

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(Department of Food and Public Distribution)
NOTIFICATION

New Delhi, the 11th October, 2018

S.O... -Whereas the Central Government, with a view to increase production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, especially in the surplus seasons and thereby to improve the liquidity position of the sugar mills enabling them to clear cane price arrears of the farmers, has notified the scheme namely "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity" vide notification No.S.O.3523 (E) dated 19.07.2018, which was subsequently amended vide notification No. S.O.3952 (E) dated 09.08.2018.

2. Now in pursuance of para 9 of the said notification dated 19.07.2018, Central Government makes following changes in the said notification:-

(a) Para 3 (i) would be substituted by the following:

"Interest subvention @ 6% per annum or 50% of rate of interest charged by banks / National Cooperative Development Corporation (NCDC), whichever is lower, on the loans to be extended by banks / NCDC, shall be borne by the Central Government for five years"

Para 5(i) would be substituted by the following:-

"After scrutinizing the applications cum proposals, DFPD will accord it's in principle approval and recommend such approved proposals to the lending banks / NCDC for considering sanction of loan. Banks / NCDC would be at liberty to sanction/release the loan as per their commercial norms/policies and in compliance with regulatory guidelines, including the restructuring guidelines, as notified by RBI from time to time."

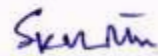
Para 5(v) would be substituted by the following:-

"The Department of Financial Services (DFS) will issue suitable instructions to the banks / NCDC to operationalize the scheme including appointment of NABARD as a nodal bank".

Para 6(iii) would be substituted by the following:-

"In the event of surplus cash flow with the sugar mills, accelerated payments may be decided by the banks / NCDC and the interest subvention liability of DFPD towards loan account would accordingly get reduced."

[F. No. 1(10)/2018-SP-I]



(Suresh Kumar Vashishth)

Joint Secretary to the Government of India