

No.11-5/2012-SDF
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi
Dated, the 13 February, 2014

To,

1. The President,
Indian Sugar Mills Association,
Ansal Plaza, Block 'C',
Second Floor, August Kranti Marg,
New Delhi -110049.
2. National Federation of Cooperative Sugar Factories Limited,
Ansal Plaza, Block 'C',
Second Floor, August Kranti Marg,
New Delhi -110049.
3. The General Manager,
IFCI Ltd., IFCI Tower,
61, Nehru Place,
New Delhi- 110019.
4. The Chief Director (Sugar),
National Co-operative Development Corporation,
4, Siri Institutional Area, Hauz Khas,
New Delhi.
5. Commissioner of Sugar (All Sugar Producing States)

Subject: Rate of interest on SDF loans - regarding.

Sir,

I am directed to say that as per the SDF Rules, 1983 loans are given to the sugar factories for sugarcane development, modernisation, cogeneration and ethanol project at an interest rate of 2% below the prevailing bank rate. Bank rate has been defined in the SDF Rules as follows:

"Bank rate" means the standard rate as made public by the Reserve Bank of India under Section 49 of the Reserve Bank of India Act 1934 (2 of 1934) and prevailing on the date of disbursement of the instalment of the loan by the Government [Rule 2(bb)].

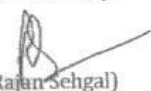


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The Reserve Bank of India vide their letter No.RBI/2013-14/468 Ref.:DBOD.No.Ret.BC.88/12.01.001/2013-14 dated 28.01.2014 (copy enclosed) have revised the bank rate from 8.75% p.a. to 9.00% p.a. with effect from 28.01.2014. This is to inform that the interest rate on SDF loans disbursed on or after 28.01.2014 shall be 7.00% p.a. (9.00% - 2%) till further orders.

Encl: As above.

Yours faithfully,


(Rajan Sehgal)
Director (SDF)
Tel.No.23383760

Copy to:

1. The Chief Controller of Accounts,
Ministry of Consumer Affairs, Food & Public Distribution,
Jeewan Deep Building, 4th Floor,
Parliament Street,
New Delhi - 110001.
2. Deputy Director (SDF A/cs)
3. The Senior Accounts Officer,
Ministry of Consumer Affairs, Food & Public Distribution,
Jeewan Deep Building, 4th Floor,
Parliament Street,
New Delhi - 110001.



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2013-14/468

DBOD.No.Ret.BC.88/12.01.001/2013-14

January 28, 2014

All Scheduled Commercial Banks
& Local Area Banks

Dear Sir,

Bank Rate

Please refer to our circular DBOD.No.Ret.BC.64/12.01.001/2013-14 dated October 29, 2013 on the subject.

2. Consequent to the increase in the policy repo rate under the Liquidity Adjustment Facility (LAF) as announced in the Third Quarter Review of Monetary Policy 2013-14 dated January 28, 2014, the Bank Rate stands adjusted by 25 basis points from 8.75 per cent to 9.0 per cent with effect from January 28, 2014.

3. All penal interest rates on shortfall in reserve requirements, which are specifically linked to the Bank Rate, also stand revised as indicated in Annex.

4. Please acknowledge receipt.

Yours faithfully

(Sudha Damodar)
Chief General Manager

Encl: as above



Annex

Penal Interest Rates which are linked to the Bank Rate

Item	Existing Rate	Revised Rate (Effective from January 28, 2014)
Penal interest rates on shortfalls in reserve requirements (depending on duration of shortfalls).	Bank Rate plus 3.0 percentage points (11.75 per cent) or Bank Rate plus 5.0 percentage points (13.75 per cent).	Bank Rate plus 3.0 percentage points (12.00 per cent) or Bank Rate plus 5.0 percentage points (14.00 per cent).