

Minutes of the 12th Meeting of Mission Operation Greens held in Room No. 120 at MoFPI, Delhi at 3.00 pm on 29.11.2019

The meeting was held under the chairmanship of Joint Secretary, FPI to scrutinize the integrated value chain project proposals received under the scheme and make its recommendations to the Inter Ministerial Approval Committee (IMAC). Members of the Mission Operation Greens (MOG), PMAs (GT & NABCONS) and applicants attended the meeting. The list of participants of the meeting is at Annexure-I.

2. At the outset, Chairman welcomed the participants and intimated the purpose of the meeting.
3. Detailed presentations were made by the PMA on the proposals and subsequent clarifications submitted by the applicant. Mission examined whether the applicants have complied with the basic eligibility criterion, total project cost, eligible project cost and means of finance as detailed out in the agenda notes.
4. The agenda wise recommendations of the Mission are as under:

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Agenda Item No. 1

Applicant: Atalratna Krushi Producer Company Limited

Location of Project: Ahmednagar, Maharashtra

PMA: NABCONS

Representative of the applicant firm attended the mission meeting on 29.11.2019.

PMA gave a detailed presentation. It informed that Sahyadri Nagari Sahakari Patsanstha Maryadit, Sangli - Maharashtra, which has sanctioned the term loan to the project, is not registered under RBI. Therefore, term loan sanction letter cannot be accepted. It was also noted that the applicant did not submit detailed bank appraisal report.

Mission observed that though the applicant has submitted the application as an FPO, but as per DPR (*Page No. 8*), it has 15 numbers of individual's members and one entity named Shaneshwar Vividh Karyakari Seva Sahakari Sanstha with 1,400 farmers. It was informed to the applicant that for considering the proposal under FPO category, it has to include these farmers directly into the FPO by issue of shares.

Mission also noted that Ministry has already approved one project in Ahmednagar cluster and another project in the same cluster is already under consideration.

Mission Recommendation

Mission recommended the proposal as ineligible because of incomplete submission.



Agenda Item No. 2**Applicant:** Vangi Foods**Location of Project:** Anand, Gujarat**PMA:** NABCONS

Representative of the applicant firm attended the mission meeting on 29.11.2019.

PMA gave a detailed presentation and informed that the component-wise investment proposed in the proposal is as under: -

| <u>Components</u> | <u>Amount</u> | <u>% of Total Project Cost</u> |
|---|---------------|--------------------------------|
| Capacity building of FPOs | 0.33 Cr | 1.78% |
| Quality Production | 0.05 Cr | 0.27% |
| At Farm Level (other than main processing site) - PPCs, Cold Storage, smaller secondary processing line etc. | 3.53 Cr | 19.08% |
| At Main processing site (<i>all inclusive - Cold Storage, Grading- Sorting Line, Secondary processing line, Utilities, land etc.</i>) | 12.05 Cr | 65.14% |
| Agri Logistics | 0.27 Cr | 1.47 % |
| Marketing/Consumption points | 0.91 Cr | 4.92 % |

Applicant informed that the proposed project is to set-up "Veg Food Gravy and Tomato Sauce" as main processing facility, which includes processing facilities for Tomato, Onion and Garlic. PMA informed that the processing facilities at farm level are mainly for Onion and Garlic, which cannot be consider eligible as Anand, Gujarat is identified as Tomato Cluster.

Mission sought for clarification on the process line proposed by the applicant as there is no clarity about the same in the DPR or appraisal report from the bank. It also suggested that the applicant to consider shifting the pre- processing facilities proposed at farm level i.e., garlic peeler with washer and onion peeler with dicing machine to the secondary processing unit, as the installation of the pre-processing equipment at a location distant from the secondary processing line is not appropriate considering the food quality and safety requirements. Mission suggested that the applicant to enhance investment in the facilities/ infrastructure at the farm level relating to tomato such as collection centers, pack-house, sorting & grading line, cold storage etc.

The applicant was advised to form requisite number of new FPOs with adequate number of farmer's members so that the raw material requirement of the project is procured directly from these FPOs. The number of farmers, acreage and capacity has to

be enhanced to meet the quantity, quality and variety requirement of the unit proposed. The revised proposal/ DPR may include the details of the measures being undertaken for quality production with the quantification and proposed investment for the same.

PMA informed that in the DPR, CE Civil/Mechanical, cost and capacity is not mentioned facility wise, rather it is for individual equipment-wise. The applicant was advised to provide write-up on secondary processing line, indicating nature of processing and its capacity vis-à-vis packaging line and utility equipment along with their capacity.

Applicant was advised to submit the complete process flow chart showing input and output capacity (in MT at 100% capacity utilization) at each proposed facility from farm gate to marketing point.

Mission advised the applicant to submit revised DPR along with requisite documents based on the above observations.

Mission Recommendation

In view of the above, Mission deferred the proposal.

A handwritten signature in black ink, appearing to read "Lvin", is located in the lower right quadrant of the page. The signature is written in a cursive style with a long horizontal stroke extending to the right.

Agenda No. 3**Applicant:** Banaskantha District Milk Producers Union Co-Op. Ltd.**Location of Project:** Banaskantha, Gujarat**PMA:** GT

Representative of the applicant firm attended the mission meeting held on 29.11.2019.

Mission noted that IMAC in its meeting held on 20.11.2019, directed applicant to make detailed written submission clearly showing the timeline of promoter's equity contribution along with source of funding during the project implementation and referred the proposal back to Mission to examine the submission and place its recommendation before IMAC in the next meeting.

PMA informed that applicant vide its email dated 28.11.2019 stated that the reason behind negative net current assets is that the Dairy Industry globally was suffering due to lower pricing of milk commodities for past 3 years. After March 2019, the prices have improved and they have liquidated excess stock which has helped to improve their liquidity and current ratio at present. Further, the promoter has informed that they have financed in their other three new projects from their own funds i.e. Rs.210.41 Crore.

It was noted that the applicant has authorized share capital of Rs.500.00 Crore out of which paid up capital is Rs.250.87 Crore as on 30th September 2019.

Mission noted that the applicant has submitted undertaking dated 28/11/2019 stating that they will issue share capital to existing shareholders for Rs.30.00 Crore to meet promoter's equity contribution in next four months as under: -

| S. No. | Particulars | December 2019 | January 2020 | February 2020 | March 2020 | Total Amount |
|--------|---|---------------|---------------|---------------|----------------|-----------------------|
| 1 | Approval in Board Meeting of Collected Share Capital proposals from their member VDCS of Banaskantha - After their resolution in VDCS Board Meetings. | Rs. 500 Lakhs | Rs. 700 Lakhs | Rs. 800 Lakhs | Rs. 1000 Lakhs | Rs. 3000 Lakhs |

Mission Recommendation

Mission recommended the proposal as eligible, subject to condition that applicant will mobilize the entire equity contribution from the promoters in Tier-II account before March'2020. It was further recommended that applicant will be eligible for grant in aid as per the scheme guidelines only after mobilization of entire equity contribution.

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Agenda No.4**Applicant:** Khemanand Dudh and Krishi Producer Company Limited**Location of Project:** Ahmednagar, Maharashtra**PMA:** GT

Representative of the applicant firm attended the mission meeting held on 29.11.2019.

Mission noted that IMAC in its meeting held on 20.11.2019, directed applicant to make detailed written submission clearly showing the timeline of promoter's equity contribution along with source of funding during the project implementation and referred the proposal back to Mission to examine the submission and place its recommendation before IMAC in the next meeting.

Mission noted that applicant vide its email dated 28.11.2019, has submitted undertaking stating that the equity will be contributed by the directors and shareholders of M/s Khemanand Dudh and Krishi Producer Company Ltd. The details are as follows:

| S. No. | Name of Promoter | Equity Contribution (in Rs. Lakh) | %age Shareholding |
|--------|--|-----------------------------------|-------------------|
| 1 | Nanda Sadashiv Lokhande | 76.21 | 10% |
| 2 | Prashant Sadashiv Lokhande | 63.51 | 15% |
| 3 | Sadashiv Kisan Lokhande | 76.21 | 10% |
| 4 | Khemanand Milk, Agro and Credit Co-Operative Union limited | 101.62 | 5% |
| | Total | 317.55 | |

Mission noted that the applicant vide its email dated 28.11.2019, has submitted revised means of finance as follows:

| S. No. | Particulars | As per bank appraisal dated 15.09.2019 | As per revised means of finance dated 28.11.2019 |
|--------|----------------------------------|--|--|
| 1 | Promoters Equity/unsecured loans | 717.55 | 317.55 |
| 2 | Unsecured loans | 0.00 | 400.00 |
| 3 | Grant under operation greens | 2100.00 | 2100.00 |
| 4 | Term loan | 315.00 | 315.00 |
| | Total | 3132.55 | 3132.55 |

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Mission directed the applicant to submit an Undertaking stating mobilization of entire equity contribution by March 2020, showing month-wise amount of equity infusion in the project.

Mission Recommendation

Mission recommended the proposal as eligible, subject to condition that applicant will mobilize the entire equity contribution from the promoters in Tier-II account before March'2020. It was further recommended that applicant will be eligible for grant in aid as per the scheme guidelines only after mobilization of entire equity contribution.

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LIST OF THE MEMBERS ATTENDED MISSION MEETING UNDER OPERATION GREENS SCHEME UNDER THE CHARIPERSONSHIP OF JOINT SECRETARY, FPL ON 29.11.2019 (03:00 PM) IN THE MEETING ROOM NO. 120

MoFPI

| S.No. | Name of the Officer | Email | Office No. |
|-------|--|--|-----------------------|
| 1. | Shri Minhaj Alam, IAS (Joint Secretary) | minhaj@ias.nic.in | 26499433 |
| 2. | Shri Atya Nand (Deputy Secretary) | atyanand@nic.in | 26497635, 26406523 |
| 3. | Shri H K Pattanaik (Deputy Secretary) | hkpattan@nic.in | 26406516 |
| 4. | Shri Shyam Sundar Agrawal (Deputy Director) | ssagrwal.icoas@nic.in | 26406545 |

| S.No. | Name of the Officer | Email / Contact No. | Office |
|-------|--|--|--------------|
| 1. | Shri P.N. Dogra Sr. Consultant | 8527596437 padamdogra@gmail.com | SFAC, Delhi |
| 2. | Shri Sankar Narayan Programme Officer | sankaranarayan@ncdc.in | NCDC, Delhi |
| 3. | Shri Gurvinder Singh Ahuja, Manager | 8699005210 dsm@nabard.org | NABARD |
| 4. | Dr. Suneel Sharma Consultant (Hort) | 9354579952 Sharma.suneel1958@gmail.com | NAFED, Delhi |

Grant Thornton (PMA)

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|---|---------------|--|
| 1 | Karan Sharma | 9999000594 Karan.sharma@in.gt.com |
| 2 | Deepti Thakur | 9501594367 Deepti.thakur@in.gt.com |

NABCONS (PMA)

| | | |
|---|------------------|--|
| 1 | Shilpa Deshpande | shilpa.deshpande@nabcons.in |
| 2 | Gunjan Walia | gunjan.walia@nabcons.in |
| 3 | Sanya Singh | sanya.singh@nabcons.in |

APPLICANT

| S.No. | Name | Email/ Contact No. | Office |
|-------|------------------------|--|---|
| 1. | Dr. Prahlad Vaghela +2 | 9429407007 prv@banasdairy.corp | Banaskantha District Coop Gujarat |
| 2. | Shri Shivaji Mohite +1 | 8007505000 Shivajimohite111@gmail.com | Atalratna Krushi Producer Co. Ltd. |
| 3. | Shri Prashant Lokhande | 9702044645 Prashantlokhande2005@gmail.com | Khemanand Dudh and Krishi Producer Company Ltd. Maharashtra |
| 4. | Shri Rajan Desai | 982550000, 9909022781 vangifoods@gmail.com | Vangi Foods Anand, Gujarat |

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