

SCHEME FOR EXTENDING FINANCIAL ASSISTANCE TO SUGAR UNDERTAKINGS (SEFASU-2014)

The Central Government on 03.01.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging loans to the sugar mills equivalent to the last 3 sugar seasons excise duty, cess and surcharge on sugar paid by mills (including notional equivalence for exports or availed Cenvat), which carries interest subvention upto 12% or at actual rates charged by banks whichever is lower as per normal banking practice through participating schedule banks, regional rural banks, co-operative banks for the total duration of the loan i.e. 5 years including 2 years moratorium.

2. All loans which are sanctioned by 30.6.2014 and disbursed by 30.9.2014 by the lending banks pursuant to the notification would be covered under the interest subvention facility.

3. As per information received from State Bank of India on 23-3-2015, an amount of Rs.6230.79 Crore has been sanctioned under the scheme out of which Rs.6122.36 Crore has been disbursed to various sugar Mills. The scheme envisages generating additional cash flow of around Rs.6600.00 Crore through working capital loans for Sugar Undertakings. The interest liabilities of the Central Government would be around Rs.2750.00 Crore.

4. The Department of Food and Public Distribution (DFPD) will release the interest subvention amount on quarterly basis in advance to the nodal bank as appointed by DFS. The amount from third quarter onwards shall be released as advance subject in furnishing of disbursement particulars as well as interest earned by the bank for the quarter preceding the last quarter the last quarter to DFPD. The interest earned on the interest subvention advance shall be adjusted in the quarterly installment from 3rd quarter onwards. The expenditure would be entirely met from SDF.

5. An amount of Rs.100.00 Crore have been released in June, 2014 and Rs.603.72 Crore in March, 2015 has been released to State Bank of India for onwards transmission to participating Banks.

ANNEXURE-XVII**BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND**

Scheme	Modernisation/ Expansion	Cane Development	Cogeneration	Ethanol
Purpose	For carrying out modernisation and expansion of sugar factory	For undertaking any scheme for development of sugarcane in the area in which sugar factory is situated.	To implement a project of bagasse-based co-generation of power.	To a sugar factory for production of anhydrous alcohol or ethanol from molasses.
SDF Loan	40% of the project cost	Maximum Rs.5.40 crores (as per the scheme)	40% of the project cost (20% in case of green field projects) or as per normative cost whichever is lower	40% of the project cost (20% in case of green field projects)
Rate of interest	2% percent per annum below the Bank Rate prevailing on the date of release (It is 6.75% w.e.f. 16.01.2015)			
Moratorium	5 years	3 years	3 years	1 years
Repayment	Loan along with interest due thereon shall be recoverable in half yearly instalments not exceeding ten.	Loan shall be repaid in equal half yearly instalments not exceeding eight in number and the interest on the loan shall be paid half yearly after the expiry of one year from the date of drawal of loan	Loan shall be repaid in half yearly instalments not exceeding ten in number. The interest on the said loan shall be paid half yearly for the first three years from the date of each disbursement of the loan after which it shall be paid half yearly along with the instalment of the repayment of the principal.	Loan from the Fund along with the interest due thereon shall be recovered in half-yearly instalments not exceeding eight in number. The repayment of the loan with interest thereon shall commence after the expiry of one year reckoned from the date of each disbursement of the loan from the Fund.
Loan disbursed upto 2013-14 since inception	Rs.2674.87 Crores	Rs.964.12 Crores	Rs.2399.69 Crores	Rs.538.39 Crores
Loan disbursed during the year 2014-15. (Upto 28.02.15)	Rs.194.09 Crore (RE Rs.200 Crore)	Rs.52.13 Crore (RE Rs.75 crore)	NIL (RE Rs.46.45 Crore)	Rs.51.46 Crore (RE Rs.75 Crore)