

INSERTION OF RULE 22 A FOR EXTENDING THE SDF ASSISTANCE FOR CONVERSION OF EXISTING DISTILLERY INTO ZERO LIQUID DISCHARGE

(ii) (71) (ii) 12 (13) (11+12) (14) I Ij/(2+1 (15) (qi) (16) 1(16) q-u-g«) (17) 9 11-18/2015-g-aererg•th] TQriq -k 75(31) 27 1983 üTÆT.a. 8 2013 MNLSTRY OF CONSUMER AFFALRS, FOOD AND PUBLIC DISTRIBUTION (Department of Food and Public Distribution) NOTIFICATION New Delhi. the 91b November, 2015 G.S.R..847(E).—In exercise of the powers conferred by sub-section (2) of section 4 read with sub-section (2) of section 9 of the Sugar Development Fund Act. 1982 (4 of 1982), the Central Government hereby makes the following rules further to amend the Sugar Development Fund Rules. 1983, namely :— Short title and commencement.- (1) These rules may be called the Sugar Development Fund (Amendment) Rules, 2015. (2) They shall come into force on the date of their publication in Official Gazette. In the Sugar Development Fund Rules. 1983. (hereinafter referred to as the principal rules). in rule 7, in sub- 2. rule after the figures "22". the figures and letter "22A" shall be •nserted. 3, In the principal rules, in rule 22, in sub-rule (4), in clause (b). for the Explanation, The following Explanarion shall be substituted. namely:- "Explanation. — For the purposes of this clause and clause (b) of sub-rule (3) of rule 22A,. 4. (A) "refinancing" includes availing of loan for repayment of 'aon taken from a.ny financial institution or scheduled bank before applying to a Financial institution or bank for appraisal in which Fund component is proposed, but shall not include a 'bridge loan' taken in lieu of Fund component after sublnittinø an application to the Standing Committee on Fund; (B) "bridge loan" means a short loan from any Financial institution in lieu for Fund loan and the same shall be repaid on disbursement of the saine.'l. In the principal rules, after rule 22. the following nde shali be inserted. namely:- THE GAZETTE OF INDIA - EXTRAORDINARY [PART E—SEC. ((22A, Loan for conversion of existing ethanol plant into zero liquid discharge plant.-(1) Any sugar factory of an enderlzk.ing having an Installed capacity of two thousand five hundred Tonnes crushed per day or higher 10 which financial assistance has been approved by a Financial Institution or a scheduled bank for it to implemznt 3 project for coaversioa of existing ethanol plant Into zero liquid discharge plant by instatthng the required plant and machinery shall bc eligible to appiy for ioan under this rule: Provided tuat teti cent of the rnoject cost shall be met by the sugar factory of unde:taking fQ!tl its own internal generation of fund as part of the promoters contribution required by the Financial Institution or the scheduled A sugar undectakittg which tn default of payment that has become due in respect of the Fund and the Levy (2) Sugar Price Equalisation Fund relating to any of the sugar factories or units under it shall not be eligible to apply for a loan under this rule. A sugar undertaking shan nbt be eligible to apply for a loa!i under this rule'for any of [he following reasons or (3) purposes. namely: - loan is with respect 10 a second hand project. equipment ot machinery: (a) Provided that a sugar undertaking shall be eligible to apply for a loan for a proj:ct where second hand equipment or machinery has been used or is proposed to be used, subject lo the following conditions, name)y•- ilse of such second hand tnachine.ry or egmpment shall not change the overall character of the project. which shall essentially consist of new piant, machinery end equipment; it shall technically be certified that the use of the second hand machinery or equipment shall not affect the dveralJ efficiency and life of the project: the useful life of the second hand machinery 05 equipment so used shall not b: ;ess than the term of repayment of sugaT development fund boan; subject to fulfilment of conditions spccified in sub-clauses (i) to (ili), the estimated or actual cost of machinery or equipment which are nbt new Shail be deducted from the estimated or actual cost of the project before arriving at the eligible project cost for the purpose of Fund loan; (c) (d) (e) refinancino; financing Of cost over run; project commissioned prior to the date of application under these rules; if such sugar undertaking is a defaulter in respect of repayment of loan availed under Fund or in payment of any dues underthe L,evy Sugar Price Equalisation Fund in respect of any of its sugar factories. (4) (i) The Committee may. with the previous of the Central Government make any class or classes of sugar undertaking ineligible tot loan under this rule: The sub— committee or Committee shall record the reasons in writing if it decides that an applicant is not eligible for loan. Ali eligible sugar undertaking under this rule, shall make an application lo the Committee in Form VII-A in duplicate along with a copy each of its balance sheet and profit and loss account for [he last three consecutive years preceding the year in which the applica{ion is made. (i) Ail applications made under sub-rule (5) shall first be placed before the sub-committee; (6) (iD The Member. Secretary of the

Committee. who shall be the Convener of [he Committee, shall call a meeting of the sub-committee once in a month where there fs application for loan. (iii) The sub-committee shall consider the application and all other relevant factors and give its recommendation for the consideration of the Committee its next meeting. It shall be open to the Committee and the sub-committee to call for any further information from the applicant (7) or refer the matter to an expert or group o? experts or expert organisations to make an investigation and report on any aspect relating to the application before maldng their recommendations. (8) (i) The Committee shall after taking into account the recommendations of the sub-commit-tee. and after considering the information or report obtataed by the Committee undef sub-rule 2(7). if any, and aB relevant aspects. make its recommendations as to the amount of loan that may be made to the sugar undertaking. 471 : 11 The may also. with the previous approval of lhc Centval Government'. issue dicecaons to time sub- committee (0 make a recommendation direcüy to the Centra' Government on the amount of lcan that may be made to !hc sugar undertaking. In respect of a sugar nddertaking that has applied for a loan, failing under this rule, the Central Government (9) may after consideration of the recommendation of the Committee and any other releVant factor with view to Improving its viabi3ity, authorise payment of such amount of loan not exceeding the amount required by the Financial Institution Of the scheduled bank, as the case may be. to be contributed by such sugar undertaking as promoters' contribution as may be determined by the Central Government (IO) The amount of loan authorised under sub-rule (9) shall bc disbursed by the Central Government to the sugar undertaking or paid by it to the Financial Institution or the scheduled bank. as the case may be, for disbursement to the sugar undertaking either in lump sum or in instalments may be considered necessary by the Central Government. (\ l) The Financial Institution or the scheduled bank. as the case may be, shall treat the amount authorised as a pan of the promoters' contrib\ttion. (i) The loan from the Fund along with the interest due thereon shall be recovered in half-yearly instalments no: exceeding eight in number. (ii) The repayment of the loan with interest thereon shall commence after the expiry of one year reckoned from the date of each of lhc loan from the Fund. (i) The disbursement of the authorised by the. Central Government under sub-rule (9) shall be preceded by a tripartite agreement between the Central Government. the sugar• undettaklng and the Financial Institution or the scheduled bank, or a bilateral agreement between the Central Government and the sugar undertaking, as Lhe case may bc. The. agreement referred to in clause (a), shall contain the terms and conditions With regard to the utilisation of the loan including monitoring of the implementation of the.pro;ect by an aoency designated by the Central Government in this.behalf. the period of repayment including the number and amount of instalment, payment of interest, the manner of such fepayment or payment. security to be provided the Roan and any other matter incidental to the loan. Explanation.- For the purpose of this rule, the expression "sugar factory" includes any unji thereof (which may or may not be within the premises of the sugar factory) used for production of anhydrous alcohol or ethanol from alcohol or from molasses for which raw material is supplied by such sugar factory in accordance with the norms specified by the Committee in (his behalf." 5. En the principle rules. in rule 24, in sub rule (I), after the figures "22". the figures and letter "22A" shall be inserted

6. In the principle rules.in rule 25, in sub rule after the figures "22", the figures and "22A" shall be inserted. In the principle rules, in nüe 26, in sub rule (I), after the figures "22", the figures and letter "22A" shall be 7. inserted. Form VTI A (see sub-m)e (S) of rule 22A) Application for Financial Assistance frtnn the FL'.lld for implementing projects for Zero Liquid Discharge (ZLD) 2. 3. 4

5. Name of applicant: Address: (i) Registered Office (ii) Location of the factory Constitution (Whether Co-operative Society PrivateffPublic Limited Company/Joint Sector/ Public Sector Company): Date of Incorporation/Registration: Existing Activity/Past performance: (i) Briefly state the present activities; (ii) Performance during the last 3 years 12 A B.THE GAZETTE OF INDIA EXTRAORDINARY (PART 11 —SEC. 30)) Salient production and operating results (tor three consecutive yeats preceding (he year in which the application is made) Year ended 200 200 200 (2) (3) (4) (5) (6) (7) Licensed crushing capacity (tonqes crushed per day) Installed crushing capacity (tonnes crushed per day) Licensed capacity of the alcohol manufacturing plant (<OOO litres) Installed capacity of the alcohol manufacturi•vr plant (*COO litres) Knstaned capacity of ethanol manufacturing plant litres) Capacity utilisation (% of installed capacity) (a) Sugat (b) Alcohol (c) Ethanol Production (a) Sugar (tooo [onnes) (c) Ethanol «OOO litres) Molasses] Working results: (for three consecutive years preceding the year in which the application is made) (I) Sales net of Excise Duty Year ended 200 200 200 (i) Sugar (ii)

Alcohol (iii) Any other product Totok of (D Less: Direct Production Expenses Gross Profit (1 O) (2) (3) (4) (5) (6) (7) Less: (a) (b) (c) Manufacturing Expenses Administrative Expenses Selling and Distribution Expenses Total of (4) Operating Profit before depreciation and interest (3-4) Add: Other income Net profit before depreciation and interest (5+6) (8) (9) (10) E sss: (a) (b) Depreciation Interest Total (8) Net profit before taxation (7-8) Lnss: Prowsion for taxation (11) (12) (13) (14) (16) (2) (3) Net profit after tax (9-IO) Equity as at the end of Return on equity [(1 100) Debt as at the end of Average Imerest rate on debt L 100) Weighted average cost or capital Canc price payab}e (Rs. lakhs) Cane price paid (Rs. lakhs) Cane price arrears (Rs. lakhs) C. Financial posi(ion (for Ihree consecuttve years preceding the year en which the application is made) Sources of Funds Year ended 200 200 200 2. Shareholders'/owners' funds (a) capital (b) Reserve and surplus Total Loan Funds (a) 2. 3. (b) 2 Secured Loans Term laar,s Sugar Development Fund Loans Working Capital Loans Total Unsecured Loans From Banks/Fls. Others Total Total (a+b) Total of (l) 11 Application ot' Funds Fixed Assets (a) Gross Block Less: Deprcciation [PART 2 3.1 TEE GAZETTE OF INDIA EXTRAORDINARY Net Plock Add Capital walk Diogress]ncvstments Working capital Current Assets Loans and Advances: —SEC. (a) (d) Inventories Sundry Debtors Cash and Bank balances Other curr.at ?.ssets Loan and advances Total (a to e) 6. Current habiitles and provis:on (a) Current liabilities (b) Prov Total (a+b) Working Capital (3. I minus 3.2) Total of (11) ManaFrment: (a) Boacd of Ditectots (b) Executive set-up Brief description of the proposed project and how the project is expected to improve the operations/viability of the gar factory (enclose a copy of (he project repack) B. c. (2) Proposed ethanol manufacturing capacity €000 litres) (3) ProJCCt impl ementation period (months) 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 Project viability details: (2) (3) (4) (5) Average return on Equity (%) Average interest ratt on debt (%) Weighted avegage cost of capital (%) Average Debt Service 'Coverage Ratio Pny back period (years) 8

9. Date: ••ITG (6) Net Present Val•ae (Rs.(7) (IRR) the project has been approved by an AI) India Financial Institution}Schedulcd Bank for assistance under its relevant scheme (name of the scheme and pattern of funding of the scheme): (a) (b) If so enclose a certified true copy of the "Letter of Intent" issued by the Lead Institution List out any condition(s) of material nature stipulated by the Lead Institution including rate of interest repayment pereod and security Please furnish the project profitability and cash now statement m the proforma at Annexure. Signature Name Designation , Name and Address of the Sugar Factory (Occupier). ANNEXURE Project profitability and cash flow statement (for the year of investment and subsequent IO years) Year ended 200 Capacity Utilisation (%) 1. Profitability 200 15 200 (Rs. in lakhs) (1) (2) (3) (4) (5) (6) (7) Sales net or Excise Duty Less:- Direct Production Expenses Gross Profit (1-2) Lass: (a) Manufacturing Ex penses (b) Administrative Expenses (c) Selling and Distribution Expenses Total of (4) Operating profit before depreciation and interest (3-4) Add: other income Net profit before depreciation and interest (5+6) 16 2. (PART n—SEC (a) THE Dep:e.ciation Interest GAZETTE OF EXTRACRDNARY (9) (12) (13) (15) (16) Net profic before taxation (7-8) Less. Proviston for taxauon Net profit after tax (9-10) Equity as at the end Return on equity [(1 1 00) aebl as at 'khe end of Average interest rate on debt Weighted average cost of capital Cash nows Net profit after tax (see item 1)) Add' Items debited to profit and loss account (2) (3) (4) C) (6) (7) (8) (9) (a) (b) {c) (d) Depreczation Interest expenses Income-tax provisions Other non-cash debits Total of (2) Total (1+2) Less: Eterns credited to profit and loss account (a) (b) Dividend income (c) Other credits (to speci fy) Total (3-4) Less: (a) Interest paid (b) Income-tax paid (c) Dividends paid Total cf (6) Total (5-6) Add: revenue receipts and actually received Interest (b) Di videod (c) Other receipts (to specify) Total of (8) Total (7+8) (IO) Wormg Capital Changes (a) (b) (c) Less. (a) (b) (c) Decrease In sundry debtors/receivables Decrease in inven:ories Increase in sundry creditors/payables of (i) Increase in sundry debtors/receetvables Increase in inventories Decrease in sundry creditors/payables Total of (ii) Total of Cash flow from operations (9+10) Capital Items• (12) (13) (14) (15) (16) (17) (b) (c) (d) Less: (a) (c) (d) Issue of share Capital Issue of Debenmres Long term loans Sale of Assets Total of (i) Investment in Project Redemption of Capital Redemption of Debentures Repayrnt of long-term loans Total of (ii) Total of Item Total cash now (11+12) Debt Service Coverage L2h/(i -Tax rate)) J Payback period (years) Net Present Value (discount rate at 1(16) above) Internal Rate of Return 17 (F. No. 11-18/2015-SDF] PRASHANT TRIVEDI, JL secy. (S&SA) Note:- The principal notification was published in the Gazette of India vide notification number G.S.R. 752(E) dated 27th September. 1983 and was last amended Yide notification number G.S.R. 210(E) dated 8th April,

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