution (whether Co-operative Society
Private/Public Limited Company Joint Sector/
Public Sector Company):

IV. Date of Incorporation/Registration:

V. Existing Activity/Past Performance:

- (i) Briefly state the present activities;
 - (ii) Performance during the last 3 years
- A. Salient production and operating results Year ended

	Year ended		
(for three consecutive years preceding the year in which the application is made)	200	200	200
(1) Licensed crushing capacity (Tonnes Crushed per day)			
(2) Installed crushing capacity (Tonnes Crushed per day)			
(3) Area under sugarcane (acres)			
(4) Average Yield (tonnes/acres)			
(5) Total production of sugarcane in the area (lakh tonnes)			
(6) Duration of the season net of stoppage (days)			
(iii) Total cane crushed (lakh tonnes)			

Note: (i) In case the performance has not been upto the accepted norms and if there has been wide fluctuation in the performance please state the reasons in brief

(ii) Please furnish installed capacity production and efficiency figures in respect of other activities if any such as distillery paper unit etc.

(iii) Installed capacity production and efficiency details for existing power cogeneration plant if any

(iv) Details of Sugar Development Fund and Levy Sugar Price Equalisation Fund dues outstanding on the date of application

B. Working results:

	Year ended		
(for three consecutive years preceding the year in which the application is made)	200	200	200

I. (1) Sales net of Excise Duty

- (i) Sugar
 - (ii) Alcohol
 - (iii) Any other product
- Total of (1)

(2) Less:
Direct Production Expenses

(3) Gross Profit (1-2)

- (4) Less:
- (a) Manufacturing Expenses
 - (b) Administrative Expenses
 - (c) Selling and Distribution Expenses
- Total of (4)

- (5) Operating profit before depreciation and interest (3-4)
 (6) Add: other income
 (7) Net profit before depreciation and interest (5+6)
- (8) Less:
 (a) Depreciation
 (b) Interest
 Total of (8)
- (9) Net profit before taxation (7-8)
 (10) Less:
 Provision for taxation
 (11) Net profit after tax (9-10)
 (12) Equity as at the end of
 (13) Return on equity $[(11)/(12)*100]$
 (14) Debt as at the end of
 (15) Average interest rate on debt $[(8b)/(14)*100]$
 (16) Weighted average cost of capital
 $[(12)*(13)+(14)*(15)]/(12)+(14)]$
- II. (1) Cane price payable (Rs. lakhs)
 (2) Cane price paid (Rs. lakhs)
 (3) Cane price arrears (Rs. lakhs)
- C. Financial position** Year ended
 (for three consecutive years preceding the Year 200 200 200
 in which the application is made)
- I. Sources of Fund
1. Shareholders/owners funds
 - (c) Capital
 - (d) Reserves and Surplus
 - Total
 2. Loan Funds:
 - (a) Secured Loans
 1. Term loans
 2. Sugar Development Fund Loans
 3. Working Capital loans
 - Total
 - (b) Unsecured loans
 1. From Scheduled Bank(s)/Financial Institutions
 2. Others
 - Total
 - Total (a+b)
 - Total of (I)
- II. Application of Funds
1. Fixed Assets
 - (a) Gross Block
 - Less: Depreciation
 - (b) Net Block
 - Add: Capital Work in Progress
 - Total
 2. Investments
 3. Working Capital
 - 3.1 Current Assets Loans and Advances
 - (a) Inventories

- (b) Sundry Debtors
- (c) Cash and Bank balances
- (d) Other current assets
- (e) Loan and Advances
- Total (a to e)

3.2 Current Liabilities and Provision

- (a) Current Liabilities
- (b) Provisions
- Total (a+b)
- Working Capital (3.1 minus 3.2)
- Total of (II)

VI. Management:

- (a) Board of Directors
- (b) Executive set up

- VII.A.(1) Brief description of the proposed project and how the project is expected to improve the operations/viability of the concern (enclose a copy of the project report)
- (2) Proposed power plant capacity (Megawatts)
 - (3) Project implementation period (months)
 - (4) Project features (proposed)
 - (a) No. of days of plant operation
 - (b) No. of boilers to be installed
 - (c) Capacity of the Boiler
 - (d) Boiler of Outlet Steam Parameters
 - (e) Fuels used for the boiler
 - (f) No. of turbogenerators to be installed
 - (g) Turbogenerator type and capacity
 - (h) Gross power generation (Megawatts)
 - (i) Power plant in-house power consumption (Megawatts)
 - (j) Power supplied to sugar plant (megawatts) (during off season and season)
 - (k) Marketable power surplus (Megawatts)
 - (l) Transmission losses (%)
 - (m) Annual energy sales (kilowatt hour)
 - (n) Cost of bagasse at site (Rs./Metric tonnes)
 - (o) Cost of power (Rs./Megawatts)
 - (p) Plant load factor
 - (q) Bagasse requirement for the boiler (Metric tonnes)
 - (r) Annual requirement of bagasse (Metric tonnes)
 - (s) Quantity of bagasse generated by sugar factory (Metric tonnes/year)
- B. Financial Details as appraised (Rs. lakh)
- (1) Capital cost of project
 - (2) Sources of financing
 - Equity.—
 - (b) Promoters' contribution

- Debt.—
 (c) Sugar Development Fund Loan
 (d) Term loan

Total Investment

- C. Project viability details
 (8) Average return on Equity*(%)
 (9) Average interest rate on debt*(%)
 (10) Weighted average cost of capital*(%)
 (11) Average Debt Service Coverage Ratio
 (12) Pay back period (years)
 (13) Net Present Value (Rs. `000)
 (14) Internal Rate of Return (IRR)(%)

*Simple ten year average of the corresponding entry in Annexure to Form VIII.

- VIII. Whether the project has been approved by an All India Financial Institution/Scheduled Bank for assistance under its relevant scheme (name of the scheme and pattern of funding of the scheme)
 (c) If so enclose a certified true copy of the "Letter of Intent" issued by the Lead Institution
 (d) List out any condition(s) of material nature stipulated by the Lead Institution including rate of interest repayment period and security
- IX. Please furnish the project profitability and cash flow statement in the proforma at Annexure to Form VIII

Place: Signature
 Name

Date: Designation
 Name and Address of the Sugar

FORM VIII

ANNEXURE

Project profitability and cash flow statement
 (for the year of investment and subsequent 10 years of operation)

ended		Year
200	200	200

(Rs. lakhs)

Capacity Utilization (%)
 1. Profitability of the Project

- (1) Sales net of duties/taxes
- (2) Less:
Direct Production Expenses
- (3) Gross Profit (1-2)
- (4) Less:
 - (a) Manufacturing Expenses
 - (b) Administrative Expenses
 - (c) Selling and Distribution Expenses
 Total of (4)
- (5) Operating Profit before depreciation and interest (3-4)
- (6) Add: Other Income
- (7) Net profit before depreciation and interest (5+6)
- (8) Less:
 - (a) Depreciation
 - (b) Interest
 Total of (8)
- (9) Net Profit before taxation (7-8)
- (10) Less:
Provision for taxation
- (11) Net Profit after tax (9-10)
- (12) Equity as at the end of
- (13) Return on equity $[(11)/(12)*100]$
- (14) Debt as at the end of
- (15) Average interest rate on debt $[(8b)/(14)*100]$
- (16) Weighted average cost of capital
 $[(12)*(13)+(14)*(15)]/[(12)+(14)]$

II. Cash flows

1. Net profit after tax (see item I(11))
2. Add: items debited to profit and loss account
 - (e) Depreciation
 - (f) Interest expenses
 - (g) Income-tax provisions
 - (h) Other non-cash debits
 Total of (2)
3. Total (1+2)
4. Less: Items credited to profit and loss account
 - (a) Interest income
 - (b) Dividend income
 - (c) Other credits (to specify)
 Total of (4)
5. Total (3-4)
6. Less:
 - (a) Interest paid
 - (b) Income-tax paid
 - (c) Dividends paid
 Total of (6)
7. Total (5-6)
8. Add: Revenue Receipts actually received
 - (a) Interest

- (b) Dividend
- (c) Other receipts (to specify)
- Total of (8)
- 9. Total (7+8)
- 10. Working Capital Changes
 - (i) Add:
 - (a) Decrease in sundry debtors/receivables
 - (b) Decrease in inventories
 - (c) Increase in sundry creditors/payables
 - Total of (i)
 - (ii) Less:
 - (a) Increase in sundry debtors/receivables
 - (b) Increase in inventories
 - (c) Decrease in sundry creditors/payables
 - Total of (ii)
 - Total of Item 10[(i)-(ii)]
- 11. Cash flow from operation (9+10)
- 12. Capital items
 - (i) Add:
 - (a) Issue of share capital
 - (b) Issue of debentures
 - (c) Long term loans
 - (d) Sale of assets
 - Total of (i)
 - (ii) Less:
 - (a) Investment in Project
 - (b) Redemption of Capital
 - (c) Redemption of Debentures
 - (d) Repayment of long-term loans
 - Total of (ii)
 - Total of Item 12[(i)-(ii)]
- 13. Total net cash flow (11+12).]

Annexure-VII

Modernisation projects:

Information required to be given by the sugar factory/appraising financial institution for consideration of Sub-committee/Standing Committee of SDF.

- (1) Operational results for the last three years in the following format:-

Sl. No.	Items			
1.	Installed Capacity (TCD)			
2.	Net Duration (Days)			
3.	Cane crushed (Lakh MTs)			
4.	Capacity Utilisation (%)			
5.	Average Sugar Recovery (%)			
6.	Total Sugar Loss % cane			
7.	Reduced Mill Extraction %			

- (2) The working results for the sugar unit for the last three years in the following format.

Sl. No.	Items (Rs. in lakh)			
1.	Net Sales			
2.	Gross profit/loss (before interest and depreciation)			
3.	Tax			
4.	Net profit/loss after tax			
5.	Cash Accruals			

(3) Availability of sugarcane during the last three years:

Sl. No.	Particulars			
1.	Area under sugarcane (in hectare)			
2.	Average yield (Ton/hectare)			
3.	Sugarcane production (in lakh MT)			
4.	Cane crushed (LMT)			

(4) Future projection of cane availability for the next five years:

Sl. No.	Particulars					
1.	Area under sugarcane (In hectare)					
2.	Average yield (Ton/hectare)					
3.	Total sugarcane production (LMT)					
4.	Cane available for crushing (LMT)					
5.	Requirement of cane for crushing including for expanded capacity (LMT)					

- 2 -

(5) Technical Benefit:-

Sl. No.	Parameters	Existing for the last two years		Target (After Implementation)
1.	Cane crushed (lakh tonnes)			
2.	Sugar production (lakh quintals)			
3.	Total sugar losses (%)			
4.	Reduced Mill Extraction			
5.	Reduced Boiling House Extraction			

(6) Financial benefits.

(7) Credit record of the sugar factory with financial institutions/banks.

- (8) Present status of implementation of the project. In case the project is completed, then the date of completion and actual cost of completion of the project may be indicated.
- (9) Copy of NOC from State Pollution Control Board for the modernisation/expansion project.
- (10) Details of security for SDF loan. If first charge pari passu is not offered, then the reasons for the same may be indicated.
- (11) Projected benefit of the project:

Sl. No.	Particulars	For the last two years		Projected
1.	Optimum capacity utilization %			
2.	No. of crushing days			
3.	Sugarcane crushed (LMT)			
4.	Net Sale (Rs. in lakh)			
5.	Cash accruals (Rs. in lakh)			

- (12) Financial Ratios as on 31st March of last financial year:

1.	Average DSCR of the factory	
2.	Average DSCR of the company/society as a whole	
3.	I.R.R. for the project	
4.	F.A.C.R. of the factory	
5.	F.A.C.R. of the company/society as a whole	

- (13) Assumptions taken in the project appraisal for profitability estimates for next five years:-

Sl. No.	Particulars					
1.	No. of crushing days					
2.	Cane crushed (LMT)					
3.	Production of sugar (lakh quintals)					
4.	Average selling price (Rs.) sugar/(quintal) Levy (10%) Free sale (90%) Molasses/(tonne) Bagasse/(tonne)					
5.	Cane price including					

	purchase tax and cess (Rs./tonne)					
--	--------------------------------------	--	--	--	--	--

(14) Whether the sugar undertaking have any other sugar factory?

(15) Financial Results for the last three years:-

1.	Net profit/(loss) after tax (Rs. in lakh) (Company/society as a whole)			

(16) Salient features of the project.

(17) Net profit/(loss) projected for the next three years:-

1.	Net profit/(loss) after tax (Rs. in lakh) (Company/society as a whole)			

(18) List of plant and machinery for the modernisation cum expansion project with configuration and cost of each item.

(19) Detailed break-up of 'civil works' in the project cost.

(20) Arrangement for technical know-how.

(21) Date of commencement of sugar manufacturing.

(22) Plant code number and shortname of the sugar factory allotted by the Directorate of Sugar in this Ministry.

(23) The number of loans for modernisation/rehabilitation previously availed by the sugar factory from Sugar Development Fund and the number of loans out of this, which have not yet been fully repaid with interest.

(24) A list of all loans taken by the sugar factory from other agencies and the nature of security furnished for each loan.

(25) A certificate from the appraising financial institution to the effect that all dues (whether outstanding or otherwise) to Government or any other lending agency have been taken into account while working out the financial viability.

(26) A certificate from the appraising financial institution to the effect that no refinancing is involved.

(27) Whether any second hand plant, equipment or machinery is proposed to be used?

(28) Whether the utilisation certificate in the prescribed Form GFR 19-B for all the SDF loans previously availed, if any, by the sugar factory have been submitted to this Department or not?

Modernisation cum expansion

I. Check list for submission of application for SDF loan

1. Name & address of the :
sugar factory
2. Whether application submitted in :
Form-II alongwith Annexure I and II
duly signed by authorized
signatory of the sugar factory.
3. Whether appraisal note of the appraising :
financial institution/scheduled bank
has been submitted.
4. Whether approved by financial institution :
for modernisation/rehabilitation and
'Letter of Intent' issued by the
financial institution/scheduled bank
has been submitted.
5. Whether Technical Feasibility Report has :
been submitted alongwith Detailed
Project Report.
6. Who has conducted technical :
appraisal
7. Whether there is any outstanding :
SDF/LSPEF dues.
8. Whether sugar factory has code :
number and short name.
9. Number of loans previously given to the :
sugar factory for modernisation/rehabilitation
and number of loans, out of the above,
which has not been fully repaid with interest.
10. Any other specific comments. :

Annexure-VIII

Ethanol projects:

Information required to be given by the sugar factory/appraising institution for consideration of the Sub committee/Standing Committee meeting:-

1. (a) Operational results for the last three years:

S.No.	Items	Seasons		
1.	No. of crushing days)			
2.	Cane area (in hect)			
3.	Cane crushed by factory (LMT)			
4.	Production of molasses			

1(b) Net profit/(loss) for the last three years: (Rs. in lakh)

1.	Net profit/(loss) after tax (society/company as a whole)			
----	---	--	--	--

2.(i) Projection of quantity of molasses produced by the company/society for the next three years : -

Name of sugar factory	Crushing capacity	(MT)	(MT)	(MT)
Total				

2 (ii) Projection of requirement of molasses for the proposed anhydrous alcohol or ethanol project for the next three years:

Name of sugar factory	Production capacity (KLPD)	(MT)	(MT)	(MT)

2. (iii) IRR for the project – ----%

2. (iv) Assumptions taken in the project appraisal for profitability estimates for the next three years and onwards:-

Sl. No	Particulars			

1.	No. of crushing day			
2.	Cane crushing (LMT)			
3.	Production of Ethanol (KLPD)			
4.	Price of Molasses (Rs./tonne)			
5.	No. of days of operation of ethanol plant			
6.	Average selling price of Ethanol (Rs./Ltr)			

(v) Projection of availability of raw material for the next three years:

(vi)

S.No.	Items.	Seasons		
1.	Cane area (in hect)			
2.	Total cane production (LMT)			
3.	Expected cane crushing as per financial appraisal (LMT)			
4.	Production of molasses			

(vi) Profit/(Loss) projected for the next three years:

S.No	Items.			
1.	Net profit/(loss) After tax (Rs. in lakh)(company as a whole)			

3. Copy of acknowledgement of IEM issued by Ministry of Industry, Govt. of India;
4. short name and plant code no. allotted by Directorate of Sugar in this ministry;
5. Confirmation that before applying for loan from SDF, there is not SDF and LSPEF dues outstaying against the sugar factory/society/company as a whole;
6. Date of commencement of sugar manufacture;
7. Date proposed days of operation of sugar factory;
8. Capacity of existing distillery production capacity;
9. Proposed days of operation of ethanol plant;
10. Does the undertaking has any other sugar factory;
11. Date of application to FI/scheduled bank for appraisal of the project;
12. Whether project commissioned prior to the date of application to FI/scheduled bank for appraisal of the project;
13. Whether second hand plant and machinery involved;
14. Is there any refinancing;
15. Status of the implementation of the project. In case project has been completed, then date of completion and actual cost of the completed project.

16. Copy of NOC from Pollution Control Board;
17. A certificate from the appraising institution about credit record with the financial institutions;
18. Number of loans previously availed from the SDF;
19. Detail of all loans taken by the factory/society/company from other agencies and nature of security furnished for each loan;
20. A certificate from the appraising institution to the effect that all dues, whether outstanding or otherwise to the Government or any other lending institution have been taken into account while working out financial viability.
21. Copies of Utilisation Certificates for all the SDF loans previously availed by the factory/society/company as a whole.
22. List of plant and machinery along with configuration and cost of each items. The cost should indicate taxes, duties, excises duties sales tax etc paid on each plant and machinery on each item;
23. Average DSCR of the factory (sugar part+cogeneration part+ethanol or distillery plant, if any;
24. average DSCR of the company/society as a whole;
25. Nature of security, which the sugar factory/society/company proposes for security of SDF loan. In case SDF loan is proposed to be secured on 2nd exclusive charge, then reason for not ceding 1st charge pari passu by the term loan lending institution/bank(s) in favour of SDF be furnished.
26. FACR of the factory (sugar part +cogeneration part+ethanol or distillery part, if any) as on 31.03.2008 and FACR of the company/society as a whole as on 31.03.2008. FACR to be worked based of Net Block plus work in progress divided by existing secured term loans (1st charge pari passu and 2nd charge) plus proposed secured (1st charge pari passu and 2nd charge) term loans including proposed SDF loan for the project. *Copy of calculation sheet may also be furnished*

Check list for ethanol loan applications

Sl. No.	Particulars	
1.	Whether has code name and short name	
2. (i)	Whether project approved by FI/scheduled bank and at least 12½% of cost being met by sugar factory as part of promoters contribution from own resources for production of ethanol from alcohol? or	
(ii)	Whether implementing a project appraised by FI/scheduled bank or an agency approved by Central Government and undertakes to meet 25% of cost from their own resources for production of <u>ethanol from alcohol?</u> or	
(iii)	Whether having installed capacity of 2500 TCD and implementing a project approved by FI/scheduled bank and approved by FI/schedule bank and undertakes to meet 10% of cost from their own resources for <u>production of ethanol from molasses?</u>	
3.	Copy of appraisal note of financial institution/scheduled bank	
4.	Whether any SDF loan for the purpose taken earlier and if so whether the same has been fully repaid ?	
5.	Whether in default of SDF/LSPEF dues?	
6.	Whether (i) 2 nd hand project , equipment, plant & machinery? (ii) Any refinancing involved?	
7.	(a) date of application to FI/scheduled bank? (b) Status of project?	
8.	Whether any minimum economics size of the project has been determined by Government and whether this one meet the requirement?	
9.	Whether application in form VII received with Balance Sheet for the preceding three years and Profit and Loss Account for the last three years	
10.	Whether appraisal note of the appraising institution/scheduled bank has been submitted	
11.	Whether copy of Letter of Intent Sanctioning TL to part finance the project received?	
12.	Whether technical feasibility report has been submitted?	

Annexure-IX

Bagasse based co-generation power projects:

Information required to be given by the sugar factory/appraising institution for consideration of the Sub committee/Standing Committee meeting:-

(1) Operational results for the last three years:

S.No.	Items	Seasons		
1	No. of crushing day)			
2.	Cane area (in hect)			
3	Cane crushed by factory (LMT)			
4.	Production of bagasse			

(1) (b) Net profit/(loss) for the last three:

	Particulates			
1.	Net profit/(loss) after tax (Rs. in lakh) (society/company as whole)			

(1) (c) Assumptions taken in the project appraisal for profitability for the next three years and onwards:-

Sl. No	Particulars			
1.	No. of crushing days			
2.	Cane crushed (LMT)			
3.	Production of power MW/hr <ul style="list-style-type: none">• during season• during off season			
4.	Cane price including purchase tax (Rs./tonne)			
5.	No. of days of operation of power plant <ul style="list-style-type: none">• during season• during off season			
6.	Average selling price of power (Rs./kwh)			

- (1)(d) Projection of availability of raw material for the next three years and onwards:-

S.No.	Items.	Seasons		
1.	Cane area (in hect)			
2.	Total cane production (LMT)			
3.	Cane crushing taken in financial appraisal (LMT)			
4.	Production of bagasse			

- (1)(e) Net profit/(loss) projected for the next three years and onwards:-

Sl. No.	Particulars			
1.	Net profit/(loss) after tax (Rs. in lakh) (company as whole)			

2. Copy of acknowledgement of IEM issued by Ministry of Industry, Govt. of India;
3. Short name and plant code no. allotted by Directorate of Sugar in this ministry;
4. Confirmation that before applying for loan from SDF there is not SDF dues and LSPEF dues outstaying against the sugar factory and the society/company as a whole;
5. Date of commencement of sugar manufacture;
6. Proposed days of operation of sugar factory;
7. Existing power generation capacity;
8. Copy of PPA;
9. Proposed day of operation of power plant during season and off season separately;
10. Does the undertaking has any other sugar factory;
11. Date of application to FI/scheduled bank for appraisal of the project;
12. Whether project commissioned prior to the date of application to FI/scheduled bank for appraisal of the project;
13. Whether second hand plant and machinery is involved;
14. Is there any refinancing involved in the project;
15. Status of the implementation of the project. In case project has been completed then date of completion and actual cost of the completed project;
16. Copy of NOC from Pollution Control Board;
17. A certificate from the appraising institution about credit record with the financial institutions;
18. Number of loans previously availed from the SDF;

19. Detail of all loans taken by the factory/society/company from other agencies and nature of security furnished for each loan;
20. A certificate from the appraising institution to the effect that all dues, whether outstanding or otherwise to the Government or any other lending institution have been taken into account while working out financial viability;
21. Copies of Utilisation Certificates for all the SDF loans previously availed by the factory/society/company as a whole.
22. Quantity of bagasse required to generate existing power for 160 days;
23. Quantity of bagasse required to generate proposed power for 160 days;
24. Confirmation whether after implementation of the project existing power generation plant will be retired;
25. Detailed breakup of expenditure proposed to be incurred on "Misc. Civil Works;
26. Viability and profitability of the project for 160 days of operation on own bagasse and also confirmation that sufficient revenue is generated during 160 days of operation to serve the debt alongwith copy of calculation sheet.
27. List of plant and machinery alongwith cost and configuration of each items. The cost should indicate taxes, duties, excises duties sales tax etc paid on each item.
28. IRR of the project.
29. Average DSCR of the factory (sugar part+cogeneration part+ethanol or distillery plant, if any;
30. average DSCR of the company/society as a whole;
31. Nature of security, which the sugar factory/society/company proposes for security of SDF loan. In case SDF loan is proposed to be secured on 2nd exclusive charge, then reason for not ceding 1st charge pari passu by the term loan lending institution/bank(s) in favour of SDF be furnished.
32. FACR of the factory (sugar part +cogeneration part+ethanol or distillery part) as on 31.03.2008 and FACR of the company/society as a whole as on 31.03.2008. FACR to be worked based of Net Block plus work in progress divided by existing secured term loans (1st charge pari passu and 2nd charge) plus proposed secured (1st charge pari passu and 2nd charge) term loans including proposed SDF loan for the project. *Copy of calculation sheet may also be furnished*

Check list for co-generation power project applications:

Sl. No.	Particulars	
1.	Whether having installed capacity of 2500 tcd or more	
2.	Whether short name of factory and plant code No. allotted	
3.	Whether financial assistance for the project approved by FI/scheduled bank	
4.	Copy of appraisal note of financial institution/scheduled bank	
5.	Copy of Letter of Intent Sanctioning TL to part finance the project received?	
6.	Whether marketable surplus power envisaged	
7.	Copy of Power Purchase Agreement	
8.	Whether 10% of the project cost is being contributed by the sugar factory?	
9.	Whether there is any outstanding loan, if taken?	
10.	Whether in default of SDF/LSPEF dues?	
11.	Whether any of the following is involved?	
(i)	2 nd hand project , equipment, plant & machinery?	
(ii)	Refining	
(iii)	Whether project already commissioned before application to FI/scheduled bank for appraisal of the project?	
12.	Whether application in form VIII received with (i) Balance sheet for the preceding three years and (ii) Profit and Loss Account for the last three years	
13.	Copy of Technical Feasibility Report	
14.	Any other specific comments	

Annexure – X

FORM III

“[See Rule 17(4)]

Application for financial assistance for cane development
“(To be submitted through the State Government)

(Amount in Rupees)

1. Name and address of sugar undertaking
2. Year of installation
3. Cane crushing capacity (tonnes per day)
4. Quantity of cane crushed during the preceding “ three sugar years
5. Purpose for which loan is applied for (enclose a “ detailed report on the project/scheme proposed to “ be implemented)
6. Expected benefits on completion of the scheme
7. Details of assistance available from agencies other “ than the Central Government for similar purpose
8. Reasons, if any, for not availing of such assistance
9. Whether the proposed project/scheme is covered in “ full or in part by any scheme of the State Government “ or any other agency for development of sugarcane in “ the applicant sugar undertaking’s area
10. Amount of loan applied for
11. Proposed mode of repayment of loan

Signature:

Name and Designation:

Name and address of the sugar undertaking:

Place:

Date

Procedure for processing the SDF Loan Applications

Cane Development Check list for examining application for Cane Development Loan

1.	Name & location of the sugar undertaking with name of State.	
2.	Area in which Cane Development programme is to be undertaken	
3.	<p>Purposes</p> <p>(a) Setting up of Heat Treatment Plants;</p> <p>(b) Rearing of Seed Nurseries (three tier foundation, primary and secondary)</p> <p>(c) Incentives to cultivators to switch over to improved “varieties of sugarcane;</p> <p>(d) Pest control measures (for equipment only);</p> <p>(e) Irrigation schemes (tubewells/borewells, lift/drip irrigation, digging/deepening of old wells)</p> <p>(f) Ratoon Management</p> <p>(g) Tissue Culture Lab/Soil Testing Lab/Biological Control Lab.</p>	<p>Yes/No</p> <p>Three quotations of equipments. Certificate regarding workability and cost from IISR, Lucknow</p> <p>i) Seed availability certificate from State Government indicating source from where seed would be procured, names of varieties to be replaced and varieties to be introduced and expected benefits.</p> <p>ii) Total number of beneficiaries and total area covered.</p> <p>Three quotations of equipments</p> <p>Ground Water availability Certificate from Central Ground Water Board. Cost estimate certified by State Government Authority (Executive Engineer)</p> <p>Three quotations of equipment Certificate from the concerned competent authorities for lifting water. List of beneficiaries. Total number of beneficiaries and total area covered.</p> <p>Restricted to capital cost. Factories to meet recurring expenditure. Three competitive quotations of equipment. Name of the recognized National State Level Institute under whose guidance the scheme drawn up.</p> <p>Three competitive quotations of equipment.</p>

	(h) Computerisation of Cane Management (i) Construction of Feeder Road	Permission of State Government Department. Cost estimate certified by State Government Agency.
4.	Number of loans previously taken by sugar undertaking from SDF and number out of this yet to be fully repaid with interest	
5.	Whether requisite information given in Form III i) Quantum of assistance available from any other agency including State Government; ii) Quantum of assistance availed of out of (i) above	
6.	Whether 10% of loan entitled for is being made by Sugar Factory or State Government	
7.	Status of SPF/SDF dues	
8.	Whether application received through State Government with comments and recommendations	

Annexure-XI

LOAN FOR CANE DEVELOPMENT SCHEMES FROM SUGAR DEVELOPMENT FUND

Loan limit :- Maximum of Rs.3.00 Crores.

Application to be forwarded through State Government.

Schemes for which loan is applicable:-

- 1) Setting up of Heat Treatment Plants.
- 2) Rearing of Seed Nurseries (three tier foundation, primary and secondary).
- 3) Incentives to cultivators to switch over to improved varieties of sugarcane.
- 4) Pest Control Measures (for equipment only)
- 5) Irrigation Schemes (tubewells/bore wells, lift/drip irrigation, digging/deepening of old wells)
- 6) Ratoon Management
- 7) Tissue Culture Lab/Soil Testing Lab/Biological Control Lab.
- 8) Computerisation of Cane Management.
- 9) Construction of Feeder Road.

Terms & Conditions.

- i) Financial assistance for cane development will be provided from the fund on an undertaking from the Sugar Unit that no such assistance has been availed of from the State Government or any other source.
- ii) In case of sugar undertakings which have already availed of an earlier loan, proposals for subsequent loans will be considered only after receipt of a favourable impact report of the previous SDF loan from the concerned State Government.
- iii) The Sugar undertaking has to provide a minimum of 10% of the cost of the schemes/project from its own sources to become eligible.
- iv) The rate of interest on these loans is nine percent per annum. A moratorium of three years has been allowed on the principal amount. Interest is payable

Installation of Bore Wells/ Tube Wells	Ground Water availability Certificate from Central Ground Water Board
Drip Irrigation Scheme	Digging of new wells/deepening of old wells Cost estimate certified by State Government Authority (Executive Engineer). Three quotations of equipments Lift Irrigation Scheme. Certificate from the concerned competent authorities for lifting water. List of beneficiaries
6. Soil Testing Lab/Biological Control Lab/Tissue Culture Lab	Restricted to capital cost. Factories to meet recurring expenditure. Three competitive quotations of equipment. Name of the recognised. National State Level Institute under whose guidance the scheme drawn up.
7. Ratoon Management	Total number of beneficiaries and total area covered.
8. Computerisation of Cane Management.	Three Competitive quotations of equipment.
9. Building of Feeder Roads.	Permission of State Government Deptt. Cost estimate certified by State Government Agency.

Norms fixed for raising of nursery, incentives for cultivation of high sugared variety and ratoon management indicated below as a general guideline :-

For Sub-Tropical Region :-

(1) Raising of Nursery :

- (i) Foundation - @ Rs.7500/- per hectare.
- (ii) Primary & Secondary - @ Rs.6500/- per hectare.

(2) Incentive to Cultivators :-

Seed Cost, Fertilizers Cost and Transport Cost together to cost around Rs.3000/- to Rs.3500/- per hectare.

(3) Ratoon Management - @ Rs.1500/- per hectare.

For South and Western India:-

(1) Raising of Nursery :

- (i) Foundation - @ Rs.24,000/- per hectare.
- (ii) Primary & Secondary - @ Rs.16,000/- per hectare.

(2) Incentive to cultivator for sugared variety same as in sub-tropical region.

(3) Ratoon Management - @ Rs.2500/- per hectare.

The application for cane development should be submitted in Form-III of the Sugar Development Fund Rules, 1983.

No.1-8/2007-SDF
Government of India

Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

New Delhi, the 26th May, 2009

To

All Cane/Sugar Commissioners of State Governments.

Subject: Revision of quantum of and guidelines for cane development loans from SDF to sugar factories for various schemes.

Sir,

SDF Rule 17 of the Sugar Development Fund Rules, 1983 provides for giving loans to a sugar factory for development of sugarcane in its area for setting up of heat treatment plants, rearing of seed nurseries, pest control measures, incentive to cultivators to switch over to improved varieties of sugarcane, irrigation schemes and such other scheme or project as may be approved by the Central Government. Such loans are also admissible to potentially viable sick sugar undertaking under Rule 21 of the said rules.

2. SDF loan was being given @ 90% on the maximum cost of the cane development schemes of Rs.3.00 crore. The Government has decided to revise the amount of loan that can be given from SDF for cane development schemes as also the various schemes that are eligible to be considered for the same. The revised schemes and financial limits will be as given in the Annexure. Relevant guidelines are as follows: -

- i) The maximum cost of the schemes for cane development loan will be Rs.6 crore (in place of existing Rs.3 crore)
- ii) Loan upto a maximum of 90% of the cost of the schemes will be admissible and the remaining 10% will be borne by the sugar factory from its own resources.
- iii) The cane development scheme will normally be implemented in two years (as against 3 years earlier). Disbursement of the loan will also be in two instalments
- iv) Provisions regarding rate of interest, repayment schedule of principal and interest, furnishing of security for SDF loans etc. will continue to be as at present in terms of SDF Rules.

v) Applications from the new/greenfield sugar factories for cane development loans will be considered, but actual disbursement will be made only after the sugar factory starts production of sugar.

vi) The existing practice of monitoring of the cane development projects, utilisation of the loans disbursed etc. by an agency appointed by the Central Government will continue in addition to the monitoring by the State Government as per SDF Rules.

vii) The applications for SDF sugar cane development loans may be given priority over other projects financed under SDF.

viii) Individual scheme wise cost of the project/admissibility of loan will be as given in the Annexure. Sugar factories can submit a single cane development scheme as well which may be costing upto Rs.6 crore subject to the prescribed cap on individual schemes.

ix) The above revision will be applicable to all SDF loans for cane development sanctioned by the Government after this date.

3. Loans for cane development schemes will be subject to the provisions of SDF Rules, 1983 with special reference to Rule 17,21 and 25 of the SDF Rules. For detailed provisions of SDF rules, you may like to visit this Ministry's web site 'fcamin.nic.in'.

4. You are requested to give wide publicity to the above guidelines so that the willing sugar factories may formulate their proposals and submit their applications according to these guidelines. SDF loans sanctioned after the issue of this communication will be governed by the above guidelines.

Yours faithfully,

(Abinash Verma)
Director (SDF)

Copy to:

1. Indian Sugar Mills Association, Ansal Plaza, Block 'C', Second Floor,
August Kranti Marg, New Delhi-110049

2. National Federation of Cooperative Sugar Factories Limited,
Ansal Plaza, Block 'C', Second Floor,
August Kranti Marg, New Delhi-110049

3. Maharashtra State Co-op. Sugar Factories Federation Ltd.,
Sakhar Bhawan, 11th Floor, 230, Nariman Point, Mumbai-400 021.

4. The South Indian Sugar Mills Association,
Farah Winsford, 1st Floor,
133/6, Infantry Road, Bangalore-560 001

5. NIC for website

Annexure

Individual scheme wise cost of the project/admissibility of loan will be as follows:

Sl.No.	Scheme name	Financial limit
1.	Setting up of Heat treatment plant	2.50 lakh
2.	<p>Rearing of Seed Nurseries</p> <p>a) Foundation seed through Conventional sugarcane setts.</p>	<p>First Year</p> <p>@ Rs. 30,000/- per ha. subject to a maximum of 5 ha.</p> <p>Second Year</p> <p>@ Rs. 30,000/- per ha.</p> <p>with multiplication factor of 8 for Northern States and of 10 for Southern States.</p>
	<p>b) Rearing of Seed Nurseries from Tissue culture plantlets.</p>	<p>First year</p> <p>@ Rs. 80,000/- per ha. subject to a maximum of 2 Ha.</p> <p>Second year</p> <p>Rs.80,000/- per ha.</p> <p>with multiplication factor of 40.</p> <p>Seed shall be procured from Govt. recognized institutions, VSI, Pune, SBI, Coimbatore, Universities and their affiliates.</p>
	c) Certified seed	@ 26000/- per ha
3.	Incentives to cultivators to switch over to improved varieties of sugarcane	@ Rs. 20,000/- per ha.
4.	<p>Integrated Pest and Disease management including the cost of equipments, pesticides and bio pesticides.</p>	<p>i) Equipments like sprayers, dusters</p> <p>Rs. 7500</p> <p>Rs. 2500 per hectare for biopesticides only.</p> <p>Cost of Traditional pesticides not to be included.</p>

5.	Irrigation schemes – (Drip, Raingun sprinkler, tube wells/bore wells, lift irrigation schemes, distribution pipelines, digging / deepening of old wells, K.T. weirs, Farm ponds and Check dams).	<p>i) Drip irrigation</p> <p>ii) Raingun sprinkler</p> <p>@ 60,000 per ha.</p> <p>iii) Tube wells/Bore wells</p> <p>@ actuals. Subject to a maximum of Rs. 1 lakh for new tube-wells/Bore-wells and a maximum or Rs. 50,000 for deepening of existing tubewells/Bore-wells.</p> <p>a) Cost of KT weirs etc not to be included.</p> <p>b) Micro irrigation measures like drip irrigation, sprinklers and rain guns will be compulsory for water scarce areas, with a focus to minimize draw-down of water table.</p>
6.	Ratoon management	@ 10,000/- per ha
7.	Improvement of problematic soils through surface/sub surface drainage and chemical amendments	<p>i) Identification of salt affected soils through Remote sensing</p> <p>ii) Chemical amendments</p> <p>@ Rs. 10,000/- per ha. Each</p>
8.	Field Demonstrations and Extension Mechanism	<p>Demonstration on plant crop, ratoon crop; cost of LCD Projector, Computer with software and accessories, Audio visual aids (TV, CD player, multimedia kit)</p> <p>@ Rs. 30,000/- per ha. subject to a max. of 5 Ha. for factories with cane area less than 10000 Ha. and 10 Ha. for factories with cane area more than 10000 hec.</p>

Annexure-XII

Information required to be given by the Sugar Factory for consideration of Screening Committee/Standing Committee for Cane Development Loan

- (a) Information up to date as per proforma attached.
- (b) Cash flow statement along with Debt Service Coverage Ratio
- (c) Profit and loss account and balance sheet of the sugar factory for the last 5 years
- (d) Seed availability certificate from State Government indicating source from where seed would be procured, names of varieties to be replaced and varieties to be introduced with expected benefits;
- (e) Total number of beneficiaries and total area covered in respect of incentive to cultivators and ratoon management
- (f) Three quotations of equipments for Setting up of Heat Treatment Plants;
- (g) Three quotations of equipments for Pest control measures
- (h) Ground Water availability Certificate from Central Ground Water Board for installation of Borewells/Tube Wells.
 - (i) Cost estimate certified by State Government Authority (Executive Engineer) for digging of new wells/deepening of old wells)
 - (j) Three quotations of equipments for drip irrigation scheme
- (k) Certificate from the concerned competent authorities for lifting water.
 - (l) For Tissue Culture Lab/Soil Testing Lab/Biological Control Lab. Restricted to capital cost. Factories to meet recurring expenditure. Three competitive quotations of equipment. Name of the recognized National State Level Institute under whose guidance the scheme drawn up.
- (m) Three competitive quotations of equipment for Computerisation of Cane Management.
- (n) Permission of State Government Department. Cost estimate certified by State Government Agency for Construction of Feeder Road
- (o) Physical and financial outlay of the project
- (p) IRR of the project
- (q) FACR of the factory

Annexure

1. Present status of cane availability:

S.No.	Year	Total Cultivated Area (hec.)	Cane Area (hec.)	Yield Per (hec.)	Cane Production (Lakh MTs)	% of total cane production drawn by Mill
1						
2						
3						
4						
5						
	AVERAGE					

2 Physical Performance (last five years):

S.No.	Year	Cane crushed (In lacs MT)	Recovery %	Duration (Days)
1				
2				
3				
4				
5				
	AVERAGE			

3.	Annual requirement of cane for the present installed capacity (in lakh MTs)	
4.	Is the sugar Mill proposing expansion of capacity?	

5.	Security of SDF Loan: Following types of security can be given for SDF loan:- <ul style="list-style-type: none">- Bank Guarantee from a scheduled bank- Mortgage on all immovable and movable properties of the sugar factory on pari passu charge failing which on the basis of an exclusive second charge Fixed Assets coverage ratio (FACR)	
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6 Details of year-wise physical targets and outlay of the proposed scheme.

7. Varietal change proposed:

1	Name of the varieties proposed to be introduced.	
2.	Whether approved by the State Government	
3.	Research Institute/Body which recommended the above seed varieties	
4.	Institute/Body, which has given seed availability certificate.	
5	Whether the irrigation facilities needs to be enhanced	

8. Existing and Proposed variety wise cane area:

S.No	Existing variety	Area (hect.)	Proposed variety	Area (hect)
1				
2				
3				
4				
5				

9. EXPECTED BENEFITS ON COMPLETION OF PROJECT:

	From	To On completion of project
Cane Area (In Hect.)		
Yield (M. T. per hect.)		
Cane Production (In lakhs MT)		
Cane Crushed (IN lakhs MT)		
Recovery %		

10	Expected incremental financial benefit	
	IRR of the project	
	DSCR	

11. Financial Performance:
(i) Profit/loss in last 5 years

S.No	Year	Profit(+)/Loss(-) During the year after tax (Rs. In lakhs)	Accumulated profit(+)/Loss(-) (Rs. In lakhs)
1			
2			
3			
4			
5			

(ii)	Paid up share capital (Rs. In lakhs)	
(iii)	Reserves and other funds (Rs. In lakhs)	
(iv)	Net worth (Rs. in lakhs)	
(v)	Projected cash flow.	

List of ineligible items for SDF Loans

1. Land and site development
2. Staff
3. Labour quarters
4. Guest house
5. Road fencing and related items, boundary, wall, drainage,
6. Additional working capital
7. Margin money towards working capital
8. Architect fees
9. Shifting of site to new location
10. Purchase of old plant and machinery
11. Rationalisation of manpower
12. P.F. arrears and pressing creditors' dues etc.
13. Expansion component above 10000 TCD capacity evaluated based on pro rata basis
14. Additional loan in the cases where sanction had already been issued on the ground that certain items of expenditure which were ineligible earlier had subsequently been brought within the fold of eligibility by the Standing Committee
15. Dismantling expenses
16. Drawing
17. Interest during construction period beyond 10000 TCD
18. The cost of escalation beyond 5% p.a. of the cost of the plant and machinery meant for modernisation for the period of implementation of 18 months

Financial institutions should furnish necessary clarifications to the effect that the contingencies are meant for meeting escalation costs and the inclusion of such contingencies in the project cost will be restricted to the actual expenditure if the same is less than the ceiling indicated above.

19. Costs towards construction of sugar godown wherever these form a part of modernisation/expansion programme above 10000 TCD
20. Costs towards molasses storage tanks above 10000TCD.
21. Vehicles
22. Office equipment, furniture, Computer,
23. Fire fight, equipment,