(xxi) सा0का0नि0 149(अ), तारीख 2.3.2005 ;

(xxii) सा0का0नि0 451(अ), तारीख 4.7.2005 ;

(xxiii) सा0का0नि0 558(अ), तारीख 15.9.2006 ;

(xxiv) सा0का0नि0 118(अ), तारीख 9.3.2007 ;

(xxv) सा0का0नि0 697(अ), तारीख 07.11.2007;

(xxvi) सा0का0नि0 699(अ), तारीख 08.11.2007 ;

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(Department of Food and Public Distribution)

NOTIFICATION

New Delhi, the 5th December, 2007

G.S.R. 749(E).—In exercise of the powers conferred by 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: -

1. (1) These rules may be called the Sugar Development Fund (4th Amendment) Rules, 2007.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Sugar Development Fund Rules, 1983, after rule 25, the following chapter shall be inserted, namely:-

"Chapter XV

Restructuring of loans of potentially viable sick sugar undertaking

26. (1) Notwithstanding anything contained in the rules 16, 17, 21, 22, 23, 24 and 25, the Central Government, may, after taking into consideration the scheme of rehabilitation circulated by the Board for Industrial and Financial Reconstruction or the scheme recommended by the Committee for rehabilitation, as the case may be, and any other relevant factor, restructure the loan, interest or additional interest on account of default thereof of a potentially viable sick sugar undertaking.

(2) A potentially viable sick sugar undertaking shall be eligible to apply for restructuring of loan, interest or additional interest on account of default thereof.

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Provided that the restructuring has been recommended in the Draft Rehabilitation Scheme circulated by the Board for Industrial and Financial Reconstruction or recommended by the Committee for Rehabilitation in the scheme for rehabilitation for sugar undertakings, as the case may be :

Provided further that the sugar undertaking shall, during such period till such restructured loans are fully repaid, be eligible for loans only if it is a part of the rehabilitation scheme under rule 21 for modernization or rehabilitation and cane development schemes only:

Provided also that no undertaking shall be eligible for reliefs and concessions more than once.

(3) Any eligible sugar undertaking referred to in sub-rule (2) shall make an application for restructuring to the Committee in Form IX.

(4) The Member-Secretary of the Committee shall soon after receipt of the recommendations of Board for Industrial and Financial Reconstruction or Committee for Rehabilitation, as the case may be, place the same before the said Committee alongwith his comments, if any, for the Committee's consideration.

(5) The Committee, before making a final decision on the recommendations satisfies itself that adequate reliefs or concessions from the other lenders, namely, banks, financial institutions, State Governments and other agencies, if any, have been provided in the restructuring package and such reliefs or concessions have been accepted by the concerned agencies to be provided to the sugar undertaking.

(6) The Committee shall, before making a final decision on an application made to it for the purpose of rule 26, -

(a) call for any further information from the sugar undertaking or the recommending agency referred to in sub-rule (1).
(b) appoint a sub-committee or expert to make an investigation and report on any aspect relating to the recommendations of the Board for Industrial and Financial Reconstruction or the Committee for rehabilitation.

(7) The Committee shall submit its recommendations to the Central Government.

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(8) The Central Government may, after consideration of the recommendation of the 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.

(9) (a) The restructured loan under this rule shall carry a rate of simple interest equivalent to the prevailing Reserve Bank of India bank rate, from the date of implementation of the rehabilitation package.

(b) In case of any default in repayment of the amount of loan or payment of any instalment thereof or interest thereon on the restructured loan, an additional interest at the rate of four percent per annum on the amount of default shall be payable by the sugar undertaking.

(10) The rehabilitation scheme shall be implemented after a bipartite agreement is entered into between the Central Government and the sugar undertaking:

Provided that, in the case of cooperative or public sugar undertaking, if there are any reliefs and concessions required from the State Government, the scheme shall be implemented after a tripartite agreement is executed amongst the Central Government, the sugar undertaking and the Government of the State in which the sugar undertaking is situated.

(11) (a) The sugar undertaking shall after execution of the agreement, referred to in sub-rule (10), furnish security for the restructured loan to the satisfaction of the Central Government.

(b) The security shall cover the amount of loan and interest for the full period of repayment as provided for in the rehabilitation scheme as accepted by the Central Government and additional interest on account of default as referred to in clause (b) of rule 9 and shall be furnished in any of the following manners, namely:

(i) bank guarantee from a Scheduled Bank; or
(ii) a mortgage on all immovable and movable properties of the sugar undertaking on parri passu first charge basis.

(12) The rehabilitation scheme shall become effective after the agreement referred to in sub-rule (10) is entered into and the security as provided in sub-rule (11) is furnished by the sugar undertaking.

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(13) (a) A monitoring agency, nominated by the Central Government, shall carry out periodic reviews of the operation and financial performance, including its cash flow, and progress of the undertaking regarding implementation of the rehabilitation scheme.

(b)The monitoring agency shall, from time to time, with the approval of the Central Government, advise the undertaking to take corrective steps to ensure that projected parameters of the scheme are met.

(14) In case of more than two consecutive defaults in repayment of the loan or instalment thereof, the Central Government shall realize the entire loan, interest alongwith additional interest thereon from the bank guarantee furnished under sub-rule (11) or any claim of the sugar factory against the Central Government or any other security provided for the loan."

FORM No IX

[See rule 26]

Application for reschedulement of loan taken from Sugar Development Fund towards promoters' contribution for financing modernization /rehabilitation scheme

1. Name of applicant
2. Address:
   (i) Registered Office:
   (ii) Location of the factory:
3. Constitution (whether Co-operative Society or Private or Public Limited Company or Joint Sector/Public Sector Company):-
4. Date of incorporation/Registration:
5. Management:
   (a) Board of Directors:
   (b) Executive set-up
6. Particulars of the Order or Draft Rehabilitation Scheme of the Board for Industrial and Financial Reconstruction or Committee for Rehabilitation .
7. Brief description of the proposed scheme of rehabilitation :
8 (A) Particulars of the factory:

	Previous year	Projection for next 3 years
(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)		

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(7) Net duration of the season (days)
(8) Total cane crushed (lakh tonnes)
(9) Average sugar recovery %
(10) Total sugar produced (quintals)

Note: 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.

(B) Working results:

		Previous year	Projection for Next 3 years
(1)	Net sales		
(2)	Gross profit/loss		
(3)	Interest on:		
	(a) Term loan		
	(b) Working capital		
	(c) Total		
(4)	Depreciation		
(5)	Operation profit (loss)		
(6)	Tax		
(7)	Net profit/loss		
(8)	Cash accruals		
(9)	Applicable statutory cane price fixed by the Government of India (rupees per quintal)		
(10)	Actual cane price paid (rupees per quintal)		
(11)	Cane Price Arrears		

(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)	Shareholder's 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)]	
(14)	Fixed Average Coverage Ratio for project of Factory/Company as a whole	

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(a) at the time of applying for reschedulement
(b) at the time of applying for initial loan

(15) Debt Service Coverage Ratio of project of Factory/Company as a whole
(a) at the time of applying for reschedulement
(b) at the time of applying for initial loan

9. Loans taken from Sugar Development Fund:

Break up of loan:	Loan	Interest	Penal Interest

10.(a) 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, included in the Draft Rehabilitation Scheme Order of the Board for Industrial and Financial Reconstruction or Recommendation of the Committee for Rehabilitation.

(b) Whether the concerned agencies have agreed to provide these relief's/concessions to the sugar undertaking? If so copies of the consent letters from the concerned agencies are to be provided along with this application form.

11. Schedule of implementation of the scheme:

12. Please furnish a summary of the projected profitability/cash flow statements for 10 years on implementation of the scheme along with critical assumptions.

Signed by :
Name :
Designation :
Name and address of the sugar unit or factory."

Place:
Date:

[F. No. 11-8/2004-SDF]

Note :The Principal rules were published in the Gazette of India Extraordinary, Part II.,Section 3, Sub-section(i) dated 28.9.1983vide G.S.R. No. 752(E) and were subsequently amended by the following notifications:

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(i) GSR 817 (E) dated 20.12.1984;
(ii) GSR 838 (E)) dated 14.11.1985;
(iii) GSR 551 (E) dated 06..5.1986;
(iv) GSR 235 (E).dated 24.04.1991;
(v) GSR 441 (E) dated 28.04.1992;
(vi) GSR 435 (E) dated 06.5.1994;
(vii) GSR 27 (E) dated 12.01.1996;
(viii) GSR 656 (E) dated 21.11.1997;
(ix) GSR 91 (E) dated 12.02.2001;
(x) GSR 886 (E) dated 06.12.2001;
(xi) GSR 443 (E) dated 21.06.2002;
(xii) GSR 584 (E) dated 19.08.2002;
(xiii) GSR 67 (E) Dated 29.01.2003;
(xiv) GSR 241 (E) dated 25-3-2003;
(xv) GSR 787 (E) dated 6.10.2003;
(xvi) GSR 895 (E) dated 19.11.2003;
(xvii) GSR 953 (E) dated 17.12.2003;
(xviii) GSR 72 (E) dated 23.1.2004;
(xix) GSR 687(E) dated 21.10.2004;
(xx) GSR 739(E) dated 9.11.2004;
(xxi) GSR 149(E) dated 2.3.2005;
(xxii) GSR 451(E) dated 4.7.2005;
(xxiii) GSR 558 (E) dated 15.9.2006 ;
(xxiv) GSR 118(E) dated 09.3.2007;
(xxv) GSR 697(E) dated 07.11.2007;
(xxvi) GSR 699(E) dated 08.11.2007;

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