

फा.सं-01-MFPI/13-MFP

भारत सरकार

खाद्य प्रसंस्करण उद्योग मंत्रालय

पंचशील भवन, अगस्त क्रांति मार्ग

नई दिल्ली-110049

Dated: 05.02.2021

Subject: Minutes of the Meeting of Inter-Ministerial Approval Committee (IMAC) held on 20.01.2021 via video conference (VC) of Mega Food Parks Scheme - reg.

I am directed to forward herewith a copy of the minutes of above IMAC Meeting held on 20.01.2021 via video conference (VC).

Encl.: As above


(Dr. J.P Dongare)

Marketing Officer

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To,

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2. PS to Hon'ble MoS, FPI
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4. PPS to AS&FA,
5. Sr. PPS to AS(MJ)
6. PS to JS(AS)
7. PMAs of the parks



डॉ. जितेन्द्र पी. डोंगरे
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Minutes of the Inter-Ministerial Approval Committee (IMAC) meeting of Mega Food Park scheme held on 20.01.2021 through (VC) Video Conferencing

A meeting of the Inter-Ministerial Approval Committee (IMAC) was held on 20.01.2021 through Video Conferencing (VC) to discuss the agenda items. The list of participants who joined the meeting through VC is enclosed at **Annexure III.**

2. Detailed presentations were made by the MFP division on the proposals. IMAC deliberated on the agenda items and decisions taken are recorded against each agenda item as mentioned below:

Agenda Item No. 1

To consider the requests of M/s. Greentech Mega Food Park Limited, the SPV of Mega Food Park project being implemented at Roopangarh Village, Ajmer District, Rajasthan for:

- a. **Permission for setting up of Unit in warehouse i.e., request for change in use of Warehouse**
- b. **Release of 50% grant amount of final installment and Penalty imposed till date.**

IMAC noted that: -

- i. Investor (Lead Promoter) has proposed to set up Dehydration Unit in Warehouse (24000 sq.ft out of total 36000 sq.ft) as the utilization of Warehouse has decreased because of its less demand and location. The other reason of decrease in utilization of Warehouse is mentioned that earlier Rajasthan State Warehouse Corporation (RSWC) took warehouse till May'19 at nominal rental but they were unable to procure commodity/goods for storage after that.
- ii. Available SDF sheds (30000 sqft) are not fit for its P&M as the height of SDF shed is 4 meter while a minimum height of 6 meter is needed for Dehydration unit. The available SDF shed is proposed to be used for Warehouse purpose as and when required.
- iii. TC recommended that SPV may use Dry Warehouse (5000 MT, 24000 sq.ft) for setting up of Dehydration Unit subject to condition that cost of the particular Warehouse in which lead-promoter wants to set up food processing unit would not be considered for calculation of total eligible cost and total grant and this reduction in grant would be adjusted against the balance Grant-in- Aid to be released to the SPV of Mega Food Park.
- iv. TC did not recommend for release of 4th installment of grant to the project as SPV is yet to comply conditions for release of final installment.
- v. Penalty imposed have already been processed for release.

Decision of the IMAC:

After detailed discussions, IMAC decided to approve use of space in existing warehouse (24000 sq.ft) for setting up of proposed dehydration unit and remaining space of warehouse and MSME shed to be utilized for the warehouse purpose. Further, it has been decided that the processing facility set up in warehouse will not be considered for compliance of condition for operational units for release of final installment of grant i.e. commencement of operations in at least 25 percent of the units.

Agenda Item No. 2

To consider the request of M/s Indus Best Mega Food Park Private Limited, the SPV of Mega Food Park project is being implemented at Village Bemta and Sarora, District Raipur Chhattisgarh for revision in Detailed Project Report (DPR)

IMAC noted that: -

- i. SPV has requested for approval in revision in DPR with following changes-
 - Transformation of 6MT Mango Aseptic Pulping Line in-to 12 MT Multi Fruit Aseptic Pulping Line.
 - Internal adjustments and shifting of Refrigeration and related facilities.
 - Inclusion of Slicer Dicer and Heavy Duty Blancher in IQF.
 - Increase in Boiler capacity from 8 MT to 10 MT.
- ii. The proposal of SPV for revision in DPR was already deliberated in its meeting held on 21.08.2019 and IMAC approved revision in project components by excluding the components proposed to be dropped by SPV and also directed that the additional components proposed in the revised DPR may be dealt by the SPV on their own.
- iii. The above proposal was again placed before IMAC in view of the decision of IMAC dated 18.05.2020 that *"....Each case for revision should be placed before IMAC and each case should be decided on case to case basis subject to submission of proper justification by the SPV/IAs and in no case the increase in total project grant in aid originally approved will be permitted. However, the revision in DPR should not result in the change in basic objectives and scope of activities of the Mega Food Park project and such changes in DPR may be permitted only once for a project life cycle."*

Decision of the IMAC:

IMAC was informed by the SPV representative that the revisions proposed at point (i) above are already implemented on ground after the rejection of the proposal in the IMAC held on 21.08.2019. IMAC noted that the TC had totally erred in invoking the decision of IMAC dated 18.05.2020 about revision of DPRs in this case since it is

applicable only to MFPs implemented by Government agencies. In view of the above, after detailed discussions, IMAC reiterated the decision on revision of DPR of M/s Indus Best Mega Food Park as approved in its meeting held on 21.08.2019.

Agenda Item No. 3

To consider the request of M/s Fanidhar Mega Food Park Private Limited for the Reduction in total no of PPCs from five (05) to three (03), reduction in the area of SDF shed and non-core facility

IMAC noted that: -

- i. As per the feedback received from market and various clients in order to increase project viability, SPV has made a request to drop two (2) PPCs at Gandhinagar and Banaskantha out of a total Five (05) PPCs and also proposed reduction in SDF shed area (4160 sqm to 2100 sqm) and non-core facilities (2985 sqm to 1500 sqm).
- ii. Division has recommended the proposed dropping of two PPCs and reduction of size of SDF and non core expenditure which may substantially reduce the capex required for the project and overall fund requirement will also be reduced without having any adverse impact on total amount of the grant-in-aid as approved by the Ministry.
- iii. The reduced capacity may help SPV to improve the project viability due to cost reduction. However, any surplus expenditure incurred or to be incurred by SPV on the project components shall be borne by the promoter from their own funds.
- iv. Division recommended for approval in reduction in PPCs from five to three and also proposed reduction of **₹14.74 Crs** in Total Project Cost (TPC) and **Rs 14.10 Crs** in Eligible Project Cost (EPC) i.e. the TPC is reduced to **Rs 151.05 Crs.** and EPC is reduced to **Rs 136.31 Crs from Rs. 150.41 Cr** without any change in approved grant in aid. Details are at **Annexure I**

Decision of the IMAC:

After detailed discussions, IMAC decided to approve the request of M/s Fanidhar Mega Food Park for the reduction in number of PPCs from five to three and reduction in total project cost and eligible project cost as mentioned in sub para (iv) above.

Agenda Item No. 4

Request of M/s Favorich Mega Food Park for the Modification in Approved DPR (Change In Anchor Unit) and Extension of Project Timelines.

IMAC noted that: -

- i. SPV has proposed to change the Anchor unit from Integrated Floor & Atta Mill to Cattle Feed Plant for which, promoter of M/s Favorich Agro Private limited has signed a registered agreement with Karnataka Cooperative Milk producer's Federation limited (KMF), Government of Karnataka for supply of cattle feed pellets on DBFOS basis for 15 years.
- ii. Proposed Investment in Anchor unit is increased to **Rs 29.47 Cr** which is **Rs 8.44 Cr** more than earlier approved Investment of **Rs 21.03 Cr** in anchor unit of Integrated Flour & Atta Mill. Deatails are at **Annexure II**
- iii. The timelines for completion of project has lapsed on **18.06.2020**. The reason for delay in implementation of project has been mentioned as initial agitations of farmers demanding compensation for the land acquired by KIADB for the project and also due to Covid-19 pandemic. SPV has requested for extension of completion timeline up to **June 2021**.

Decision of the IMAC:

After detailed discussions, IMAC decided to approve change in Anchor unit from integrated Floor & Atta Mill to Cattle Feed Plant and extension of timeline for implementation of the project up-to June, 2021. SPV was directed to comply the conditions for release of 3rd installment by February,2021.

Agenda Item No. 5

Request of M/S RFK Greens Mega Food Park, Pulwama, J&K for the permission for setting up of CA Storage by three entities on the allotable land in CPC.

IMAC noted that: -

- i. Three (3) entities proposed CA storage to be set up in the allotable plots of Mega Food Park:
M/s Meva Fresh Cold Chain Private Limited, Srinagar, JK
M/s KashInd Krishi Private Limited
M/s Zaidan Storage Private Limited
- ii. Establishment of these CA Stores shall also initiate some activity in the food park and thereby create an environment for investment.
- iii. In the last IMAC dated 06.03.2020, SPV was permitted to lease one plot for setting up of CA storage in 2.125 acre to another entity but there is no progress on that project.

Decision of the IMAC:

After detailed discussions, IMAC noted that the approval for leasing one plot for CA storage given in the IMAC dated 06.03.2020 is NOT implemented by the SPV yet. IMAC agreed to amend the earlier approval for setting up of a CA unit by any promoter other than the specific entity permitted earlier.

Agenda Item No. 6

Ratification of the on-file approval accorded to release of the amount deducted towards penalty to all the operational Mega Food Park projects.

IMAC noted that: -

- i. Operational parks require flow of funds for operation/maintenance of the common facilities created and are facing challenges on financial front due to the situation created by COVID-19. However, as park is yet to be populated with prescribed units and completed as per scheme guidelines, final installment of grant cannot be released now. But to ease out the financial crisis due to current situation Ministry may consider releasing 100% penalty of operational park which either have common facilities operational or have operational units.
- ii. The progress achieved by the 12 operational parks since May, 2020 is summarized as under:

S. No.	Name & Location of MFP Projects	Progress since May 2020
1.	Avantee, Dewas, M.P.	a. 1 more SDF shed rented. b. Marginal progress in PPC.
2.	Cremica, Una, H.P.	a. Leased plot to 2 more Unit.
3.	Greentech, Ajmer, Rajasthan	a. Leased plot to 1 more Unit. b. 1 SDF shed rented. c. 1 Unit started construction d. 1 more Unit approved under CEFPPC scheme e. 1 unit became operational
4.	KINFRA, Palakkad, Kerala	a. Leased plot to 1 more Unit. b. 5 more Units became operational c. 1 more Unit approved under CEFPPC scheme d. ETP completed. Project made operational on 01.10.2020
5.	MITS, Rayagada, Odisha	No Progress
6.	Paithan, Aurangabad, Maharashtra	a. Leased plot to 4 more Unit. Registered lease deed yet to be submitted
7.	Satara, Satara, Maharashtra	a. Leased plot to 2 more Unit.

		b. 1 Unit started construction c. 1 more Unit approved under CEFPPC scheme
8.	Sikaria, West Tripura, Tripura	a. 1 Unit approved under CEFPPC scheme b. CETP completed
9.	Smart Agro, Nizamabad, Telangana	a. Leased plot to 1 more Unit. b. 1 SDF shed rented. c. 1 Unit started construction
10.	Sukhjit, Kapurthala, Punjab	a. Anchor Unit made operational b. Some progress on PPCs. c. Completed major facilities at CPC except Admin Complex. Project made operational on 24.11.2020
11.	Zoram, Kolasib, Mizoram	a. Leased plot to 1 more Unit. Project made operational on 20.07.2020
12.	Indus Mega, Khargone, M.P.	No Progress

- iii. Considering the progress of operational Mega Food parks since May, 2020, to release balance 50% of withheld amounts towards penalty imposed for delays in implementation, on-file approval accorded by the Hon'ble Minister, FPI for release to MFPs listed above except MFPs at Sl.No. 5, 6 and 12.
- iv. Based on on-file approval, Ministry has already conveyed approval for release of balance 50% penalty to operational MFPs except parks at Sl. No. 5,6 and 12 and same is placed before IMAC for ratification.

Decision of IMAC

IMAC ratified the on-file approval as under –

- a. Considering the progress of operational Mega Food Parks since May, 2020, to release balance 50% of withheld amounts towards penalty imposed for delays in implementation to MFPs listed above except at Sl.No. 5, 6 and 12 which has not shown any significant progress during the above referred period. Their balance penalty may be released after ascertaining significant progress on implementation of the project.
- b. 100% penalty to be released to those MFP projects (became operational after May,2020 onwards) which either have common facilities operational or have operational units.

Agenda Item No. 7

Ratification of the on-file approval accorded to recommendations of the committee on the request of the MFP promoters for permitting sale of plots in addition to the existing provisions for leasing of plots in the MFP scheme guidelines.

IMAC noted that: -

i. As per the minutes of meeting of the committee constituted to examine the request submitted by the SPVs for permitting sale of plots in the Mega Food parks projects, it has been recommended that the sale or leasing of plot may be permitted in the MFPs subject to compliance of conditions that:

(a) The SPV would submit an affidavit confirming their responsibilities as per the provisions of the MFP scheme guidelines including under clause 5.1.1.

(b) SPV would include two clauses in the sale agreement that the plot would be utilized only for setting up of food processing units and sale will happen only with consent of lending bank, or else, the sale would be void. The draft sale document must be sent to the Ministry for approval before getting it registered.

ii. To ensure that the proposed incorporation of conditions in sale document, does not have any legal issues, it was suggested that an opinion may be sought from Ministry of Law as to whether conditional Sale agreement would be legally valid and enforceable.

iii. The matter regarding conditional Sale agreement was referred to Ministry of Legal Affairs (MoLA) for opinion. MoLA has opined that –

"...in our view there is nothing illegal if following two clauses are mentioned in conditional sale document:

(i) The plot will be utilized for setting up Food Processing Units; and

(ii) Sale of plots in Mega Food Parks will happen only with the consent of lending Banks of SPV.

However, for non-compliance of the above condition, providing that sale would be void, shall have wider legal repercussions...."

iv. In view of above, on-file approval was accorded by Hon'ble Minister, FPI regarding permitting sale of plot also in addition to the existing provision for leasing of plots.

Decision of IMAC

IMAC ratified the on-file approval as under:

i. Amendment of existing clause pertaining to only leasing of plots in guideline (s) of Mega Food Park scheme and permitting sale of plot in addition to the existing provision for leasing of plots.

ii. Approval of Committee recommendation that the sale or leasing of plots may be permitted in the MFPs subject to compliance of the following:

(a) The SPV would submit an affidavit confirming their responsibilities as per the provisions of the MFP scheme guidelines including under clause 5.1.1.

(b) SPV would include two clauses in the sale agreement that the plot would be utilized only for setting up of food processing units and sale will happen only with consent of lending bank.

Details of revised project cost of M/s Fanidhar Mega Food Park

Sr. No	Component	Approved Cost Amount (₹ in Crore)	Proposed Revision	
			As per SPV/ Bank (₹ in Crore)	As per PMA (₹ in Crore)
1	Land	10.26	10.26	10.26
2	Basic Enabling Infra (CPC+PPC)	44.95 (18.07+25.80+1.08)	44.51	44.51 (18.07+25.80+0.64)
3	Core Processing facilities (CPC+PPCs)	83.78 (55.37+28.41)	75.44	75.44 (55.37+20.11)
4	Misc. Fixed Asset	1.26	1.26	1.26
5	Non core Facilities	5.97	3.00	3.00
6	Factory building for MSE sheds (SDF)	6.03	4.00	3.04
7	Interest During Construction (IDC)	8.46	8.46	8.46
8	PMC & Other consultancy Expenses	0.60	0.60	0.60
9	Preliminary and Pre-operative Expenses	3.06	3.06	3.06
10	Contingencies	1.42	1.42	1.42
	Total Project Cost	165.79	152.01	151.05
	Eligible Project Cost	150.41		136.31

Proposed Revision in Means of finances

#	Source of fund	Approved means of Finances	MoF as per proposed revision/ Bank appraisal	As per PMA
(i)	Promoter's Contribution	33.29	33.29	33.29
(ii)	Grant from MFPI	50.00	50.00	50.00
(iii)	Term Loans	45.00	45.00	45.00
(iv)	Grant from Gujarat Govt.	20.00	20.00	20.00
(v)	Unsecured Loan (including Capital Receipts and Reserve & Surplus)	17.50	3.72	3.72
	Total	165.79	152.01	152.01

- ❖ Proposed reduction in the project cost is compensated through reduction in unsecured term loan.
- ❖ Term loan and promoter contribution remains unchanged i.e. more than 20% of total project cost as per MFP requirement.
- ❖ However, any surplus expenditure incurred or to be incurred by SPV shall be borne by the promoter from their own funds.

Reduction of non-core infrastructure and SDF shed at CPC

Component	As Approved			Revision Proposed by SPV			As per PMA
	Capacity	Unit	In ₹ Crs	Capacity	Unit	In ₹ Crs	
Core Processing Facilities			55.37			55.37	55.37
Basic Enabling Facilities			43.87			43.87	43.87
Non-Core Facilities- CPC	2985	Sqm	5.97	1500	Sqm	3.00	3.00
Factory building for MSE sheds	4160	Sqm	6.03	2100	Sqm	4.00	3.04
Investment at CPC exc. Land, MFA, IDC, Pre-operatives, contingencies and PMC fees			111.24				

Component	AS APPROVED			Revision Proposed by SPV			As per PMA
	Capacity	unit	In Rs Crs.	Capacity	unit	In Rs Crs.	
Core Processing Facilities			55.37			55.37	55.37
Basic Enabling Facilities			43.87			43.87	43.87
Non-Core Facilities-CPC	2985	sqm	5.97	1500	sqm	3.00	3.00
Factory building for MSE sheds	4160	sqm	6.03	2,100	sqm	4.00	3.04
Investment at CPC exc. Land, MFA, IDC, preoperative, contingencies and PMC fee			111.24			106.24	105.28

Reduction of number PPCs from five to three by dropping two PPCs

SI No	Approved Location	Approved Cost (in Rs Crore)		Proposed location for dropping	Proposed Revision in PPC Cost (in Rs Crore)	
	PPCs	Core Facilities	Basic Enabling Infra	PPCs	Core Facilities	Basic Enabling Infra
1	Kheda	6.23	0.22	No change (retained)	6.23	0.22
2	Vadodara	6.84	0.22	No change (retained)	6.84	0.22
3	Sabarkantha	7.04	0.22	No change (retained)	7.04	0.22
4	Banaskantha	5.95	0.22	Banaskantha (dropped)		
5	Gandhinagar	2.44	0.22	Gandhinagar (Dropped)		
	Total	28.50	1.1		20.11	0.66
		29.60			20.77	

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Proposed Modification in Approved DPR (Change in Anchor Unit) of M/s Favorich Mega Food Park.

As Per Approval Letter		As per Revision Proposed	
Proposed Unit	Integrated Flour & Atta Mill	Proposed Unit	Cattle Feed Plant
Capacity	Roller Flour Mill , 150 TPD Atta Mill , 130 TPD	Capacity	20 TPH
Total Investment	Rs 21.03 Cr	Total Investment	Rs 29.47 Cr

Proposed Revision in Means of Finances:

Particulars	Approved Means Of Finance for Anchor Unit of Integrated Flour Mill		Revised Means Of Finance for Anchor Unit of Cattle Feed Plant -20TPH	
	Amount (Rs In Cr.)	%Contribution	Amount (Rs In Cr.)	% Contribution
Promoter Contribution	4.21	20%	7.3686	25%
Term Loan	16.82	80%	22.1059	75%
Total	21.03	100%	29.47	100%

Note: SPV has clarified that 55% equity contribution has been proposed by Lead Promoter (threshold 50%)

Attendance of IMAC meeting held on 20.01.2021 through VC

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