



PROCESS DOCUMENT FOR SUGAR DIVISION

DOC. NUMBER.

NCDC/PD(Sugar)-18

DATE OF ISSUE

01-08-2016



National Cooperative Development Corporation

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Process Document for Sugar Division

Document ID : NCDC/PD (Sugar) -18

Revision No. : 01

Prepared By:

Chief Director (Sugar)

Reviewed By:

OMS Documentation Committee

Approved By:

Managing Director (MD)



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DOCUMENT CONTROL PAGE

1) REVISION HISTORY

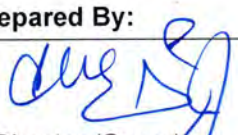

Revision No.		RELEASE DATE	AUTHOR	SECTION / PAGE NO. CHANGED	DETAILS OF CHANGES	REVIEWED BY
FROM	TO					
–	00	08.09.2014	Chief Director (Sugar)		Initial	MR
00	01	01.08.2016	Chief Director (Sugar)	--	Title of document, Input & Output included, process controls and risk management incorporated as per the requirement of ISO 9001:2015	Documentation Committee

2) DOCUMENT AVAILABILITY

HARD COPY / SOFT COPY	LOCATION AND WHERE AVAILABLE
HARD COPY	Chief Director (Sugar)
SOFT COPY	http://ncdc.in/Internal_files/Page399.html

3) CONFIDENTIALITY

- The Process Documents ('PD') contain confidential and proprietary information. The materials, ideas and concepts contained herein are the property of NCDC ('the corporation') and neither these, nor any other contents of NCDC may be copied, distributed or disclosed to any third party, by any means in any form, without the express written permission of NCDC.
- The processes listed here are a facilitator to smooth functioning and a means of spreading common process knowledge and understanding across the Corporation.

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1) DIVISION STRUCTURE

Ref. to Annexure I

2) RESPONSIBILITIES & AUTHORITIES

Ref. to Annexure II

3) ABBREVIATION

BOM	Board of Management
CSF	Cooperative Sugar Factory
CSM	Cooperative Sugar Mill
DAC&FW	Department of Agriculture, Cooperation & Farmers Welfare
DFPD	Department of Food & Public Distribution
DPR	Detailed Project Report
DSCR	Debt Service Coverage Ratio
FACR	Fixed Assets Coverage Ratio
HO	Head Office
IFCI	Industrial Finance Corporation of India
IRR	Internal Rate of Return
ISC	Internal Screening Committee
MCAFPD	Ministry of Consumer Affairs, Food & Public Distribution
MNRE	Ministry of New and Renewable Energy
MOU	Memorandum of Understanding
MR	Management Representative
NABARD	National Bank for Agriculture & Rural Development
NCDC	National Cooperative Development Corporation
P&C	Plan & Coordination
PIO	Public Information Officer
PPA	Power Purchase Agreement
PSC	Pre- Screening Committee

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RD	Regional Director
RO	Regional Office
RTGS	Real Time Gross Settlement Systems
SDF	Sugar Development Fund
SRDB	Sanction Release Data Base
SSK	Sahakari Sakkar Karkhana
SSSK	Shetkari Sahakari Sakkar Karkhana
TPA	Tri- Partite Agreement

4) PURPOSE/ OBJECTIVE

Promotion of Post Harvest Operations of Sugarcane through Cooperatives within the framework of NCDC Act by providing effective financial assistance.

5) SCOPE

- 5.1 To provide financial assistance to sugar cooperatives for setting up of New Mills, Modernization-cum-Expansion of existing mills, setting up of by-product units, Working Capital Loan, Margin Money Assistance and Bridge Loan against sanction of Sugar Development Fund (SDF) loans pending its disbursements.
- 5.2 To facilitate disbursement of SDF loan to Cooperative Sugar Mills for modernization and expansion, setting up of co-generation unit, ethanol project, and cane development activities as agent of Government of India.
- 5.3 Routing of Ministry of New and Renewable Energy Sources (MNRE) Capital Subsidy for setting up of co-generation projects by cooperative sugar mills.
- 5.4 Following schemes are being implemented for assisting cooperative sugar mills:
 - 5.4.1 Investment loan to State Governments for setting up of new mills
 - 5.4.2 Term loan for Modernization-cum-Expansion of cooperative sugar mills
 - 5.4.3 Term loan for setting up of by-product units such as Co-generation units, Ethanol units etc.

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5.4.4 Working Capital Loan / Margin Money Assistance

5.4.5 Bridge Loan to Cooperative Sugar Mills against sanction of Sugar Development Fund (SDF) loans pending its disbursements to cooperative sugar mills by GOI

5.5 GENERATION OF PROPOSALS

5.5.1 Schemes of the Corporation relating to Sugar Cooperatives are circulated to concerned State Government and cooperative sugar mills. Salient features of the schemes are indicated in the schematic pattern of funding and Annual Report of the Corporation.

5.5.2 Telephonic conversation with the Chief Executives of the cooperative sugar mills.

6) PROCESS DETAILS

6.1 Availing NCDC assistance

Process Input	Source
Proposal	Cooperative Societies/State Government

6.1.1 Cooperative Sugar Mills willing to avail NCDC assistance are required to submit an application in prescribed Format (Term Loan / Working Capital) (also available at NCDC's website) along with documents mentioned therein.

6.1.2 For Projects involving capital investment, the application is also required to be accompanied by a Detailed Project Report (DPR).

6.1.3 Proposals received are diarized and entered in SRDB System after receipt of complete information.

6.2. Investment Loan to State Govt. for Setting Up of New Mills by Cooperative Sugar Mills :

6.2.1 NCDC has been implementing a scheme for providing loan assistance to State Governments for providing share capital assistance to Cooperative Sugar Mills for setting up of new sugar mill. Eligibility criteria and admissibility of assistance is annexed at **Annexure III**.

6.2.2 The proposal is examined on the points given in the **Annexure IV**.

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- 6.2.3** With the approval of Managing Director the project is field appraised and put up to Internal Screening Committee (ISC).
- 6.2.4** Based on the recommendation of ISC, the proposal is placed before the BOM for approval.
- 6.2.5** After approval of the BOM, draft sanction letter indicating the terms and conditions of sanction is prepared and put up to Finance Division for vetting and control number.
- 6.2.6** State Government is required to accept the terms and conditions of sanction and issues sanction order for share capital participation in the cooperative sugar mill.
- 6.2.7** Assistance released to the State Government on reimbursement basis or as advance on the request of State Government, with the condition that the same would be provided to the Society within a period of one month from the date of disbursement by NCDC.
- 6.2.8** Monitoring of project is undertaken by scrutinizing of progress reports and visits by officers from H.O./Regional Office as and when required.
- 6.3 Term Loan Assistance to existing Cooperative Sugar Mills for their Modernization, Expansion and Setting up of By-product Units:**
- 6.3.1** The proposal is scrutinized on the points given in the **Annexure V**.
- 6.3.2** In case, clarifications / additional information are required, the same are called for from the Society.
- 6.3.3** If the proposal cannot be considered for direct funding, the same is informed to the society indicating the reasons.
- 6.3.4** Proposals, prima facie found eligible for direct funding, are put up to Pre-Screening Committee (PSC) for consideration.
- 6.3.5** Based on the recommendations of Pre-Screening Committee (PSC) the proposal is taken up for appraisal.

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6.3.6 In case, a Society assisted by NCDC again approaches for assistance for different purpose in the same financial year, there is no need to place the proposal before the PSC. The proposal if otherwise found feasible is taken up for appraisal with the approval of Managing Director on file.

6.3.7 Appraisal team is constituted with the approval of Managing Director.

6.3.8 During appraisal, the proposal is examined as per the checklist given in **Annexure VI**.

6.3.9 The proposal is examined and agenda note placed before the Internal Screening Committee (ISC).

6.3.10 Proposals involving term loan assistance of more than Rs.5.00 crore are placed before the Board of Management (BOM) for approval based on the recommendations of Internal Screening Committee. Proposals requiring any relaxation in direct funding criteria are required to be approved by BOM.

6.3.11 After approval of the competent authority, draft sanction letter indicating the terms and conditions of sanction is prepared and put up to Finance Division for vetting and allotting Control Number. The draft sanction letter contains formats of Board Resolution and Loan Agreement.

6.3.12 Check List for Legal Documentation for the Security of NCDC Term Loan is given at **Annexure VII**.

6.3.13 Release of Sanctioned Assistance

6.3.13.1 On receipt of request from the society and creation of security, the proposal for release of assistance is examined.

6.3.13.2 Ways and means advance upto 25% of NCDC sanctioned assistance is released after:

6.3.13.2.1 Placement of orders for plant & machinery;

6.3.13.2.2 Payment of processing and legal fees by the Society; &

6.3.13.2.3 Any other condition/s stipulated in sanction letter for release of assistance

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6.3.13.3 Subsequent releases are based on actual expenditure and anticipated expenditure for the next one month. Cumulative release normally restricted to:

6.3.13.3.1 %age of NCDC's share in project funding x (expenditure incurred and likely to be incurred in next one month).

6.3.13.3.2 Security cover for NCDC loan is re-examined in case it was so decided at the time of sanction of assistance.

6.3.13.3.3 If the society is found eligible for further release of assistance, then the file along with the draft release letter is put up to Finance Division for release of eligible assistance and allotment of Control Number. After approval and allotment of Finance Control number, the fair letter is prepared and ink-signed copy of the same is submitted to the Finance Division for release of assistance.

6.3.14 Monitoring of project is undertaken by scrutinizing the progress reports and visits by officers from H.O./Regional Office as and when required.

6.4 Working Capital assistance to Cooperative Sugar Mills

6.4.1 Working capital requirements of cooperative sugar mills vary on day to day basis. It is not possible for NCDC to sanction limits and allow cooperative sugar mills to draw and deposit on day-to-day basis, as is generally provided in case of limits sanctioned by Banks. Accordingly, NCDC considers providing only that component of working capital which remains stable for a reasonably longer period. The day to day variations are met through the regular Banking set up. The proposal is scrutinized in respect of following points:

6.4.1.1 Past performance of cooperative sugar mill with regard to capacity utilization, recovery, etc.

6.4.1.2 Financial health of Society

6.4.1.3 Audit classification for last 3 years

6.4.1.4 Track record in repayment of dues

6.4.1.5 Eligibility as per direct funding guidelines

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6.4.1.6 Security for proposed NCDC loan

6.4.1.7 Total working capital needs.

6.4.2 to 6.4.7 Same steps as indicated in para 6.3.2 to 6.3.7 above.

6.4.8 During appraisal the proposal is examined on the points given in the **Annexure VIII.**

6.4.9 Agenda notes are prepared and placed before the Internal Screening Committee.

6.4.10 Proposal involving working capital assistance upto Rs.100.00 crore is approved by ISC and proposal of more than Rs.100.00 crore is put up to Chairman Board of Management on file for approval based on the recommendations of Internal Screening Committee.

6.4.11 Proposals requiring any relaxation in direct funding criteria are placed before the Board of Management for approval based on the recommendations of Internal Screening Committee.

6.4.12 After approval of the competent authority, draft sanction letter indicating the terms and conditions of sanction is prepared and put up to Finance Division for vetting and Control Number. The draft sanction letter contains formats of Board Resolution and Loan Agreement

6.4.13 Procedure for Legal Documentation for the Security of NCDC Loan as given in the Annexure VII.

6.4.14 In case loan assistance is secured by way of pledge of sugar stock, a tri-partite agreement amongst the cooperative sugar mill, the bank providing working capital assistance and the NCDC is signed with regard to monitoring of sugar stocks for and on behalf of NCDC.

6.4.15 Release of Sanctioned Assistance

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- 6.4.15.1** On the request of the society, the proposal for release of financial assistance is examined for disbursement of assistance after creation of security.
- 6.4.15.2** Security cover for NCDC loan is re-examined in case it was so decided at the time of sanction of assistance.
- 6.4.15.3** In case secured against pledge of sugar stocks, based on the quantity and value of sugar stocks pledged to NCDC and drawing power thereof duly certified by the monitoring agency.
- 6.4.15.4** Stocks being duly insured and NCDC's name incorporated as financier in the Insurance documents.
- 6.4.15.5** Draft letter for release of eligible assistance is put up to Finance Division for approval and allotment of Finance Control number. After approval of the letter for reimbursement of assistance and allotment of Finance Control number, the fair letter is prepared and ink-signed copy of the same is submitted to the Finance Division for release of assistance.
- 6.4.16** In case of working capital assistance provided against pledge of sugar stocks, the responsibility of stock monitoring is entrusted to the monitoring agency.

Process Output

Disbursement of sanctioned assistance

6.5 Margin Money assistance to Cooperative Sugar Mills

- 6.5.1.** NCDC provides Margin Money assistance for a maximum period of 5 years for raising Working Capital from the banks/financial institutions. The checklist for examination of margin money proposals is given in the **Annexure IX**.
- 6.5.2 to 6.5.7** Same steps as indicated in para 6.3.2 to 6.3.7 above.
- 6.5.8** Checklist for appraisal of Margin Money proposals is given in the **Annexure X**.

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6.5.9 Agenda notes are prepared and placed before the Internal Screening Committee.

6.5.10 Proposals involving margin money assistance of more than Rs.5.00 crores are placed before the Board of Management (BOM) for approval based on the recommendations of Internal Screening Committee.

6.5.11 Proposals requiring any relaxation in direct funding criteria are placed before the Board of Management for approval based on the recommendations of Internal Screening Committee.

6.5.12 After approval of the competent authority, draft sanction letter containing terms and conditions of sanction is prepared and put up to Finance Division for vetting and control number alongwith formats of Board Resolution and Loan Agreement.

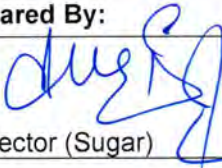
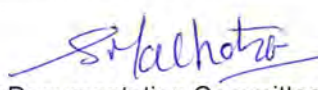
6.5.13 Procedure for Legal Documentation for the Security of NCDC Margin Money Loan is given in the Annexure VII.

6.5.14 Release of Sanctioned Assistance

6.5.14.1 On receipt of request from the society and after creation of security, draft letter for release of eligible assistance is put up to Finance Division for approval and allotment of Finance Control number. After approval of the letter for reimbursement of assistance and allotment of Finance Control number, the fair letter is prepared and ink-signed copy of the same is submitted to the Finance Division for release of assistance.

6.5.15 Monitoring is undertaken by scrutinizing of progress reports and visits by officers from H.O./Regional Office as and when required.

6.6 Bridge Loan to Cooperative Sugar Mills against SDF sanction

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6.6.1 The BOM of NCDC in its 109th meeting held on 16.6.2000 approved a scheme for providing Bridge Loan to cooperative sugar mills against SDF sanction in respect of those projects for which term loan assistance has been provided by NCDC. The BOM in its 167th meeting held on 3.11.2009 extended the scheme to projects for which term loan assistance is availed from other financial institutions as well. Under the scheme up to 85% of the SDF assistance sanctioned can be provided as bridge loan. M.D. NCDC is authorized to sanction bridge loan. The bridge loan bears an interest rate 1% above the rate applicable to term loan assistance. The society is required to repay the Bridge Loan immediately on receipt of SDF assistance to NCDC.

6.6.2 Since Bridge Loan is recoverable from release of SDF assistance, detailed examination of the proposal is not required. However, direct funding guidelines and the security cover have to be kept in view.

6.6.3 Legal documentation for a charge subsequent to the charge of SDF is carried out as per the procedure indicated in **Annexure VII**.

6.6.4 Assistance is released based on the progress of project implementation

6.7 SDF assistance to Cooperative Sugar Mills

6.7.1 The corporation has been recognized as financial institution by Government of India for routing the SDF loan to cooperative sugar mills. SDF assistance is provided for Cane Development, Modernization of the sugar mill, setting up of Co-generation and Ethanol projects as spelt out in SDF rules as amended from time to time.

6.7.2 With effect from 01.01.2015, SDF stopped providing assistance for exclusive expansion projects. However, SDF assistance is available for expansion of capacity upto 5000 TCD coupled with cogeneration or ethanol project.

6.7.3 The responsibilities of NCDC for monitoring SDF loan are specified in the Agency Agreement executed on year to year basis.

6.7.4 The Cooperative sugar mill intending to avail SDF assistance, apply directly to the Government of India (Sugar Development Fund) for sanction of assistance.

6.7.5 In respect of projects, for which term loan assistance has been sanctioned by NCDC, a copy of relevant appraisal note and sanction letter are sent to SDF.

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- 6.7.6** Clarifications / additional information as and when called for by Government of India are furnished.
- 6.7.7** NCDC's representative attends Sub Committee and Standing Committee meetings of SDF constituted for approving SDF assistance.
- 6.7.8** After sanction of SDF loan, a Tripartite Agreement (TPA) amongst Government of India, Cooperative sugar mill and NCDC is signed in Hindi and English (three sets each). Drafts of the agreements are furnished to the Cooperative sugar mill. TPA before signing is examined by NCDC and send to SDF for intimating convenient date for signing. The agreement is signed on a mutually convenient date and time.
- 6.7.9** One set of agreement (in English and Hindi) received from SDF is sent on file to Finance Division for keeping in safe custody. Photo copy is retained in file.
- 6.7.10** In respect of SDF loan for cane development, the assistance is routed by SDF through concerned State Govt. or directly to the cooperative sugar mill. TPA is executed amongst Government of India, Cooperative sugar mill and the concerned State Govt.
- 6.7.11** Security for SDF loan is created as indicated in SDF sanction letter. The security for the SDF loan is either bank guarantee from schedule bank or a charge on the movable and immovable assets of the Cooperative sugar mill. If the Cooperative sugar mill furnishes the bank guarantee, the same is examined and forwarded to the Government of India with the recommendation for disbursement of the SDF assistance.
- 6.7.12** If the Cooperative sugar mill offers charge on movable and immovable assets for the security of SDF loan, a specific request for appointment of advocate is received from the Cooperative sugar mill.
- 6.7.13** Legal documentation done as indicated in **Annexure VII**.
- 6.7.14** A copy of documents executed is sent to SDF with a request to disburse 1st installment of sanctioned assistance.
- 6.7.15** SDF assistance is disbursed directly to the Cooperative sugar mill.

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6.7.16 Disbursement of assistance is done through RTGS, if particulars are available

6.7.17 SDF assistance is generally disbursed in two equal installments. After utilization of first installment, Cooperative sugar mill formally submits a request for release of 2nd installment. After receiving request from the Cooperative sugar mill, an officer of NCDC visits the Cooperative sugar mill to monitor the progress of project implementation. Physical inspection report, along with utilization certificate of 1st installment of SDF assistance is sent to SDF with recommendation to disburse second installment.

6.7.18 If the project has already completed or is nearing completion at the time of legal documentation, physical inspection is carried out and release of entire SDF assistance in lump sum is recommended.

6.7.19 SDF assisted projects are monitored during implementation and after commissioning up to repayment of SDF loan. Minimum 2 physical inspections during project implementation are carried out. After commissioning of project physical inspection is done annually till the repayment of SDF dues for the project.

6.7.20 Demand notices to cooperative sugar mills are issued by Finance Division and repayments received from the cooperative sugar mills are passed on to SDF immediately not later than three working days.

6.7.21 A mill-wise monthly statement indicating amount due and received during the month are sent to SDF.

6.7.22 A monthly statement indicating mill-wise default position is sent to SDF.

6.7.23 Efforts are made to recover the overdue / defaulted amount from the cooperative sugar mills. If need be legal notices are also issued.

6.7.24 Further legal action is taken with the prior approval of Govt. of India (SDF).

6.8 MNRE Capital Subsidy for Co-generation Projects.

6.8.1. NCDC has also been recognised as a financial institution by the Ministry of New and Renewable Sources (MNRE) for routing its capital subsidy for term loans given by NCDC for cogeneration projects under National Programme on bagasse based co-generation being implemented by MNRE. Societies assisted by NCDC for setting up of Co-generation projects submit application in the prescribed proforma along with enclosures to NCDC. NCDC along with

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information in the prescribed format (available on MNRE website) forwards the application of sugar mill to MNRE for sanction of capital subsidy as per the scheme.

6.8.2 Any clarification/ addl. information sought by MNRE is furnished.

6.8.3 MNRE disburses the subsidy in two equal installments.

6.8.4 On receipt of first installment of MNRE subsidy in NCDC, an equal amount of term loan is converted into interest free loan from the date of receipt of subsidy.

6.8.5 On receipt of second installment, the entire amount of subsidy is adjusted against outstanding term loan from the date of receipt of subsidy.

6.9 Other important activities of the Division

6.9.1 Preparation of Programme of Activities before the commencement of each year keeping in view the spillover of sanctioned assistance and new projects likely to be sanctioned.

6.9.2 Preparation of material relating to sugar cooperatives for including in Annual Report and coordinating with other Divisions of NCDC implementing programmes for processing of Agricultural produce for preparation of the chapter "Cooperative Processing" included in the Annual report of NCDC.

6.9.3 Providing information for preparation of replies of Parliament Questions to Govt. of India/VIP references.

6.9.4 Providing information under RTI Act.

7) PROCESS MEASUREMENTS

S. No.	Processes	Measurable Process indicators (in working days)	Monitoring Frequency	Frequency Monitored by
1.	Initial processing of proposal received	14	Quarterly	Chief Director (Sugar)
2.	Agenda for Pre-Screening Committee (PSC) after receipt of complete information	7	Quarterly	Chief Director (Sugar)

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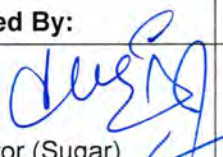

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3.	Sanction of Term Loan for modn./expan. and setting up of by-product unit after receipt of complete information	60	Half yearly	Chief Director (Sugar)
4.	Sanction of working capital loan after receipt of complete information	21	Quarterly	Chief Director (Sugar)
5.	Sanction of Bridge Loan after receipt of complete information	7	Quarterly	Chief Director (Sugar)
6.	Release of Term Loan/Working Capital / Bridge loan from the date of receipt of request after creation of security and after receipt of complete information	7	Quarterly	Chief Director (Sugar)
7.	Material for reply of Parliament Question to DAC&FW/DFPD/VIP Reference.	Immediately	-	Chief Director (Sugar)
8.	Information sought under RTI Act 2005	Within stipulated time period of one month.	-	Chief Director (Sugar)
9.	Disposal of Complaints	30	Quarterly	Chief Director (Sugar)

8) RISKS AND OPPORTUNITIES IDENTIFIED

Ref.# Risk Register

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9) PROCESS CONTROLS

S.no	Process	Process step	Controls established
1	Generation of proposal	<p>Receipt of Proposal for:</p> <ol style="list-style-type: none"> Investment Loan to State Govt. for Setting Up of New Mills by Cooperative Sugar Mills Term Loan Assistance for setting up of new sugar mills and existing Cooperative Sugar Mills for their Modernization, Expansion and Setting up of By-product Units 	<p>Only through State Governments and ensuring that the society has tied up for term loan with banks and also placed orders for the purchase of plant and machinery.</p> <p>Societies shall meet the criteria as established in the Direct funding guidelines</p>
2	Examination of proposal	<p>Operational obligation of the society</p> <p>Receipt of relevant information for analysis of operational / financial performance</p>	<p>Bye-laws established under State Cooperative Society's Act</p> <p>As prescribed in common loan application form (Annexure-XI)</p>
3	Sanction	<p>Appraisal of the proposal</p> <p>Constitution of field appraisal team</p>	<p>Field appraisal only in case of necessity as decided by PSC / Competent Authority</p> <p>Approval from Competent Authority</p>

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		Approval of sanction for Term loan	Upto 1 crore in DSC, upto 5 crore in ISC/CSC and 5 crore & above by BOM after clearance of ISC/CSC
		Approval of sanction for working capital	Upto 100 crore in ISC and above 100 crore, by BOM
4	Release	Security cover against sanctioned assistance (Direct funding)	Latest guidelines for direct funding issued by Finance Division from time to time
		Legal documentation work (Direct funding)	Empanelled Advocates
5	Reporting	Compliance to statutory/regulatory queries	<ul style="list-style-type: none"> • Official Language Act, 1963 • RTI Act, 2005 • Immediate response to queries

10) DETAILS OF DOCUMENTED INFORMATION RETAINED

S. No.	Title	Identification	Location	Maintained by	Retention period in years	Disposition
1.	Files relating to Programme of Activities, Plans, Annual Report, Parliament Questions, Misc. etc.	By title head – 1,3,4, 5, 10, 11 & 12	Almirah No.1	Jr. Asstt.	2 years in the Division and thereafter 3 years in Record Room	Weeding out after digitalization
2.	Policy files	By title head - 2	Almirah No.1	Sr. Asstt.	10 years in the Division	Weeding out after digitalization
3.	Files of Term loan (By-products)	By title head - 7	Almirah No.1	Sr. Asstt.	8 years or the repayment of loan, whichever is	Weeding out after digitalization

Prepared By:

Reviewed By:

Chief Director (Sugar)

QMS Documentation Committee

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					later.	
4.	Files of Investment loan	By title head - 9	Almirah No.1	Sr. Asstt.	-do-	Weeding out after digitalization
5.	Files of Term loan for Modn. & Expansion including Bridge loan	By title head – 16	Almirah No.2	Sr. Asstt.	-do-	Weeding out after digitalization
6.	Files of Margin Money / Working Capital	By title head – 21 & 22	Almirah No.3	Sr. Asstt.	5 years or the repayment of loan, whichever is later.	Weeding out after digitalization
7.	Files of short term SDF Cane Development Loan	By title head – 23	Almirah No. 2	Sr. Asstt.	5 years or the repayment of loan, whichever is later.	Weeding out after digitalization
8.	Files of Registration of suppliers	By title	Rack No.1	Jr. Asstt.	5 years in the Division and thereafter 3 years in Record Room	Weeding out after digitalization
9.	File Registers	By title	Maintained by Sr. Asstt.	Sr. Asstt.	Till continuation of the scheme	Permanent
10.	Complaint Register	By title	PS to Chief Director (Sugar)	PS	3 years	Permanent
11.	Diary, Dispatch Register & Peon Book	By title	Maintained by Jr. Asstt.	Jr. Asstt.	3 years	Weeding out
12.	Frequency Monitoring	By title	Maintain	Chief	3 years	Weeding out

Prepared By:

Reviewed By:

Chief Director (Sugar)

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	Register		ed by Chief Director (Sugar)	Director (Sugar)		
13.	Client Feedback file	By title	Maintain ed by Sr. Asstt.	Chief Director (Sugar)	3 years	Weeding out
14.	Guard file of sanctions, releases, de-sanctions and extension of validity	By title	Maintain ed by Jr. Asstt.	Jr. Asstt.	5 years in the Division	Weeding out after digitalization
15.	Files relating to Enquiries under Right to Information Act, 2005	By title	Maintain ed by Sr. Asstt.	Sr. Asstt.	5 years	Weeding out after digitalization
16.	File relating to imple- mentation of ISO	By title	Maintain ed by Sr. Asstt.	Sr. Asstt.	5 years in the Divn.	Weeding out after digitalization

11) DETAILS OF DOCUMENTED INFORMATION MAINTAINED

Sl. No	Title	Identification	Location	Prepared by	Approved by	Revision no.
1.	Scheme Circular	Schemes of Sugar Division	File No.NCDC:3-1/2009 (Almirah-1)	Divisional Head as per policy/guide-lines	MD, NCDC	-
2.	Common Loan Application Proforma-Processing	Application form for term loan	NCDC Website: http://www.ncdc.in	P&C Division	MD, NCDC	-
3.	Application Proforma for availing working capital loan	Application form for working capital	NCDC Website: http://www.ncdc.in	Sugar Division	Head of Division	-

Prepared By:

Reviewed By:

Chief Director (Sugar)

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4.	Direct Funding Guidelines	Finance Division	NCDC Website: http://www.ncdc.in	Finance Division	MD, NCDC	-
5.	Format of Board Resolution for SDF loans	Board Resolution format	SDF Policy File (Almirah-1)	Sugar Division	Head of Division	-
6.	List of Files	File List	Almirah-1	Sugar Division	Head of Division	-

12) REFERENCES

- NCDC Act, Rules & Regulations;
- NCDC's latest circular on Rate of Interest, Service Tax, Record retention etc.;
- NCDC's latest guidelines for direct funding;
- NCDC's loan application form for submission of proposals;
- Relevant decisions of Board of Management (BOM) / General Council (GC) of NCDC;
- Schemes/ Guidelines issued by concerned Ministries/GOI from time to time;
- NCDC's schemes/ Schematic pattern of assistance;
- NCDC's latest circular on delegation of financial and administrative powers.

Prepared By:

Chief Director (Sugar)

Reviewed By:

QMS Documentation Committee

Approved By:

Managing Director (MD)

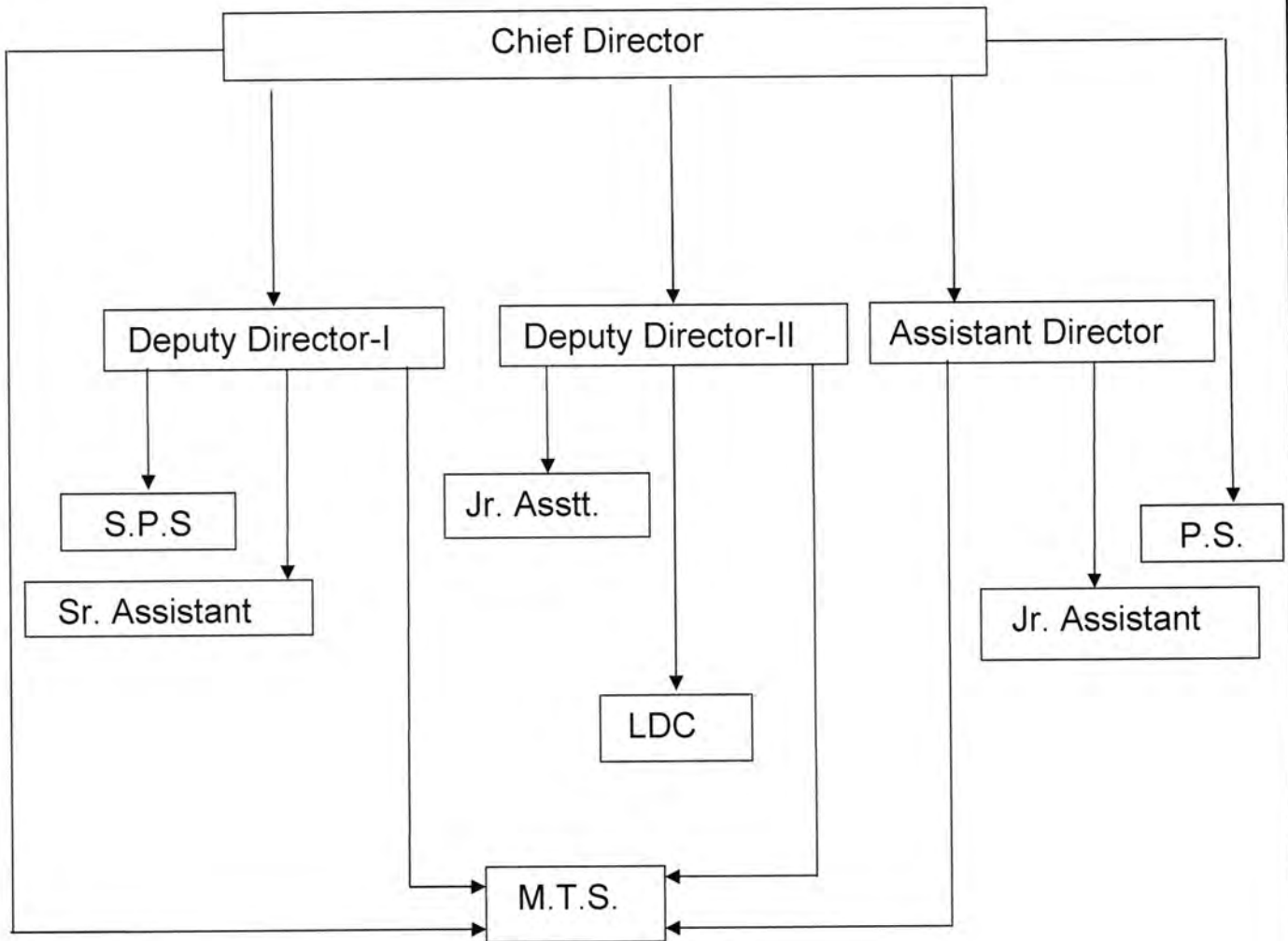
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Annexures to NCDC/PD(Sugar)-18

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Annexure III	Eligibility criteria for Investment Loan
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DIVISION STRUCTURE



Annexures to NCDC/PD(Sugar)-18

Annexure II

RESPONSIBILITIES & AUTHORITIES

Designation	Responsibilities	Authorities
Chief Director (Sugar) Head of the Division	<ul style="list-style-type: none">• Examination of proposals vis-à-vis parameters of direct funding, past decisions, extent of security cover and compliance of various circulars issued from time to time• Implementation of various Schemes / Programmes of Sugar Division• Monitoring of SDF assistance to Cooperative Sugar Mills in accordance with the Agency Agreement signed between Govt. of India and NCDC• Scrutiny and examination of Programme of Activities, Annual Report, Five Year Plans, State-wise targets relating to Sugar Division• Signing of Tripartite Agreements, Agency Agreements with SDF• Issue of Sanction and Release letters• Representing Sugar Division in various meetings• Preparation of reply for Parliament Questions and VIP References• Act as designated PIO under RTI Act 2005 for the Division• To attend meetings convened by Ministry of Consumer Affairs, Food and Public Distribution, Department of Agriculture & Cooperation, National Federation of Coop. Sugar Factories and such other meetings.• To participate as NCDC representative in meetings of National Federation of Cooperative Sugar Factories, NHEC & other such meetings	<ul style="list-style-type: none">• According approvals within defined financial / administrative delegation of powers• To allocate the work among the officials of the Division

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Deputy Director I	<ul style="list-style-type: none"> • SDF related all work including monitoring, follow up, expediting sanction and release of assistance to Cooperative Sugar Mills. • Furnishing desired information to SDF and follow-up release and recovery of SDF loans. • Overall coordination with SDF alongwith monitoring of SDF assisted projects • Work relating to preparation of annual report • Work relating to ISO implementation in the Division • Examining the request of the society for issue of No Objection Certificate • Preparation of reply for Parliament Questions and VIP References • Attend any other work assigned from time to time. 	<ul style="list-style-type: none"> • To examine the issue pertaining to the work assigned and to recommend further course of action.
Deputy Director II	<ul style="list-style-type: none"> • All work relating to proposals for sanction of term loan and working capital assistance • Attend any other work assigned from time to time. • Work relating to ISO implementation in the division • Preparation of data bank for all the cooperative sugar mills availing assistance from NCDC and SDF for modernization & expansion/ cogen /ethanol plants. 	<ul style="list-style-type: none"> • To examine the issue pertaining to the work assigned and to recommend further course of action.
Assistant Director	<ul style="list-style-type: none"> • Preliminary examination of proposals relating to working capital and term loan assistance. • Examination of release proposals • Attend any other work assigned from time to time. • Maintaining an updated list of all cooperative sugar mills of the country along with its capacity, no. of members, office bearers, contact no etc. • Preparing a forecasting estimate for working capital requirements of the cooperative sugar mills for the forthcoming season by the end of April every year. 	<ul style="list-style-type: none"> • To examine the issue pertaining to the work assigned and to recommend further course of action.

Annexures to NCDC/PD(Sugar)-18

Senior Private Secretary (SPS)	<ul style="list-style-type: none"> • Providing secretarial services to officer • Feeding data and typing letters, Appraisal Reports, Agenda etc. • Submission of papers for meetings. • Maintenance of file movement register. • Attending telephone calls. • To attend the officer's telephones in the absence of the officers to whom he is attached. • Sending / Receiving E-mails • Sending/Receiving FAX messages. • Scanning work. • Maintaining stock of stationery items • Filling up of TA Bills, Medical Bills, News paper bills, contingencies vouchers. • Attend any other work assigned from time to time. 	<ul style="list-style-type: none"> • Need-based support to the officer, as assigned by the Reporting Officer from time to time.
Private Secretary (PS)	<ul style="list-style-type: none"> • Providing secretarial services to officer • Feeding data and typing letters, Appraisal Reports, Agenda etc. • Submission of papers for meetings. • Maintenance of file movement register. • Attending telephone calls • To attend the officer's telephones in the absence of the officers to whom he is attached. • Sending / Receiving E-mails • Sending/Receiving FAX messages. • Scanning work. • Maintaining stock of stationery items • Filling up of TA Bills, Medical Bills, News paper bills, contingencies vouchers. • Attend any other work assigned from time to time. 	Need-based support to the officer, as assigned by the Reporting Officer from time to time.

Annexures to NCDC/PD(Sugar)-18

Senior Assistant	<ul style="list-style-type: none"> • Assisting DDs. • Maintaining a complete data bank of sugar division files on excel sheet in computer which will be updated on fortnightly basis. • Putting up of FRs on files • Maintaining Paging, Docketing and Referencing on files • Maintaining data of sanction and releases • Attend any other work assigned from time to time. 	<ul style="list-style-type: none"> • To examine the issue pertaining to the work assigned and to recommend further course of action.
Junior Assistant -I	<ul style="list-style-type: none"> • Assisting DDs/AD. • Diarizing fresh receipts / proposals and opening new files • Dispatching letters / Faxes • All typing work • Preparation, docketing and referencing of files • Entry in SRDB • Attend any other work assigned from time to time 	<ul style="list-style-type: none"> • To examine the issue pertaining to the work assigned and to recommend further course of action.
Junior Assistant-II	<ul style="list-style-type: none"> • Assisting DDs/AD. • Putting up of FRs on respective files • Paging, Docketing and Referencing on files • Maintaining guard files of sanction and releases • To enter proposals in SRDB system • Preparation of Hindi Reports • Entry in SRDB • Attend any other work assigned from time to time. 	<ul style="list-style-type: none"> • To examine the issue pertaining to the work assigned and to recommend further course of action.
Lower Division Clerk	<ul style="list-style-type: none"> • Assisting DDs/AD. • Diarizing fresh receipts / proposals and opening new files • Dispatching letters / Faxes • Typing work • Preparation, docketing and referencing of files • Attend any other work assigned from time to time 	<ul style="list-style-type: none"> • To examine the issue pertaining to the work assigned and to recommend further course of action.

Annexures to NCDC/PD(Sugar)-18

MTS	<ul style="list-style-type: none">• Moving files and papers within / outside the building.• Distribution of circulars• Delivery of DAK• Assisting seniors and attending to their call.• Arranging refreshments to guests / clients visiting sugar division• To arrange the papers and files on the table of the Officer,• Shifting of furniture, fixtures and computer etc.• Attend any work assigned by the officer from time to time	<ul style="list-style-type: none">• Need-based access to files and records
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Annexures to NCDC/PD(Sugar)-18

Annexure III

Eligibility criteria for Investment Loan

- Assistance only for new cooperative sugar mills
- Mill should be technically feasible and financially viable
- Term loan for the project tied up
- Orders for plant and Machinery placed.
- Assistance up to 30 % of the project cost is admissible.
- The proposal for sanction of investment loan for setting up of new mill is required to be submitted and recommended by the concerned State Govt. and accompanied by a Detailed Project Report.

Annexures to NCDC/PD(Sugar)-18

Annexure IV

The proposal for sanction of Investment Loan is examined in respect of the following points:

- Location
- Availability of Raw material
- Status of Statutory clearances, if any.
- Technological support
- Project cost and proposed funding
- Term loan tied up
- Share capital already collected and proposed to be collected from members.
- Project implementation schedule and current status of implementation
- Orders for plant and machinery placed
- Economic viability of the project

Annexures to NCDC/PD(Sugar)-18

Annexure V

The proposal for sanction of Term Loan is scrutinized on the following points:

- Past performance of Cooperative sugar mill with regard to capacity utilization, recovery, etc.
- Financial health of Society
- Audit classification for last 3 years
- Track record in repayment of dues
- Eligibility as per direct funding guidelines
- Need and justification of Project
- Project cost and proposed funding pattern
- Security for proposed NCDC loan

Annexures to NCDC/PD(Sugar)-18

Annexure VI

Checklist for appraisal of Term Loan proposals

- Past performance of Society
- Managerial aspects
- Financial health of Society
- Audit position of accounts ; audit classification
- Track record in repayment of dues
- Outstanding term loans, their purpose, source, rate of interest, repayment schedule and security provided
- Eligibility for direct funding as per guidelines.
- Project need and benefits
- Assessment of project cost and funding pattern
- Availability of raw material
- Technical expertise for project implementation
- Status of administrative and financial approvals, if any
- Status of statutory clearances, if any
- Project implementation schedule and current status of project implementation
- Cost benefit analysis: DSCR, IRR and sensitivity analysis
- Type of Security, ranking of charge and Security Cover for proposed NCDC loan

Annexures to NCDC/PD(Sugar)-18

Annexure VII

Checklist for Legal Documentation for the Security of Term Loan

- The Society is required to accept the terms & conditions of sanction, sign loan agreement and send a formal request for appointment of advocate for legal documentation indicating the place where documents are proposed to be executed.
- Legal documentation work is got done as per guidelines issued by Finance Division. Documentation is carried out either at the concerned Regional Director or at H.O. Convenience of the Society is also kept in view in deciding the place for documentation.
- An advocate is appointed with the approval of legal cell from the panel maintained at Head Office or the concerned Regional Director is advised to appoint an advocate out of the panel maintained there to complete legal documentation. Generally it is preferred to get the documentation for creation of security through the advocate who had done legal documentation for earlier NCDC / SDF loans of the concerned Society.
- Legal charges to be collected from the Society and legal fee payable to the advocate in accordance with the Finance Divisions circular.
- Depending upon the nature of work and experience of the advocate, legal fee more than that indicated in above said circular can be paid to the advocate with the approval of the competent authority. Fee payable is intimated to the advocate in the appointment letter itself.
- Name, address and contact number of Society are also indicated in the appointment letter to the advocate and vice versa
- Original legal documents, if executed at Regional Office, are retained in the safe custody of Regional Director. Only photo copies are submitted to Head office for further examination and acceptance.
- Legal documentation are examined and put up to Legal cell for further examination and acceptance.
- Original legal documents, if executed at HO, are sent to Finance Division for keeping in safe custody. Photocopy is kept in concerned file.

Annexures to NCDC/PD(Sugar)-18

Annexure VIII

Checklist for appraisal of Working Capital proposals

- Past Performance of Cooperative sugar mill
- Financial health of Cooperative sugar mill
- Track record in repayment of dues
- Outstanding term loans, their purpose, source, rate of interest, repayment schedule and security provided
- Eligibility for direct funding as per guidelines
- Month wise stock position for the last 2 years
- Projected month wise stock position for next one year.
- Peak level of projected stock holding, its value, margin of security and expected working capital requirements.
- Details of limits sanctioned by other financing institutions and their terms of credit
- Need for raising working capital from NCDC and amount of assistance
- Arrangements for meeting the gap in working capital, if any.
- Ranking of charge and Security Cover for proposed NCDC loan, if proposed to be secured against fixed assets.
- Arrangement for monitoring of stocks, if assistance is proposed to be secured by way of pledge of sugar stocks.
- Period of loan

Annexures to NCDC/PD(Sugar)-18

Annexure IX

Checklist for examination of Margin Money Proposals

- Past performance of cooperative sugar mill with regard to
- capacity utilization, recovery etc.
- Financial health of Society
- Audit classification for last 3 years
- Track record in repayment of dues
- Eligibility as per Direct Funding guidelines
- Security for proposed NCDC loan
- Total requirement of Working Capital
- Margin required by the banks / financial institutions
- Availability from own sources i.e. NDR and the quantum of funds raised from other financial institutions

Annexures to NCDC/PD(Sugar)-18

Annexure X

Checklist for the appraisal of Margin Money proposals

- Past Performance of Cooperative sugar mill
- Financial health of Cooperative sugar mill
- Managerial aspects
- Audit position of Accounts; Audit Classification
- Track record in repayment of dues
- Outstanding term loans, their purpose, source, rate of interest, repayment schedule and security provided
- Eligibility for direct funding as per guidelines
- Month wise stock position for the last 2 years
- Projected month wise stock position for next one year.
- Peak level of projected stock holding, its value, margin of security and expected working capital requirements.
- Details of limits sanctioned by other financing institutions and their terms of credit
- Justification for requirement of margin money
- Ranking of charge and Security Cover for proposed NCDC loan, if proposed to be secured against fixed assets.
- Period of loan