

**Minutes of the 9<sup>th</sup> Meeting of Mission Operation Greens held in Room No. 120 at MoFPI, Delhi at 3.30 pm on 28.08.2019**

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. Members of the mission desired that applicants should be asked to provide 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.

4. The draft cost norms prepared by Ministry for components related to Capacity building of FPOs under Operation Greens as below:

<b><u>S. No.</u></b>	<b><u>Components</u></b>	<b><u>Unit cost</u></b>	<b><u>Relevant factor</u></b>	<b><u>Nos</u></b>	<b><u>Amount</u></b>
1	FPO Registration Cost	40,000		3	120,000
2	Management & Technical Training to Governing Body of FPO (thru empaneled agencies)	3,500	Rate per day; 3 persons from each FPO + twice in a year + for one year + 15 days duration	270	945,000
3	Exposure visit of Governing Body of FPO #	10,000	Rate per visit; 3 persons from each FPO + twice in a year + for one year	18	180,000
4	FPO office rent, electricity, communication, etc.	6,800	Rate per month for each FPO	36	244,800
5	Minor equipment for FPO office	90,000	Capex per FPO	3	270,000
6	Training of Farmers ##	25,000	Training for batch of 30 farmers; 1,000 farmers in one FPO + 4 trainings per year + for one year	400	10,000,000
7	Exposure visit of Farmers - Kisan Mela, farmers exhibition, successful FPO visit etc	5,000	Rate per visit; 10 farmers from each FPO + once in a year + for one year	30	150,000

The cost sheet was discussed in the meeting. The representative of the SFAC informed that the salary of CEO should be included in the list. SFAC and NABARD were

requested to provide their comments/inputs on the above sheet so the same can be finalized and included in the Cost Norms by the Ministry.

5. It is noted that no representative from NAFED attended the meeting. In the last Mission meeting held on 08.08.2019, regarding implementation of price stabilization measures, State Governments, State Level Marketing Federations were requested to submit the detail write-up on the role of State Govt., State Level Marketing Federation and eligible agencies and the list of documents required as proof of evacuation and for claim the subsidy. Till date, no reply has been received. NAFED was requested to get the said information from State Governments & State Level Marketing Federations. Further, it was decided to advise NAFED to furnish the bank statement to the Ministry quarterly.

The agenda wise recommendations of the Mission are as under:

**Agenda Item No. 1****Aviraj Foods, Madhya Pradesh****Location of the project:** Indore, Madhya Pradesh**PMA:** Grant Thornton

Representative of the applicant firm attended the Mission meeting held on 28.08.2019.

It was noted that IMAC has directed that the proposal needs to be revised/restructured by the applicant in accordance with investment criteria.

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

<u>Components</u>	<u>Amount</u>	<u>% of Total Project Cost</u>
Capacity building of FPOs	1.20 Cr	1.12%
Quality Production	0.05 Cr	0.04%
At Farm Level (other than main processing site) - PPCs, Cold Storage, smaller secondary processing line etc.	22.95 Cr	21.48%
At Main processing site ( <i>all inclusive - Cold Storage, Grading- Sorting Line, Secondary processing line, Utilities, land etc.</i> )	71.38 Cr	66.81%
Agri Logistics	0.88 Cr	0.82 %
Marketing/Consumption points	5.20 Cr	4.86 %

It was found that the percentage investment at main processing site is more than the prescribed investment limit i.e., 50% maximum.

Mission observed that applicant has revised its project cost from ₹ 114.18 Cr (*as per original DPR*) to ₹ 106.84 Cr (*as per Revised DPR*) proposing the same facility with significant reduction of cost. There is huge variation in the cost of many processing facilities for same capacities as below:-

S. No.	Facilities	<u>As per Original DPR</u>		<u>As per Revised DPR</u>	
		Capacity	Cost	Capacity	Cost
1	Potato Flakes line	1.2 MT/hr	20.86 Cr	1.2 MT/hr	16.15 Cr
2	Frozen potato RTC Products line	3 MT/Hr	42.31 Cr	3 MT/Hr	29.30 Cr
3	Packaging line	NA	2.24 Cr	NA	1.74 Cr

It was also found that in the original DPR, applicant had proposed the cold storage of 5,000 MT in an area of 6,200 Sq. with technical civil cost of ₹ 217 lakh but in the revised DPR, it has proposed the cold storage of 10,000 MT in the same area of 6,200 Sq. with technical civil cost of ₹ 527 Lakh.

Further, in the original DPR, applicant had proposed boiler of capacity 15 MT/hr with total cost of ₹ 917 lakh but in revised DPR, it has proposed boiler of capacity 10 MT/hr with total cost of ₹ 530 Lakh for same capacity of processing facilities.

Applicant in the meeting stated that for the potato flake line and frozen potato RTC product line, they are now proposing single pre-processing line, which has resulted in cost saving.

Applicant was advised to submit detailed justification for variation in cost of each component along with 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 for both, as proposed in original DPR and revised DPR.

It was also noted that the proposal involves about 5,000 farmers and 8,000 acre of land but looking at expected yield their planned processing and cold storage capacity appears to be inadequate. Further, for farm mechanization, it has proposed to invest in 2 sets of automatic planters and cultivators which looks inadequate.

PMA was directed to examine the reason for difference in cost of each component with the supporting documents like quotations to ascertain the reasonability of the estimated cost.

**Mission Recommendations:**

Mission deferred the proposal to next Mission Operation Greens meeting.

**Agenda No. 2****Sanghar Exports****Location of the project:** Nashik, Maharashtra**PMA:** Grant Thornton

Representative of the applicant firm attended the Mission meeting held on 28.08.2019

It was noted that IMAC has directed that the proposal needs to be revised/restructured by the applicant in accordance with investment criteria.

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

<b><u>Components</u></b>	<b><u>Amount</u></b>	<b><u>% of Total Project Cost</u></b>
Capacity building of FPOs	1.60 Cr	3.68 %
Quality Production	0.38 Cr	0.87%
At Farm Level (other than main processing site) - PPCs, Cold Storage, smaller secondary processing line etc.	0.00 Cr	0.00%
At Main processing site ( <i>all inclusive - Cold Storage, Grading- Sorting Line, Secondary processing line, Utilities, land etc.</i> )	7.85 Cr	18.06%
Agri Logistics	3.34 Cr	7.69 %
Marketing/Consumption points	29.10 Cr	67.02 %

It was found that at farm level, investment proposed is 0.87% against the investment criteria of 20% at farm level; therefore, the proposal was found to be ineligible.

It was also noted that Pune and Panvel, where the main processing and storage hub is proposed, are outside the identified cluster by the Ministry. Proposal involves about 3,960 farmers and 5,940 acre of land but soil testing of 500 samples per year is proposed, which will take nearly 8 years to complete soil testing of all farms which is crucial for fertigation and crop advisory. Further, the cost proposed for farm mechanization is just Rs. 24 lakhs, which is grossly inadequate.

Mission advised the applicant to withdraw the application, as the proposal resubmitted by the applicant is not as per the investment criteria and that they can reapply by revising the proposal within the extended time of 30.09.2019. It was also noted that original application was submitted on 15.03.2019.

**Mission Recommendations:**

Mission recommended the proposal as ineligible because of non-compliance of the limited investment criteria.

**Agenda No. 3**

**Kaytha Enterprises Private Limited**

**Location of the project:** Dewas, Madhya Pradesh

**PMA:** Grant Thornton

It was informed that applicant was directed in the IMAC meeting held on 03.07.2019 that lead promoter should be present in the meetings to explain the project.

However, representative of the applicant informed that lead promoter could not come due to medical emergencies.

Members decided not to consider the case in this meeting due to non-availability of lead promoter in the meeting despite of clear directions in the IMAC meeting.

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 Recommendations:**

Mission deferred the proposal to next Mission Operation Greens meeting.

**Agenda No. 4**

**Hindustan Agro Co-Op. Limited, Maharashtra**

**Location of the project:** Ahmednagar, Maharashtra

**PMA:** Grant Thornton

Representative of the applicant firm attended the Mission meeting held on 28.08.2019.

It was informed that in the IMAC meeting held on 21.08.2019, applicant could not justify their proposal for creation of cold storage of 50,000 MT capacity for onion and it was decided to reexamine the proposal consulting with the experts in the matter.

Dr. P.K Gupta, Director, NHRDF and Dr. Rajendra Jagdare, Director General, Science & Technology Park, Pune attended the meeting as experts and supported the proposal to create cold storage of 50,000 MT capacity for onion. It was informed that if Onion is stored for 6 months in conventional storage, the loss would be in the range of 25-40% whereas in cold storage (at temperature of 25 °C), the loss will be reduced to 10%.

Dr. Rajendra Jagdare vide email dated 07/09/2019 submitted that looking at volume of production of onion in the region, the proposed 50,000 MT storage capacity would be inadequate considering almost 5 million MT of onion production only in two districts.

The proposal provides for storage of Rabi/summer crop of onions for a period of 4-6 months. Promoter has informed that they will be storing harvest of Rabi season i.e., from month of March to June only, during which the full 50,000 MT of capacity of cold storage will be utilized.

**Mission Recommendations:**

Considering proposed scale of operation in the DPR, Mission recommended that the cold storage capacity should be reduced from 50,000 MT to 25,000 MT and accordingly, cost of 25,000 MT of Cold Storage only will be taken into consideration for calculating grant-in-aid under the Scheme.

**Agenda No. 5****M/s Kissan Trading Company, Karnataka****Location of the project:** Dharwad, Karnataka**PMA:** NABCONS

Representative of the applicant firm attended the Mission meeting held on 28.08.2019.

PMA gave a detailed presentation of the proposal 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	0.09 Cr	1.39 %
Quality Production	1.08 Cr	16.69%
At Farm Level (other than main processing site) - PPCs, Cold Storage, smaller secondary processing line etc.	0.00 Cr	0.00%
At Main processing site ( <i>all inclusive - Cold Storage, Grading- Sorting Line, Secondary processing line, Utilities, land etc.</i> )	4.79 Cr	74.03%
Agri Logistics		
Marketing/Consumption points		

It was noted that the proposal stipulate most of the investment is at one place i.e. main processing site. The proposal does not meet the investment criteria of 20% at farm level; therefore, the proposal was found to be ineligible.

Further, there is number of deficiencies in the proposal such as non-deposit of EMD, non -submission of net worth documents of Sh. Babajan G Kappanalli (promoter), mismatch in DPR and Appraisal Note. It was also found that the building construction is 75% completed.

Mission advised the applicant to withdraw the application, as the proposal is not as per the investment criteria and there is lot of deficiencies in the proposal. It was informed that they can reapply by revising the proposal within the extended time of 30.09.2019.

**Mission Recommendations:**

The Mission recommended the proposal as ineligible because the proposal is not as per the investment criteria and incomplete submission.



**Agenda No. 6**

**M/s Khemanand Dudh and krishi Producer Limited, Maharashtra**

**Location of the project:** Ahmednagar, Maharashtra

**PMA:** NABCONS

Representative of the applicant firm attended the Mission meeting held on 28.08.2019.

PMA informed that applicant has not submitted the term loan sanction letter, bank appraisal.

Applicant sought time to make the fresh submission with complete documents.

Mission advised the applicant to withdraw the application, as the proposal is incomplete and reapply by revising the proposal within the extended time of 30.09.2019.

**Mission Recommendations:**

The Mission recommended the proposal as ineligible because of incomplete submission.

**Agenda No. 7**

**Terrestrial Foods Private Limited, West Bengal**

**Location of the project:** Purba Bardhman, West Bengal

**PMA:** NABCONS

Applicant neither attended the meeting nor any communication has been received from applicant side.

**Mission Recommendations:**

The Mission deferred the proposal to next Mission meeting.

**Agenda No. 8**

**Shri Amaranarayana Horticulture Farmer Producer Company Limited, Karnataka**

**Location of the project:** Kolar, Karnataka

**PMA:** NABCONS

Representative of the applicant firm attended the Mission meeting held on 28.08.2019.

PMA informed that applicant submitted the proposal in the name of Shri Amarnarayana Horticulture Farmer Producer Company Limited but has also claimed one private company (Sunsip Agro) as one of the promoters.

It was informed to the applicant that in case of joint venture, a separate legal entity has to be created and the application, term loan etc. should be in that entity's name. Further, if any of their promoter is private company than it would be treated in general category and it should comply with all the conditions as applicable for general category.

Applicant had not submitted the final term loan sanction, bank appraisal, documents in support of net worth.

Applicant sought time to make the fresh submission with complete documents.

Mission advised the applicant to withdraw the application, as the proposal is incomplete and reapply by revising the proposal within the extended time of 30.09.2019.

**Mission Recommendations:**

The Mission recommended the proposal as ineligible because of incomplete submission.

LIST OF THE MEMBERS ATTENDED MISSION MEETING UNDER OPERATION GREENS SCHEME UNDER THE CHARIPERSONSHIP OF JOINT SECRETARY, FPI, ON 28.08.2019 (03:30 PM) IN THE MEETING ROOM NO. 120

S.No.	Name of the Officer	Email / Contact No.	Office
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6.	Somashekhar Hulloli Joint Director	9448986170	Director of Horticulture, Karnataka
7.	Sankarananarayan. S Programme Officer	9654455183 sankarnarayan@ncdc.in	NCDC
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4.	Prashant Lokhande	9702044645 Prashantlokhande2005@gmail.co m	Khemanand Dudh and Krishi Producer Ltd. Maharashtra
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**MoFPI**

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