

- (xxviii) सा०का०नि० 749(अ), तारीख 5 दिसंबर, 2007 ;  
 (xxix) सा०का०नि० 115(अ), तारीख 28 फरवरी, 2008 ;  
 (xxx) सा०का०नि० 279(अ), तारीख 10 अप्रैल, 2008 ;  
 (xxxii) सा०का०नि० 388(अ), तारीख 19 मई, 2008 ;  
 (xxxii) सा०का०नि० 508(अ), तारीख 7 जुलाई, 2009 ।

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**

(Department of Food and Public Distribution)

**NOTIFICATION**

New Delhi, the 30th July, 2012

**G.S.R. 599(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 (Amendment) Rules, 2012.

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

2. Throughout the Sugar Development Fund Rules, 1983 (hereinafter referred to as the said rules), for the words "Department of Food", the words "Department of Food and Public Distribution" shall be substituted.

3. In the said rules, in rule 2, -

(a) for clause (n), the following clause shall be substituted, namely:-

"(n) sugar undertaking" means an undertaking which is engaged in the manufacture or production of sugar by means of vacuum pan and with the aid of mechanical power and includes a company incorporated under the Companies Act, 1956 or a Co-operative Society registered under the Co-operative Societies Act of any State, of which the sugar factory is a part;

(b) clause (oo) shall be omitted.

4. In the said rules, in rule 3, -

(a) in sub-rule (1), for the words, figures, letters and brackets "Major Head '309'-C-Food-C9-other expenditure-C9(3) Payments against collection of Cess on Sugar (Non-Plan)", the following words, figures and brackets shall be substituted, namely:-

"Major Head "2408-Food, Storage and Warehouses", Sub-Major Head "01-Food", Minor Head "797-Transfer to or from Reserve Funds and Deposit Accounts and Sub-Head "01 - Transfer to or from Sugar Development Fund" (Object Head "63-Inter-Account Transfer") or any other Major Head or Head of Account that may be allocated for the purpose";

(b) in sub-rule (2), after the words "authority concerned", the following words shall be inserted, namely: -

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“either by electronic transfer to the Government account operated for this purpose in such manner as may be specified by the Accounts Officer or”;

(c) after sub-rule (2), the following sub-rule shall be inserted, namely:-

“(3) The financial institution, person or authority concerned shall, within three working days of receipt of repayment of loan or payment of interest thereon or any other receipt from the loanee sugar factory or undertaking, credit the said amount to the Fund, failing which, interest provision applicable to sugar factories in default of such amount as specified in sub-rule (3) of rule 25 shall apply to financial institution, person, or authority.”

5. In the said rules, in rule 5, -

(a) in sub-rule (1), for the words and figures “Major Head “829” Development and Welfare Funds - Development Funds for Agricultural Purposes - Sugar Development Fund”, the following words and figures shall be substituted, namely:-

“Major Head “8229 - Development and Welfare Fund”. Minor Head “105- Sugar Development Fund”, or any other Major Head or Head of account that may be allocated for the purpose”;

(b) for sub-rule (2), the following sub-rule shall be substituted, namely:-

“(2) All expenditure incurred for the purposes of the Act and these rules shall be met initially from the Consolidated Fund of India under the following Major Heads or Heads of Accounts or any other Major Head or Head of Account that may be allocated for the purpose, and finally debited to the Fund under the Head of Account specified in sub-rule (1), namely:-

#### A. REVENUE SECTION

##### **Major Head – 2408 – Food, Storage and Warehousing**

Sub-Major Head – 01 – Food

Minor Head – 001 – Direction and Administration

- (i) Sub-Head – 02 - Other offices  
Detailed Head – 02 – Administration of Sugar Development Fund  
(02.02.01 – Salaries and 02.02.50 – Other charges.  
Minor Head – 800 – Other Expenditure;
- (ii) Sub Head – 01 – Subsidy for maintenance of buffer stock of sugar  
(01.00.33 – Subsidies);
- (iii) Sub Head – 02 – Grants in aid for Development of Sugar Industry  
(02.00.31 – Grants-in-aid General);
- (iv) Sub Head – 06 – Reimbursement of Internal Transport and Freight Charges to sugar factories on export shipments and payment of other permissible claims (06.00.33 – Subsidies);
- (v) Sub Head – 08 - Scheme for Extending Finance Assistance to Sugar Undertakings 2007 (08.00.33 – Subsidies).

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**B. CAPITAL SECTION****Major Head – 6860- Loans for Consumer Industries**

Sub-Major Head – 04 - Sugar

Minor Head 190 - Loan to Public Sector and other undertakings.

- (i) Sub Head - 03-Rehabilitation/Modernization of Sugar mills  
(03.00.55-Loans and Advances);
- (ii) Sub Head- 04-Sugar Mills for Cane Development  
(04.00.55-Loans and Advances);
- (iii) Sub Head- 06-Sugar Factories for bagasse based cogeneration power project  
(06.00.55-Loans and Advances);
- (iv) Sub Head 07-Sugar factories for production for Anhydrous Alcohol or Ehtanol from Alcohol  
(07.00.55-Loans and Advances).”.

6. In the said rules, for rule 6, the following rule shall be substituted, namely:-

“6. Standing Committee.- As soon as may be after the coming into force of these rules, the Central Government may constitute a Standing Committee consisting of the following members, namely:-

- (1) Secretary, Department of Food and Public Distribution – Chairman;
- (2) Finance Secretary, Ministry of Finance or his representative not below the rank of Director - Member;
- (3) Secretary, Department of Agriculture and Cooperation or his representative not below the rank of Director – Member;
- (4) Secretary in the Ministry of Finance (Department of Expenditure) or his representative not below the rank of Director – Member;
- (5) Secretary, Planning Commission or his representative not below the rank of Director - Member;
- (6) Joint Secretary, Ministry of Finance (Department of Financial Services) or his representative not below the rank of Director – Member;
- (7) Joint Secretary, Department of Food and Public Distribution – Member;
- (8) Chief Director, Directorate of Sugar Department of Food and Public Distribution – Member;
- (9) Director or Deputy Secretary in the Sugar wing of the 'Department of Food and Public Distribution - Member Secretary:

Provided that the Central Government may nominate not more than two officers of that Government or of an educational or research institute, autonomous body or an undertaking of that Government having special knowledge of any aspect of sugar industry as additional members of the Committee as experts:

Provided further that the Central Government may invite representatives from the industry or knowledge groups or financial institutions, to the meetings of the Standing Committee.

7. In the said rules, in rule 9, for the words “Three members in the case of the Committee and two members”, the words, “Five members in the case of the Committee and three members” shall be substituted.

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8. In the said rules, in rule 13,-

(a) in the first proviso, for the words "three members in the case of the Committee and two members", the words "five members in the case of the Committee and three members" shall be substituted;

(b) in the second proviso, for the words, "three members of the Committee or two members", the words "five members of the Committee or three members" shall be substituted.

9. In the said rules, in rule 16,-

(A) in sub-rule (1),-

(a) for the words "its plant and machinery", the words "plant and machinery of its sugar factory or any of its sugar factories" shall be substituted;

(b) in clause (b),-

(i) the words "or sponsored by the Technology Information, Forecasting and Assessment Council in respect of the Scheme Mission Mode Project on Sugar Production Technologies of the Department of Science and Technology shall normally be eligible for a loan under this rule" shall be omitted;

(ii) for the first proviso, the following proviso shall be substituted, namely:-

"Provided that a sugar undertaking that has availed of a loan in respect of a sugar factory under this rule shall not be eligible for any further loan under this rule during the period in which the previous loan under this rule or a loan under sub rule (1) of rule 21 in respect of that factory, alongwith interest thereon, has not been fully repaid:"

(iii) in the second proviso, for the words "class or classes of sugar undertakings", the words "class or classes of sugar factories or sugar undertakings" shall be substituted;

(B) after sub-rule (1), the following sub-rule shall be inserted, namely:-

"(1A) A sugar undertaking shall not be eligible to apply for a loan under this rule for one or more of the following reasons or purposes, namely; -

(a) a second hand project, equipment or machinery:

Provided that a sugar undertaking shall be eligible to apply for a loan for a project where second hand equipment or machinery has been used or is proposed to be used, subject to the following conditions, namely:-

(i) use of such second hand machinery or equipment shall not change the overall character of the project, which shall essentially consist of new plant, machinery and equipment;

(ii) it shall technically be certified that the use of the second hand machinery or equipment shall not affect the overall efficiency and life of the project;

(iii) the useful life of the second hand machinery or equipment so used shall not be less than the term of repayment of sugar development fund loan;

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(iv) subject to fulfillment of conditions specified in clauses (i) to (iii), the estimated or actual cost of machinery or equipment which are not new shall be deducted from the estimated or actual cost of the project before arriving at the eligible project cost for the purpose of sugar development fund loan;

(b) refinancing;

*Explanation.*- For the purpose of this clause, the term 'refinancing' includes availing of loan for repayment of loan taken from any financial institution or scheduled bank before applying to a financial institution or bank for appraisal in which Sugar Development Fund component is proposed, but shall not include a 'bridge loan' taken in lieu of Sugar Development Fund component after submitting an application to the Standing Committee on Sugar Development Fund.

(c) financing of cost over run;

(d) project commissioned prior to the date of application under these rules;

(e) if such sugar undertaking is a defaulter in respect of repayment of loan availed under Sugar Development Fund or in payment of any dues under the Levy Sugar Price Equalization Fund in respect of any of its sugar factories.”;

(C) in sub-rule (2), for the words “eleven”, the word “two” shall be substituted;

(D) for sub-rule (6), the following sub-rule shall be substituted, namely:-

“(6) The Central Government may, after taking into consideration recommendations made by the Committee or any other relevant factor, authorise payment to a sugar undertaking of such amount of loan, not exceeding the amount required by the financial institution or a scheduled bank, as the case may be, to be contributed by such sugar undertaking as promoter's contribution, as may be determined by the Central Government:

Provided that the loan from the Fund shall be granted if the sugar undertaking contributes a minimum of ten percent of the loan applied for from its own resources as promoter's contribution:

Provided further that the Central Government shall authorise payment of the said loan under this sub-rule only to such sugar undertaking who have fully repaid all the sums which have become due in respect of Sugar Development Fund and Levy Sugar Price Equalisation Fund.”;

(E) in sub-rule (9),-

(a) in clause (i), for the words “Financial Institution or a Scheduled Bank, as the case may be,” the words “Nodal Agency so appointed by the Central Government on its behalf.” shall be substituted;

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(b) in clause (iv),-

(i) for the words "a period of eight years reckoned from the date of disbursement of fund loan, whichever is earlier, and loan from the fund along with interest due thereon shall be recoverable in annual instalments not exceeding five", the words "a period of five years reckoned from the date of disbursement of fund loan, whichever is earlier, and loan from the fund along with interest due thereon shall be recoverable in half yearly instalments not exceeding ten" shall be substituted;

(ii) the proviso shall be omitted;

(F) sub-rule (11) shall be omitted.

10. In the said rules, in rule 16A,-

(a) in sub-rule (3), for the words "sugar factories", the words "sugar undertakings" shall be substituted;

(b) in sub-rule (4), for the words "four equal annual installments", the words "eight equal half yearly installments" shall be substituted.

11. In the said rules, in rule 17,-

(a) in sub-rule (1),-

(i) for the words "in its area", the words "in the area in which its sugar factory or any of its sugar factories is situated," shall be substituted;

(ii) after clause (e), the following clause shall be inserted, namely:-

"(ea) purchase of mechanical planters and harvesters;"

(iii) for the provisos, the following provisos shall be substituted, namely:-

"Provided that loans from the Fund shall be granted only if the Central Government is satisfied on the basis of the information given in Form III that no financial assistance is available for the purpose from any other agency, and if available, the amount thereof is, in the opinion of the Central Government, inadequate and needs to be supplemented by loans from the Fund.

Provided further that the loan from the Fund shall be granted only if the Sugar Undertaking or the State Government contributes a minimum of ten per cent of the loan applied for from its own resources as margin money:

Provided also that the Central Government may accord sanction for a loan under this rule to a sugar undertaking in respect of a sugar factory only on one occasion and no further loan under this rule shall be sanctioned during the period in which the previous loan under this rule or a loan under sub-rule (2) of rule 21 in respect of that sugar factory, along with interest thereon, has not been fully repaid:

Provided also that a sugar undertaking shall not be eligible to apply for the loan under this rule if it is a defaulter in respect of repayment of Sugar Development Fund loan or payment of Levy Sugar Price Equalization Fund in respect of any of its sugar factories:

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Provided also that where a sugar undertaking has not availed the loan sanctioned under this rule in respect of any of its sugar factories, it shall not be eligible for grant of loan under this rule for a period of five years from the date of such sanction.”;

(b) in sub-rule (2), the following proviso shall be inserted, namely;-

“Provided that the Central Government may appoint any agency for monitoring of utilisation, progress of the implementation of the scheme and achievement of physical and financial targets of the scheme for which the loan is advanced and such agency shall give its report directly to the Central Government.”;

(c) in sub-rule (3), in clause (a), for the words “annual installments not exceeding four in number and the interest on the loan shall be paid annually”, the words “half yearly installments not exceeding eight in number and the interest on the loan shall be paid half yearly” shall be substituted;

(d) in sub-rule (4), for the words “twelve copies” and “eleven copies”, the words “three copies” and “two copies” shall respectively be substituted.

12. In the said rules, in rule 17A,-

(a) for the words “sugar factories”, wherever they occur, the words “sugar undertaking” shall be substituted;

(b) in sub-rule (1), for the words “in their specified areas”, the words “in the area in which its sugar factory or any of its sugar factories is situated,” shall be substituted;

(c) in sub-rule (3), after the words “levy sugar price equalization fund”, the words “in respect of all the sugar factories or units thereof under it,” shall be inserted;

(d) in sub-rule (4), for the words “four equal annual instalments”, the words “eight equal half-yearly instalments” shall be substituted.

13. In the said rules, in rule 19, -

(a) for the words “sugar undertaking”, wherever they occur, the words “sugar factory” shall be substituted;

(b) in sub-rule (14), for the words “to every sugar factory, which has”, the words “to every sugar undertaking in respect of a sugar factory or such sugar factories which have”, shall be substituted;

(c) in sub-rule (14A), -

(i) for the words, brackets and figures “in sub-rule (15) to a sugar factory”, the words, brackets and figures “in sub-rule (15) to a sugar undertaking in respect of a sugar factory” shall be substituted;

(ii) in the first, second and third proviso, for the words “sugar factory”, the words “sugar undertaking in respect of a sugar factory” shall be substituted.

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14. In the said rules, in rule 20,-

(a) in sub-rule (3),-

(i) in *Explanation I*, for the words "and that sugar factory shall be eligible for reimbursement of expenditure incurred on internal transport and freight charges on such export shipments of sugar, provided that the agreement entered into by the sugar factory", the words "and that sugar undertaking in respect of a sugar factory shall be eligible for reimbursement of expenditure incurred on internal transport and freight charges on such export shipments of sugar, provided that the agreement entered into by the sugar undertaking in respect of a sugar factory" shall be substituted;

(ii) for *Explanation II*, the following *Explanation* shall be substituted, namely:-

"*Explanation II*.- Where a sugar undertaking in respect of a sugar factory has exported sugar through an exporter, the customs attested Export Promotion copy of the Shipping Bill shall indicate the name of the exporter and of the sugar undertaking in respect of a sugar factory".

(b) in sub-rule (4), in the proviso, after the words "if a sugar", the words "undertaking in respect of a sugar" shall be inserted;

(c) in sub-rule (5), -

(i) in clause (b), after the words "by the sugar", the words "undertaking in respect of a sugar" shall be inserted;

(ii) in clause (j), after the words "where the sugar", the words "undertaking in respect of a sugar" shall be inserted;

(d) in sub-rule (6), after the words "A sugar", the words "undertaking in respect of a sugar" shall be inserted;

(e) in sub-rule (7),-

(ii) for clause (iv), the following clause shall be substituted, namely:-

"(iv) where a sugar undertaking in respect of a sugar factory has preferred to transport export consignments of sugar by road instead of railway, the claim for reimbursement of expenditure on internal transport and freight charges shall be restricted to the total of transportation charges and railway freight charges as specified in clauses (i) to (iii) or the actual transportation charges by road incurred by the sugar undertaking in respect of a sugar factory, whichever is less.";

(ii) in the *Explanation*, after the words "and the sugar", the words "undertaking in respect of a sugar" shall be inserted;

(f) in sub-rule (8), after the words "A sugar", the words "undertaking in respect of a sugar" shall be inserted;

(g) in sub-rule (9), after the words "A sugar", the words "undertaking in respect of a sugar" shall be inserted;

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(h) in sub-rule (10), after the words "A sugar", the words "undertaking in respect of a sugar" shall be inserted;

(i) for sub-rule (11), the following sub-rule shall be substituted, namely:-

"(11) The reimbursement claim of the sugar undertaking in respect of a sugar factory shall be settled within forty-five days of the receipt of the complete documents from the sugar undertaking in respect of that sugar factory unless the Central Government has communicated in writing to the sugar undertaking in respect of that sugar factory to furnish any requisite document within the said period.";

(j) in sub-rule (12), for the words "sugar factory", wherever they occur, the words "sugar undertaking" shall be substituted.

15. In the said rules, in rule 20A, the following explanation shall be inserted, namely:-

*"Explanation:* For the purposes of this rule, the provision regarding clearance of cane price arrears shall apply only to the amounts payable and paid to a sugar factory during the sugar seasons 2006-07 and 2007-08".

16. In the said rules, in rule 21,-

(a) in sub-rule (1), in the second proviso, the words "or sponsored by the Technology, Information, Forecasting and Assessment Council in respect of Scheme Mission Mode Project on Sugar Production Technologies of the Department of Science and Technology for modernization and rehabilitation of its plant and machinery" shall be omitted;

(b) in sub-rule (4), for the words "eleven", the word "two" shall be substituted;

(c) in sub-rule (5), for the words "twelve", the word "two" shall be substituted;

(d) in sub-rule (11), clause (v) shall be omitted.

17. In the said rules, in rule 22,-

(A) for sub-rule (1), the following sub-rule shall be substituted:

"(1) Any sugar factory of an undertaking having an installed capacity of 2500 Tonnes Crushed per Day or higher to which financial assistance has been approved by a financial institution or a scheduled bank for it to implement a project for production of anhydrous alcohol or ethanol from alcohol or molasses by installing the required plant and machinery shall be eligible to apply for loan under this rule:

Provided that at least ten percent of the project cost is being met by the sugar factory of an undertaking from its own internal generation of fund as part of the promoters contribution required by the financial institution or the scheduled bank."

(B) for sub-rule (2), the following sub-rule shall be substituted, namely:-

"(2) A sugar undertaking that has availed of a loan in respect of a sugar factory under this

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rule shall not be eligible for another loan for the same sugar factory during the period in which the previous loan under this rule along with interest thereon has not been fully repaid.

(C) for sub-rule (3), the following sub-rule shall be substituted, namely:-

“(3) A sugar undertaking which is in default of payment that has become due in respect of the Sugar Development Fund and the Levy Sugar Price Equalization Fund relating to any of the sugar factories or units under it shall not be eligible to apply for a loan under this rule”.

(D) for sub-rule (4), the following sub-rule shall be substituted, namely:-

“(4) A sugar undertaking shall not be eligible to apply for a loan under this rule for one or more of the following reasons or purposes, namely: -

(a) a second hand project, equipment or machinery:

Provided that a sugar undertaking shall be eligible to apply for a loan for a project where second hand equipment or machinery has been used or is proposed to be used, subject to the following conditions, namely:-

(i) use of such second hand machinery or equipment shall not change the overall character of the project, which shall essentially consist of new plant, machinery and equipment;

(ii) it shall technically be certified that the use of the second hand machinery or equipment shall not affect the overall efficiency and life of the project;

(iii) the useful life of the second hand machinery or equipment so used shall not be less than the term of repayment of sugar development fund loan;

(iv) subject to fulfillment of conditions specified in clauses (i) to (iii), the estimated or actual cost of machinery or equipment which are not new shall be deducted from the estimated or actual cost of the project before arriving at the eligible project cost for the purpose of sugar development fund loan;

(b) refinancing.

*Explanation:-* For the purpose of this clause, the term ‘refinancing’ includes availing of loan for repayment of loan taken from any financial institution or scheduled bank before applying to a financial institution or bank for appraisal in which Sugar Development Fund component is proposed, but shall not include a ‘bridge loan’ taken in lieu of Sugar Development Fund component after submitting an application to the Standing Committee on Sugar Development Fund;

(c) financing of cost over run;

(d) project commissioned prior to the date of application under these rules;

(e) if such sugar undertaking is a defaulter in respect of repayment of loan availed under Sugar Development Fund or in payment of any dues under the Levy Sugar Price Equalization Fund in respect of any of its sugar factories.”;

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(E) in sub-rule (5), for the words "sugar factory", the words "sugar undertaking" shall be substituted;

(F) in sub-rule (6), for the words "sugar factory", the words "sugar undertaking" shall be substituted;

(G) in sub-rule (9), for the words "sugar factory", wherever they occur, the words "sugar undertaking" shall be substituted;

(H) in sub-rule (10),-

(i) for the words "sugar factory", wherever they occur, the words "sugar undertaking" shall be substituted;

(ii) in clause (a), for the words "falling under clause (a) of sub-rule (1) of this rule," the words "under this rule" shall be substituted;

(iii) clauses (b) and (c) shall be omitted.

(I) for sub-rule (11), the following sub-rule shall be substituted, namely:-

"(11) The amount of loan authorised under sub-rule (10) shall be 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 as may be considered necessary by the Central Government.";

(J) in sub-rule (12), the words "under clause (a) or clause (c) of sub-rule (10)" shall be omitted;

(K) in sub-rule (15), for the words "sugar factory", the words "sugar undertaking" shall be substituted;

(L) sub-rule (17) shall be omitted;

(M) for the *Explanation*, the following *Explanation* shall be substituted, namely:-

"*Explanation.*- For the purpose of this rule, the expression "sugar factory" includes any unit 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 Standing Committee in this behalf."

18. In the said rules, in rule 23,-

(A) for the words "sugar factory", wherever they occur, the words "sugar factory of a sugar undertaking" shall be substituted;

(B) in sub-rule (3), after the word "levy sugar price equalization fund", the words "in respect of any of the sugar factories or units thereof" shall be inserted;

(C) for sub-rule (4), the following sub-rule shall be substituted, namely:-

"(4) A sugar undertaking shall not be eligible to apply for a loan under this rule for one or more of the following reasons or purposes; namely; -

(a) a second hand project, equipment or machinery:

Provided that a sugar undertaking shall be eligible to apply for a loan for a project where second hand equipment or machinery has been used or is proposed to be used, subject to the following conditions, namely:-

(i) use of such second hand machinery or equipment shall not change the overall character of the project, which shall essentially consist of new plant, machinery and equipment;

(ii) it shall technically be certified that the use of the second hand machinery or equipment shall not affect the overall efficiency and life of the project;

(iii) the useful life of the second hand machinery or equipment so used shall not be less than the term of repayment of sugar development fund loan;

(iv) subject to fulfillment of conditions specified in clauses (i) to (iii), the estimated or actual cost of machinery or equipment which are not new shall be deducted from the estimated or actual cost of the project before arriving at the eligible project cost for the purpose of sugar development fund loan;

(b) refinancing;

*Explanation.*- For the purpose of this clause, the term 'refinancing' includes availing of loan for repayment of loan taken from any financial institution or scheduled bank before applying to a financial institution or bank for appraisal in which Sugar Development Fund component is proposed, but shall not include a 'bridge loan' taken in lieu of Sugar Development Fund component after submitting an application to the Standing Committee on Sugar Development Fund.

(c) financing of cost over run;

(d) project commissioned prior to the date of application under these rules;

(e) if such sugar undertaking is a defaulter in respect of repayment of loan availed under Sugar Development Fund or in payment of any dues under the Levy Sugar Price Equalization Fund in respect of any of its sugar factories.

(D) in sub-rule (14), in clause (b), for the words "annually", the words "half yearly" shall be substituted;

(E) sub-rule (17) shall be omitted;

(F) for the *Explanation*, the following *Explanation* shall be substituted,-

*"Explanation.*- For the purpose of this rule, the expression "sugar factory" includes any unit thereof (which may or may not be within the premises of the sugar factory) used for bagasse based cogeneration power project for which raw material is supplied by the said sugar factory in accordance with the norms specified by the Standing Committee in this behalf."

19. In the said rules, in rule 24, sub-rule (3) shall be omitted.

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20. In the said rules, in rule 25, save as otherwise provided,-

(a) for the words "sugar factory", wherever they occur, the words "sugar undertaking" shall be substituted;

(b) in sub-rule (3), for the words "two and a half per cent per annum on the amount of default shall be", the words "six percent per annum on the amount of default or at such rate as may be decided by the Central Government shall be" shall be substituted;

(c) in sub-rule (6), for the words "the sugar factory", the words "any sugar factory under the sugar undertaking" shall be substituted.

21. In the said rules, in rule 26,-

(a) in sub-rule (1), the following provisos shall be inserted, namely:-

"Provided that while so restructuring, no portion of the outstanding principal or simple interest at applicable rates at the relevant time shall be waived off:

Provided further that the Central Government may, at its discretion, waive additional interest in full or in part, for reasons to be recorded in writing.";

(b) in sub-rule (9), in clause (b), for the words "four percent per annum on the amount of default shall be", the words "six percent per annum on the amount of default or at such rate as may be decided by the Central Government shall be" shall be substituted;

(c) in sub-rule (14), for the words "sugar factory", the words "any sugar factory under the sugar undertaking" shall be substituted.

[F. No. 1-16/2007-SDF]

T. JACOB, Jr. Secy.

**Footnote:** The Principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R 752(E), dated 28-9-1983 and were subsequently amended by the following notifications:

- (i) G.S.R 817 (E), dated the 20<sup>th</sup> December, 1984;
- (ii) G.S.R 838 (E), dated the 14<sup>th</sup> November, 1985;
- (iii) G.S.R 551 (E), dated the 6<sup>th</sup> May, 1988;
- (iv) G.S.R 235(E), dated the 24<sup>th</sup> April, 1991;
- (v) G.S.R 441 (E), dated the 28<sup>th</sup> April, 1992;
- (vi) G.S.R 435 (E), dated the 6<sup>th</sup> May, 1994;
- (vii) G.S.R 27 (E), dated the 12<sup>th</sup> January, 1996;
- (viii) G.S.R 656 (E), dated the 21<sup>st</sup> November, 1997;
- (ix) G.S.R 91 (E), dated the 12<sup>th</sup> February, 2001;
- (x) G.S.R 886 (E), dated the 6<sup>th</sup> December, 2001;
- (xi) G.S.R 442 (E), dated the 21<sup>st</sup> June, 2002;
- (xii) G.S.R 584 (E), dated the 19<sup>th</sup> August, 2002;
- (xiii) G.S.R 67 (E), dated the 29<sup>th</sup> January, 2003;
- (xiv) G.S.R 241 (E), dated the 25<sup>th</sup> March, 2003;
- (xv) G.S.R 787 (E), dated the 6<sup>th</sup> October, 2003;
- (xvi) G.S.R 895 (E), dated the 19<sup>th</sup> November, 2003;

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- (xvii) G.S.R 953 (E), dated the 17<sup>th</sup> December, 2003;  
(xviii) G.S.R 72 (E), dated the 23<sup>rd</sup> January, 2004;  
(xix) G.S.R 687 (E), dated the 21<sup>st</sup> October, 2004;  
(xx) G.S.R 739 (E), dated the 9<sup>th</sup> November, 2004;  
(xxi) G.S.R 149 (E), dated the 2<sup>nd</sup> March, 2005;  
(xxii) G.S.R 451 (E), dated the 4<sup>th</sup> July, 2005;  
(xxiii) G.S.R 558 (E), dated the 15<sup>th</sup> September, 2006;  
(xxiv) G.S.R 188 (E), dated the 9<sup>th</sup> March, 2007;  
(xxv) G.S.R. 697 (E), dated the 7<sup>th</sup> November, 2007;  
(xxvi) G.S.R 699 (E), dated the 8<sup>th</sup> November, 2007;  
(xxvii) G.S.R 738 (E), dated the 29<sup>th</sup> November, 2007;  
(xxviii) G.S.R 749 (E), dated the 5<sup>th</sup> December, 2007;  
(xxix) G.S.R. 115 (E), dated the 28<sup>th</sup> February, 2008;  
(xxx) G.S.R. 279 (E), dated the 10<sup>th</sup> April, 2008;  
(xxxi) G.S.R. 388 (E), dated the 19<sup>th</sup> May, 2008.  
(xxxii) G.S.R.508(E), dated the 7<sup>th</sup> July, 2009