

**Minutes of the Meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 02.07.2015.**

A meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme of Cold Chain, Value Addition and Preservation Infrastructure was held on 02.07.2015 under the Chairpersonship of Hon'ble Minister, FPI to consider the following :-

- i. Soliciting ratification/ approval of IMAC regarding revision in the project cost and eligible grant-in-aid in respect of newly approved cold chain proposals.
  - ii. Consideration of continuance of approval granted to the cold chain projects of previous phases, and
  - iii. Approval of change of bank, location, project cost and means of finance of cold chain projects approved by the Ministry during earlier phases.
2. The list of participants is at **Annexure-I**.
3. Smt. Anuradha Prasad, Joint Secretary and Convener of IMAC welcomed the Hon'ble Minister and other members of the Committee. At the outset the Chair observed that before deciding on cancellation or otherwise of approval for grant-in-aid to the cold chain projects, the promoters may be accorded an opportunity to present their case in person before the IMAC to enable the Committee to take a considered and informed decision.
4. Agenda wise decisions of the IMAC are as follows:-
5. **Agenda Item No. 1 : Soliciting ratification/ approval of IMAC regarding revision in the project cost and eligible grant-in-aid in respect of newly approved cold chain proposals.**
  - (i) Initiating the discussions JS(AP) apprised that during the meeting held on 24.03.2015, IMAC directed that the scrutiny with regard to components, grant approved and other eligibility aspects may be thoroughly ensured in respect of all eligible proposals before issue of approval letters. Pursuant to aforementioned directions of IMAC, the components and grant approved of all eligible proposals as well as project cost were reviewed and based on review of project cost, eligible grant and component, approval letters to all 30 eligible proposals in order of merit have since been issued. During the review it was observed that there were changes in project cost, and eligible grant, in some cases vis-a-vis that approved by IMAC.
  - (ii) After reconciling the difference in project cost as arrived at by PMA, and as mentioned in DPR and Bank Appraisal Note, the lower of the project cost as mentioned in DPR and Bank Appraisal has been considered while issuing approval letters to the applicants.
  - (iii) Similarly on review wherever eligible grant has been reduced as compared to that approved by IMAC earlier, approval letters have been issued with reduced grant. However, wherever there has been increase in grant component, the approval letter(s)

with reduced grant as approved by IMAC previously have been issued and the matter is placed before IMAC for consideration of increase in grant amount.

- (iv) The IMAC reviewed the revisions in Project Cost & Grant-in-Aid of 23 proposals. Based on the deliberations the IMAC approved the revisions in all 23 proposals placed before it. Out of these 23 proposals, 19 are sanctioned projects and 4 are waitlisted projects. Details of the sanctioned proposals along with revised approved project cost and Grant-in-Aid [wherever applicable] are at **Annexure-II**. Details of waitlisted proposals along with revised approved project cost and Grant-in-aid [wherever applicable] are at **Annexure-III**.

6. The Case Wise Approval of the Revised Project Cost and Revised Grant-in-Aid by IMAC is detailed as follows:-

(i) **M/s Mahua Cooperative Cold Storage Limited, Bihar (A34):**

The IMAC dated 24.03.2015 had approved the project cost of Rs. 2116 lakh with eligible grant-in-aid of Rs. 976.215 lakh to the project of M/s Mahua Cooperative Cold Storage Limited. As per the DPR and bank appraisal the project cost is Rs. 2112 lakh. On review the project cost has been arrived at Rs. 2112 lakh as considered by Bank and DPR. This revision is on account of the cost of CA Store as recorded in the IMAC minutes. As per the IMAC minutes the eligible CA store cost was Rs. 504.3 lakh & the ineligible cost was Rs. 70.17 lakh whereas the revised eligible cost is Rs. 499.32 lakh & ineligible cost is Rs. 69.77 lakh. This revision in cost is on account of computation error. Accordingly, the eligible grant stands revised downwards from Rs. 976.215 lakh to Rs. 975.36 lakh. In the approval letter issued to the applicant, the project cost has been considered at Rs. 2112 lakh and eligible grant as Rs. 975.36 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 2112 lakhs which is as per DPR and Bank Appraisal with revised grant component of Rs 975.36 lakh.**

(ii) **M/s Powercon Industries Ltd., Uttarakhand (A29):**

IMAC dated 25.03.2015 had considered the project cost of M/s Powercon Industries Ltd. as Rs. 1836.52 lakh. As per DPR and Bank Appraisal the project cost is Rs. 1836.4 lakh. The difference in the project cost is on account of rounding off difference. Considering the values upto 2 decimal places the difference has now been reconciled and the project cost is revised at Rs. 1836.4 lakh. The same has been mentioned in the approval letter also. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 1836.4 lakh which is as per DPR and Bank Appraisal without any change in grant component of Rs. 1000 lakh.**

(iii) **M/s Neutrons Agri Produce (D7), Uttarakhand:**

The IMAC dated 25.03.2015 had approved the eligible grant-in-aid to M/s Neutrons Agri Produce as Rs. 984.37 lakh. During review it has been observed that the eligible grant-in-aid is calculated to be Rs. 977.66 lakh. The reduction in grant-in-aid component is on account of sanitary works amounting to approx. Rs. 8.95 lakh that had earlier been considered as eligible civil- work, in absence of a detailed break-up. There is no change in the project cost which is Rs. 1626.34 lakh. Accordingly, in the approval letter issued to the applicant the grant component has been mentioned as Rs. 977.66 lakh.

**IMAC considered aforesaid submissions and approved revised Grant-in-Aid of Rs 977.66 lakh without any change in the project cost of Rs. 1626.34 lakh which is as per the DPR and Bank Appraisal.**

(iv) **Shri Balaji Foods, Uttar Pradesh (C20) :**

IMAC dated 25.03.2015 had considered the project cost of M/s Shri Balaji Foods as Rs. 2363.95 lakh. As per DPR and Bank Appraisal the project cost is Rs. 2363.92 lakh. The difference in the project cost is on account of rounding-off difference. Considering the values upto 2 decimal places the difference has now been resolved and in the approval letter the project cost has been mentioned as Rs. 2363.92 lakh. There is no change in the eligible grant which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 2363.92 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 1000 lakh.**

(v) **Vedant Edible Products (P) Ltd., Uttar Pradesh (A27):**

The IMAC dated 25.03.2015 had considered the project cost of M/s Vedant Edible Products (P) Ltd. at Rs. 1846.38 lakh. As per Bank Appraisal and DPR the project cost is Rs. 1846.5 lakh. The concerned bank did not consider the amount for taxes (ineligible component) upto 2 decimal places for calculation of the total project cost, due to which there was a difference of Rs. 12,000 in the total project cost of the proposal. During review the same has been reconciled and the project cost is Rs. 1846.50 lakh. The same has also been mentioned in the approval letter issued to the applicant. There is no change in the eligible grant which is Rs. 798.56 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 1846.5 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 798.56 lakh.**

(vi) **Chanakya Dairy Products Limited, Punjab (C19):**

IMAC dated 25.03.2015 had considered the project cost of M/s Chanakya Dairy Products Limited as Rs. 3100.03 lakh. As per Bank Appraisal and DPR the project cost is Rs. 3100 lakh. The difference in the project cost is on account of rounding-off difference. Considering values upto 2 decimal places the difference has now been resolved and the project cost is revised at Rs. 3100 lakh. The same has also been mentioned in the approval letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3100 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 1000 lakh.**

(vii) **B.P. Frozen Foods, Uttarakhand (D19):**

IMAC dated 25.03.2015 had considered the project cost of M/s B.P. Frozen Foods as Rs. 1714.68 lakh. As per Bank Appraisal and DPR the project cost is Rs. 1714.6 lakh. The difference in the project cost is on account of rounding-off difference. Considering the values

upto 2 decimal places these differences has now been resolved and the project cost is revised at Rs. 1714.6 lakh. The same has also been mentioned in the approval letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 1714.6 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 1000 lakh.**

(viii) **S. R. Food Chain, Uttar Pradesh (C10):**

IMAC dated 25.03.2015 had considered the project cost of M/s S.R. Food Chain as Rs. 1995.56 lakh. As per Bank Appraisal and DPR the project cost is Rs. 1995 lakh. The difference in the project cost is on account of earth work (in-eligible component) that has been considered as Rs. 22 lakh (rounded off figure) by the IMAC against Rs. 21.46 lakh as per detailed cost breakup. During review the same has been reconciled and the project cost is revised at Rs. 1995 lakh. The same has also been mentioned in the approval letter. There is no change in the eligible grant component which is Rs. 865 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 1995 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 865 lakh.**

(ix) **Industrial Progressive (India) Ltd., Haryana (B27):**

IMAC dated 24.03.2015 had considered the project cost of M/s Industrial Progressive as Rs. 2966.83 lakh. As per Bank Appraisal and DPR the project cost is Rs. 2966.32 lakh. The difference in the project cost is on account of preliminary operating expenses (in-eligible component) that have been considered as Rs. 109.78 lakh (rounded off figure) by the IMAC against Rs. 109.27 lakh as per Bank Appraisal Note. During review the same has been reconciled and the Preliminary Operating expenses as considered by the Bank have been taken into account and the project cost is revised at Rs. 2966.32 lakh. The same has also been mentioned in the approval letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 2966.32 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 1000 lakh.**

(x) **Transport Corporation of India, Haryana (C31) :**

IMAC dated 24.03.2015 had considered the project cost of M/s Transport Corporation of India as Rs. 3699.47 lakh. As per Bank Appraisal and DPR the project cost is Rs. 3692 lakh. The difference in the project cost is on account of rounding-off difference. Considering the values upto last unit digit the inconsistency in the project cost has now been resolved and the project cost is revised at Rs. 3692 lakh. The same has also been mentioned in the approval letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3692 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 1000 lakh.**

(xi) **Nekkanti Sea Foods Limited, Andhra Pradesh (D20)** :

IMAC dated 24.03.2015 had considered the project cost of M/s Nekkanti Sea Foods Limited as Rs. 3690.3 lakh. As per Bank Appraisal and DPR the project cost is Rs. 3690 lakh. The difference in the project cost is on account of consideration of absolute value by the Bank and DPR. Upon rounding off the values of the project cost upto last unit digit the project cost is arrived at Rs. 3690 lakh. The same has also been mentioned in the approval letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3690 lakh which is as per the Bank Appraisal and DPR without any change in grant component of Rs. 1000 lakh.**

(xii) **Boxco Logistics, Haryana (B12)**:

IMAC dated 24.03.2015 had considered the project cost of M/s Boxco Logistics as Rs. 3306.76 lakh. As per Bank Appraisal and DPR the project cost is Rs. 3307.07 lakh. The difference in the project cost is on account of rounding off the values of the project cost considered by the Bank. The difference has been reconciled and the project cost has been considered as Rs. 3306.76 lakh. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3306.76 lakh since it is lower as compared to the Bank appraised cost and DPR cost. There is no change in the eligible grant-in-aid of Rs. 1000 lakh.**

(xiii) **Aveena Milk Products, Uttarakhand (A10)** :

IMAC dated 25.03.2015 had considered the project cost of M/s Aveena Milk as Rs. 1872.23 lakh. As per Bank Appraisal and DPR the project cost is Rs. 1872 lakh. The difference in the project cost is on account of rounding off the values of the project cost. Upon taking values upto 2 decimal places the difference has been reconciled and the project cost as appraised by Bank has been taken into consideration. The same has also been mentioned in the approval letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 1872 lakh which is as per the Bank Appraisal without any change in grant component of Rs. 1000 lakh.**

(xiv) **Hind Terminals, Haryana (C8)** :

IMAC dated 24.03.2015 had considered the project cost of M/s Hind Terminals as Rs. 3854.87 lakh. As per Bank Appraisal the project cost is Rs. 3869.44 lakh whereas as per DPR the project cost is Rs. 3869.85 lakh. During review of project cost and grant component it is observed that an amount of Rs. 17.13 lakh relating to Misc. Fixed Assets (in-eligible component) was not taken into account in the project cost considered by the IMAC dated 24.03.2015, due to which there was inconsistency in the total project cost with that as per the Bank Appraisal Note. Further, the amounts of taxes relating to “Material Handling and other Equipment” were found to be Rs. 14.09 lakh against Rs. 16.65 lakh as noted in the IMAC minutes. Upon considering the above, the revised total project cost is considered to be Rs. 3869.44 lakh against Rs. 3854.87 lakh as noted in the IMAC minutes. The same has now been reconciled and the project cost stands at Rs. 3869.44 lakh.

Further, it is observed that there is an increase in the eligible grant-in-aid from Rs. 910.345 lakh as approved by IMAC to Rs. 930.14 lakh. This increase in the grant-in-aid is on account of considering the value of sliding doors amounting to Rs. 35.10 lakh which was earlier considered as ineligible in the absence of detailed breakup. However, the applicant was conveyed approval of only Rs. 910.345 lakh as grant-in-aid.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3869.44 lakh which is as per the Bank Appraisal. IMAC also approved upward revision of grant-in-aid from Rs. 910.345 lakh to Rs. 930.14 lakh in view of aforementioned justification.**

**(xv) Raajratna Energy Holdings Pvt. Ltd., Odisha (A 26):**

The IMAC dated 25.03.2015 had considered the project cost of M/s Raajratna Energy Holdings Pvt. Ltd. as Rs. 2357.92 lakh. As per DPR the project cost is Rs. 2357.86 lakh and as per Bank Appraisal it is Rs. 2358 lakh. The difference is on account of rounding off the figures to the last unit digits. The discrepancy has been reconciled and the DPR project cost of Rs. 2357.86 lakh has been considered and conveyed to the applicant in the approval letter. There is no change in the eligible grant component which is Rs. 987.57 lakh.

**IMAC considered aforesaid submissions and approved the project cost of Rs. 2357.86 lakh which is as per the DPR without any change in Grant-in-Aid of Rs. 987.57 lakh.**

**(xvi) Western Superfresh Corporation, Maharashtra (B25):**

IMAC dated 24.03.2015 had considered the project cost of M/s Western Superfresh Corporation as Rs. 3870.7 lakh. As per DPR the project cost is Rs. 3836 lakh whereas as per Bank Appraisal it is Rs. 3870 lakh. It may be mentioned that the project cost as per the Bank Appraisal Note and the IMAC include an amount of Rs. 1.7 crore relating to Interest During Construction (IDC) component which has been recorded as Rs. 1.35 crore in the DPR project cost. This has resulted in the inconsistency in the project cost as per the Bank Appraisal Note & the DPR which has been resolved by considering the value of IDC period as Rs. 1.35 crore. Accordingly, the project cost stands at Rs. 3836 lakh which has been conveyed to the applicant. Further, it may be

mentioned that the eligible grant-in-aid has been reduced to Rs. 873.88 lakh against Rs. 892.66 lakhs as approved by IMAC. The reduction in the grant-in-aid is on account of deduction of taxes of Rs. 26.57 lakh and erection and commissioning charges of Rs. 11 lakh as ineligible civil works which were earlier considered as eligible project cost in the absence of detailed breakup. The applicant has been conveyed reduced amount of grant i.e., Rs. 873.88 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3836 lakh which is as per the DPR with reduced Grant-in-Aid of Rs 873.88 lakh.**

(xvii) **Anandum Agro Tech (P) Limited, Punjab (B23)** :

IMAC dated 25.03.2015 had considered the project cost of M/s Anandum Agro Tech (P) Limited as Rs. 3800.88 lakh against Rs. 3635.91 lakh mentioned in the DPR and Bank Appraisal. Subsequently the PMA has arrived at project cost of Rs. 3635.84 lakh. The difference in the total project cost is on account of expenditure on related infrastructure for land (ineligible component) amounting to Rs. 175 lakh, as per the Bank Appraisal Note, that had already been considered to be a part of the civil works as per the CE certificate. Further, there is a difference of Rs. 7000 in the total revised project cost and that is noted as per the Bank Appraisal Note/DPR. This difference is on account of detailed cost considered in the revised cost estimates against the brief cost estimates made available in the Bank Appraisal Note/DPR. Accordingly project cost as Rs. 3635.84 lakh has been considered and the same has also been communicated in the Approval Letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3635.91 lakh which is lower than DPR and Bank Appraisal Cost without any change in the grant-in-aid of Rs. 1000 lakh.**

(xviii) **Revati Commercial Pvt. Ltd., West Bengal (B15)** :

It may be mentioned that there is difference in the project cost as furnished in DPR and Bank Appraisal. As per DPR, the project cost is Rs. 1759.75 lakh whereas as per Bank Appraisal it is Rs. 1820.28 lakh. IMAC dated 25.03.2015 considered the project cost as Rs. 1820 lakh while granting approval to the project. Subsequently it is observed that Bank Appraised project cost, inter alia, included the amount of:

- (i) Preliminary operating expenses of Rs. 17 lakh.
- (ii) Contingencies of Rs. 22.53 lakh.
- (iii) Margin money of Rs. 105.61 lakh and
- (iv) Interest during construction of Rs. 87.5 lakh.

Whereas in the DPR:

- (i) Preliminary operating expenses are Rs. 87 lakh
- (ii) Contingencies - Rs. 22.19 lakh and
- (iii) Margin money as Rs. 62.6 lakh.

Due to these differences in the ineligible component of the project, there is difference in the project cost as mentioned in DPR and Bank Appraisal Note. After reconciling the above the project cost as mentioned in the DPR i.e., Rs. 1759.75 lakh (being the lower of the two) has been considered and the same has been conveyed in the Approval Letter.

Further, the IMAC had approved the proposal for eligible grant-in-aid of Rs. 741.69 lakh. During review it is observed that the eligible grant component is Rs. 737.64 lakh. The reduction in the grant-in-aid is on account of double accounting of cost of misc. fixed assets amounting to Rs. 11 lakh. Accordingly, the Approval Letter has been issued with reduced eligible grant amount of Rs. 737.64 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 1759.75 lakh which is lower of the DPR and Bank appraised cost. IMAC also approved the reduction in Grant-in-Aid from Rs. 741.69 lakh to Rs. 737.64 lakh.**

**(xix) Prithvi Multi-Purpose Cold Storage Private Limited, West Bengal (A22):**

It may be mentioned that the project cost of M/s Prithvi Multi-Purpose Cold Storage Private Limited as per DPR and Bank Appraisal is Rs 2713.42 lakh. IMAC has considered the project cost as Rs. 2842.90 lakh. The difference in the project cost is on account of preliminary operating expenses of Rs. 309.5 lakh considered by the IMAC dated 25.03.2015 against Rs. 180.41 lakh as mentioned in the DPR. Subsequently during review the difference has been reconciled and the project cost stands at Rs. 2713.42 lakh which is also mentioned in the Approval Letter. There is no change in the eligible grant component which is Rs. 1000 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 2713.42 lakh which is as per DPR and Bank Appraisal without any change in Grant-in-Aid of Rs. 1000 lakh.**

**(xx) Desai Brothers, Gujarat (D4):**

As per the DPR the project cost is Rs. 2818.5 lakh and as per Bank Appraisal the project cost is Rs. 2828.5 lakh. The difference of Rs. 10 Lakh is on account of preliminary & pre-operative expenses which has been considered by the Bank in estimating the project cost. IMAC dated 24.03.2015 had considered the project cost as Rs. 2927.37 lakh.

It may be mentioned that the break-up of the total project cost has not been made available either in the DPR or the Bank Appraisal Note. Total civil works as per the DPR and the Bank Appraisal Note is Rs. 1172.40 lakh against Rs. 1271.27 lakh as per the cost estimates provided in the CE Certificate (Civil). This difference of Rs. 98.87 lakh has been considered by the IMAC towards civil works of the project. TC in its meeting dated 04.03.2015 recommended that a clarification regarding the total project cost needs to be sought from the Applicant and if required the Grant-in-aid may be recalculated accordingly.

**IMAC considered aforesaid submissions and approved the Project Cost of Rs. 2818.5 lakh**

as per the DPR i.e., being lowest of the Bank Appraised, IMAC approved and DPR. IMAC also directed that in case the proposal is approved for sanction of financial assistance, a detailed breakup of the total project cost as per the DPR certified by the Bank may be sought from the applicant before issue of approval letter.

**(xxi) Pinnacle Industries Limited., Madhya Pradesh (D2):**

As per DPR and Bank Appraisal the project cost of M/s Pinnacle Industries Limited is Rs. 2342.19 lakh. IMAC dated 24.03.2015 had considered the project cost as Rs. 2342.20 lakh. The difference in the project cost is on account of rounding-off difference. Upon taking values upto 2 decimal places these difference has now been reconciled and the project cost stands at Rs. 2342.19 lakh and eligible grant-in-aid of Rs. 951.025 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 2342.19 lakh which is as per the DPR and Bank Appraisal without any change in Grant-in-Aid of Rs. 951.025 lakh.**

**(xxii) Ginni Agro Products Private Ltd., Maharashtra (C5):**

As per DPR and Bank Appraisal Note the project cost of M/s Ginni Agro Products Private Ltd. is Rs. 4081.5 lakh. IMAC dated 25.03.2015 had considered the project cost as Rs. 3939.74 lakh. It may be mentioned that the amount for Land & Site Development of Rs. 58.50 lakh has been considered twice as a part of Non-technical Civil works (Roads, Wells & Compound Wall). Further, an amount of Rs. 154.12 lakh relating to the project land had not been considered earlier to be a part of the total project cost. The same has now been included in the project cost. Misc. Fixed Assets of Rs. 46.09 lakh not considered earlier has now been taken as a part of the total project cost. Upon taking into consideration the above ineligible cost, the total project cost has now been reconciled as Rs. 4081.5 lakh which is as per DPR and Bank Appraisal project cost. There is no change in the eligible grant component which is Rs. 670.42 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 4081.5 lakh which is as per the DPR Cost and Bank Appraisal Cost without any change in eligible grant component of Rs. 670.42 lakh.**

**(xxiii) Pratibha Krushi Prakriya Ltd., Maharashtra (D6):**

As per DPR the project cost is Rs. 4225.67 lakh and as per Bank Appraisal it is Rs. 3973.00 lakh. IMAC dated 25.03.2015 had considered the project cost as Rs. 3615.69 lakh. It may be mentioned that there are inconsistencies in the total project cost as per the DPR & the Bank Appraisal Note on account of the following:

- 1) Plant & Machineries- As per the DPR- Rs. 2391.72 lakh & as per the Bank Appraisal Note- Rs. 2505.00 lakh
- 2) Utilities & Miscl. FA- As per the DPR- Rs. 349.63 lakh & as per the Bank Appraisal Note- Rs. 117 lakh.

It may also be mentioned that the following ineligible components have not been considered in the total approved project cost by the IMAC:

- 1) Utilities & Misc. Fixed Assets amounting to Rs. 90 lakh
- 2) Preliminary & Pre-operative Expenses amounting to Rs. 19 lakh
- 3) Contingencies amounting to Rs. 240 lakh.

Upon considering the aforementioned ineligible components the revised total project cost is Rs. 3964.69 lakh which is still inconsistent as per the DPR & the Bank Appraisal Note, due to difference in the values of the P&M and Misc Fixed Assets as per the CE Certificate (Mechanical), the DPR and the Bank Appraisal Note. The revised total project cost i.e. Rs. 3964.69 lakh which is lower than DPR cost and Bank Appraisal cost, now calculated is based on the lower cost estimates of the project components as stated in the DPR, the Bank Appraisal Note & the CE Certificate (Mechanical). There is no change in the grant component which is Rs. 767.155 lakh.

**IMAC considered aforesaid submissions and approved the revised project cost as Rs. 3964.69 lakh which is lower than the DPR and Bank Appraised cost without any change in the grant component of Rs. 767.155 lakh.**

**7. Agenda Item No. 2 : Consideration of Approval Granted to M/s Washington Cold Storage, District East Godawari, Andhra Pradesh for Setting up Integrated Cold Chain Facilities.**

- (i) IMAC noted that Approval Committee (AC) in its meeting held on 08.11.2013 considered and approved the proposal of M/s Washington Cold Storage, for setting up of integrated cold chain facilities for fruits and vegetables having central processing centre and 10 collection centres at S. no. 227/1, 227/2, 274 and 276 at Village Doskayalapalli, East Godavari Distt (AP) for grant-in-aid of Rs. 1000.00 lakh. The approval letter was issued to the applicant on 18.11.2013.
- (ii) IMAC also noted that as per the condition of the approval letter, request for the release of 1<sup>st</sup> installment of grant along with requisite documents should be submitted within 9 months from the date of issue of approval letter to the promoter(s) (i.e. on or before 17.08.2014), failing which the approval to the project shall stand automatically cancelled. In this case, the applicant failed to submit the documents within stipulated time.
- (iii). It was noted that the promoter vide letter dated 09.07.2014 informed that 9 months would be needed from the date of signing of grant acceptance letter i.e., up to 17.09.2014 to avail 1<sup>st</sup> instalment of grant. The promoter requested to accept the request in view of time taken to change the project location and to convince the bank for new project location for early disbursement of first instalment of the bank loan. It was noted that the promoter visited this Ministry on 17.06.2014 after the review meeting was over. During the visit, he informed that there was a change of location of the project but he promised that the documents for release of 1<sup>st</sup> instalment of grant will be submitted by 17.08.2014. However, the promoter did not submit the same to the Ministry till date.
- (iv) It was also noted that a show cause notice was issued to the applicant on 31.12.2014 giving final opportunity to explain the reasons as to why the approval granted to the aforesaid cold chain project should not be cancelled. The applicant did not respond to the show cause notice. The IMAC observed that the promoter does not seem willing to take up the cold chain project further.
- (v) The applicant was directed to be present before IMAC so that IMAC may hear him and arrive at a reasoned decision after giving due opportunity to the applicant and considering facts and circumstances available on record. The applicant submitted before the IMAC that the project implementation was delayed due to change in location of main project site. The main location was changed at the insistence of bank. The applicant informed that the implementation of project will be started in July, 2015. The applicant also informed that he did not receive the show cause notice. IMAC noted that the applicant has not made any communication after 09.07.2014 about the issues and developments relating to setting up of cold chain project. IMAC observed that even after lapse of more than one and half year, no construction work has started and no bank loan has been disbursed.

- (vi) IMAC noted that AC, in the meeting held on 11.01.2013, had decided that: *“For release of first installment, the promoter(s) shall submit request with necessary documents within 9 months from the date of issue of approval letter. Financial assistance to the Projects may be cancelled if the promoters fail to submit the document for release of first installment within a period of 9 months from the date of issue of approval letter. For submission of documents for release of first installment, no extension shall be granted except in cases where the start of the project got delayed for reasons beyond the control of the promoters. Such reasons for delay should be independently verifiable.”*
- (vii) Considering the fact that the applicant has not registered any progress in the implementation of the project and has not been able to provide satisfactory justification for the delay in implementation of the project, IMAC after considering all facts and circumstances and hearing the submissions of representative of the project decided to cancel the approval granted to the project of M/s Washington Cold Storage.

**8. Agenda Item No. 3: Consideration of Approval Granted to M/s Meena Food Processing Industry, Papumpare District, Arunachal Pradesh for Setting up Integrated Cold Chain Facilities.**

- (i) IMAC noted that AC in its meeting held on 27.09.2013 under the Chairmanship of Secretary, *FPI*, had considered and approved the proposal of **M/s Meena Food Processing Industry**, for setting up of integrated cold chain facilities for fruits at Village Amba, Doimukh, Papumpare District, Arunachal Pradesh for grant-in-aid of Rs. 444.086 lakh. The approval letter was issued to the applicant on 18.10.2013.
- (ii) The IMAC noted that as per the condition of the approval letter, request for the release of 1<sup>st</sup> installment of grant along with requisite documents should be submitted within 9 months from the date of issue of approval letter to the promoter(s) (i.e. on or before 17.07.2014), failing which the approval to the project shall stand automatically cancelled. In this case, the applicant failed to submit the documents within stipulated time.
- (iii) IMAC also noted that the promoter vide letter dated 08.07.2014 had submitted request for release of 1<sup>st</sup> instalment of grant-in-aid. The documents were forwarded to PMA for scrutiny. The PMA vide letter dated 21.08.2014 had submitted their response. It had been, inter alia, stated by PMA that in this case the term loan was less than 10% of the project cost. Hence, it was not complying with the condition of approval letter. Based on the observations of PMA, a letter was sent to promoter on 27.08.2014 seeking deficient information/documents. However, the promoter did not submit any information/document in response to Ministry's communication. Further, a review meeting was also held on 02.12.2014 under the Chairmanship of AS (JPM). The promoter did not attend the same.
- (iv) IMAC observed that a show cause notice was also issued to the promoter on 31.12.2014 giving an opportunity to explain the reasons as to why the approval granted to the aforesaid cold chain project should not be cancelled. However, the promoter has not submitted any response to the show cause notice also.
- (v) The promoter was invited to make submissions before IMAC. However, the applicant did not attend the meeting.
- (vi) Considering the fact that the project is to be implemented in a difficult area of the country, which needs such infrastructure, the IMAC decided that before cancellation, the applicant may be heard out in IMAC. Accordingly, IMAC directed the Ministry to call the applicant for making representation, if any, within a week before Hon'ble Minister (FPI), Secretary and Joint Secretary (FPI) in respect of his cold chain project to enable the Ministry to take a considered decision in the matter.

**9. Agenda Item No. 4: Cancellation of the sanction letter No. 4-99/2013-Infra(ICC) dated 20.09.2013 for grant-in-aid of Rs. 790.03 lakh issued to M/s Tirupati Balaji Agro Products Pvt. Ltd., for setting up of integrated cold chain project –reg.**

- (i) IMAC noted that AC in its meeting held on 23.08.2013 under the Chairmanship of Secretary, FPI, has considered and approved the proposal of M/s Tirupati Balaji Agro Products Pvt. Ltd., for setting up of Integrated Cold Chain project at Gat no. 471/72, Village Someswarnagar, Tal. Baramati, District Pune (Maharashtra) for grant-in-aid of Rs. 790.03 lakh. Following facilities were approved under the project:-
- a) Collection centre for receiving, sorting and weighing of F&V: 10 MT/day
  - b) Compost unit: 10 MT/ Shift
  - c) Controlled Temperature & Humidity chambers for Mushroom growing rooms with 20 chambers (3456 MT): 10 MT/day
  - d) Reefer vans (6 MT x 2 nos, 3 MT x 2 nos, 1 MT x 1 nos)
  - e) IQF Frozen Processing: 1 MT/Hr
  - f) Packing centre: 10 MT/Shift
  - g) Frozen cold storage: 500 MT
  - h) Blast Freeze: 2 Nos. x 6 MT
- (ii) IMAC noted that the Ministry had released 1<sup>st</sup> installment of grants-in-aid of Rs. 1,97,50,750/- (vide sanction order dated 09.07.2014) to M/s Tirupati Balaji Agro Products Pvt. Ltd, Someshwarnagar, Taluka Baramati. The Bank vide e-mail dated 17.07.2014 had confirmed that amount of Rs. 197.50 lakh was credited through RTGS to the account No. 04540200000843 on 16.07.2014 and further informed that the company is maintaining loan account with the bank and NABARD in consortium. The said account is NPA since 01.04.2012 with outstanding dues of approximately Rs. 40 crore (including NABARD). The bank further informed that they have already initiated recovery measures in the account by issuing SARFAESI action and also a suit is filed before DRT for the same. Further, the bank had requested this Ministry to clarify:
- (a). Whether the said amount is grant or subsidy.
  - (b). In case it is a grant whether the same is to be credited to the party's loan account which is NPA (Non performing asset as per RBI guidelines).
  - (c). Whether the party can withdraw the amount from current account despite the account being an NPA.
  - (d). In case it is a grant, whether Bank will receive the subsidy separately? (Subsidy claim is already lodged with your department by Bank of Baroda & NABARD).
  - (e). Whether before releasing the amount, any document is to be obtained from the borrower or any guideline is to be followed.
- (iii) The IMAC noted that as an interim measure an email was sent on 17.07.2014 itself to Bank of Baroda, Pune instructing not to release grant to M/s Tirupati Balaji Agro Products Pvt. Ltd. till further instructions from the Ministry.

- (iv) The IMAC noted that vide letter dated 02.09.2013 Bank of Baroda, the lending bank, confirmed to this Ministry that term loan sanctioned to M/s Tirupati Balaji Agro Products Pvt. Ltd. was valid as per original terms of sanction/ appraisal and requested to sanction grant-in-aid at the earliest to the project. Further, vide letter dated 15.10.2013 Bank of Baroda again confirmed to the Ministry that they had disbursed 25% of the total sanctioned term loan to the unit and recommended for disbursement of 1<sup>st</sup> installment of grant-in-aid which might be routed through the bank.
- (v) The IMAC also noted that vide letter dated 13.09.2014 Bank of Baroda have informed that the 1<sup>st</sup> installment of grant of Rs.1,97,50,750/- has not been passed on to M/s Tirupati Balaji Agro Products Pvt. Ltd. They have further informed that the unit of M/s Tirupati Balaji Agro Products Pvt. Ltd. is functioning in full scale but the borrower is not making any repayment in its loan accounts as the matter is under litigation.
- (vi) It may be noted that vide letters dated 02.09.2013 and 15.10.2013 the bank had disbursed 25% of term loan amount and recommended for release of grant to the project. Further vide letter dated 24.03.2014 Bank of Baroda mentioned that they have disbursed 100% of the total sanctioned term loan to the unit and recommended for release of 1<sup>st</sup> installment of grant. Whereas as per the e-mail dated 17.07.2014 of the bank, the account of M/s Tirupati Balaji Agro Products Pvt. Ltd. had become NPA since 01.04.2012 and this fact was not brought to the knowledge of Ministry by the Bank of Baroda while recommending for disbursement of 1<sup>st</sup> installment of grant.
- (vii) Accordingly, Bank of Baroda was requested to clarify the following:
- (a) Why the NPA status of the term loan account was not conveyed to the Ministry while recommending for release of grant to the project.
  - (b) To give complete details of NPA account i.e. outstanding loan amount, date on which account has become NPA and how many loan installments have not been repaid by the M/s Tirupati Balaji Agro Products Pvt. Ltd.
  - (c) To give complete details of suit file by the bank before DRT for recovery of loan amount against the company.
- (viii) In response to Ministry's query the Bank has clarified that *“at the time of submitting Grant-in-aid claim of the Company to Ministry of Food Processing Industries (MoFPI) on 13.03.2012, the account was performing with asset classification as standard. Subsequently, the account turned into NPA on 30.06.2012 w.e.f. 01.04.2012 due to non-payment of interest/ installments of various credit facilities sanctioned to the Company. Since the unit was functioning in full swing and the Company had deposited Rs. 3.54 Cr. (Rs. 1.62 Cr. before account turned into NPA) in its account till today, Branch / Region was following up vigorously with the company for recovery of overdues to upgrade their account. However, despite follow up it did not pay the overdues to regularize the account*

*but advised that upon receipt of the Grant-in-Aid from the Ministry, the said amount to be utilized for clearance of overdues / upgradation of the account. MoFPI has not inquired/asked about the health of the account and the claim was not passed till July 2014, hence the same was unintentionally not brought to the notice of the Ministry. However, at the time of receipt of the First installment of Grant-in-Aid on 16.07.2014, the Ministry was immediately informed about the status of the account and instructions were sought for the further course of action about release of the same”.*

- (ix) IMAC took note that a review meeting with the promoters of cold chain was held on 02.12.2014. During the meeting the promoter informed that he was paying interest amount and only in 60 days the Bank has declared this account as NPA. The promoter is contesting the same and filed a court case. The promoter mentioned that the matter is in the court and it may take significant time in resolving the issue. During the meeting, it was informed to the applicant that the Ministry would be able to release further grant to the project only after getting confirmation from the bank that the term loan account is regular and not NPA.
- (x) Accordingly, vide letter dated 26.02.2015 the bank was requested to intimate the current status of the loan account of applicant firm. In response, Bank of Baroda, Pune confirmed that the account of M/s Tirupati Balaji Agro Products Pvt. Ltd. still continues to remain in NPA status as on date. The unit is functioning and production is going on. The Borrower (M/s Tirupati Balaji Agro Products Pvt. Ltd.) has submitted one time settlement proposal on 28.02.2015 for Rs. 20 crore against total dues of Rs. 45 crore (approximately) including dues of NABARD, which is a consortium member. Joint consortium meeting was held with NABARD and it was decided to call upon the borrower for joint meeting to improve the offer.
- (xi) The applicant was advised to be present before the IMAC meeting. The applicant informed that the project has been completed six-seven months ago and has commenced commercial operations. The applicant also informed that implementation of the project was started in the year of 2012. IMAC however, noted that the project was under implementation at the time of submission of EOI in year of 2012. IMAC also noted that PMA inspected the project site at the time of release of 1<sup>st</sup> installment of grant. It was noted that the implementation of the project was at advanced stage at the time of site inspection. The IMAC noted that the applicant's case with the bank is still *sub-judice*. The IMAC also noted that even though the project is completed as per the applicant, however, applicant is required to close the issue with the lending banks and furnish the details of the same to Ministry for release of grant.
- (xii) Considering the above, facts and circumstances and submissions of the promoter in the meeting, the IMAC took following decision:-
  - (i) The Ministry may write to Bank & Consortium regarding the NPA status of company's account and to ascertain latest position of the case.

- (ii)** Joint Inspection comprising representative of PMA, lending bank and Ministry should be carried out to physically verify the status of implementation of the project including date of completion of eligible components for which grant has been approved.

**10. Agenda Item No. 5: Proposal of M/s E-appliances for rectification in the approval letter for setting up integrated cold chain facilities, at Dehradun (Uttarakhand) and Kamrup (Assam).**

- (i) IMAC noted that AC in its meeting held on 27.09.2013 has considered and approved the proposal for setting-up of integrated cold chain facilities such as CA store (1900 MT), at Dag no. 955, Patta no. 207, Changsari, Kamrup, Guwahati (Assam) and CA Store (1200 MT) at A-4, Industrial Area, Selaqui, Dehradun (Uttarakhand) along with Reefer vans (15 no) with grant-in-aid of Rs. 862.449 lakh. Accordingly, the approval letter was issued on 24.12.2013 conveying the following facilities:-

Location: Dag No. 955, Patta No. 207, Changsari, Kamrup, Guwahati (Assam)	Location: A-4, Industrial Area Selaqui, Dehradun (Uttarakhand)
a) CA Storage (1900 MT)	a) CA Storage (1200 MT)
Refer Vans 15 Nos.	
a) 4 Nos. x on chassis of TATA 407	
b) 5 Nos. x on chassis of TATA 1613	
c) 6 Nos. x on chassis of TATA 2518	

- (ii) IMAC noted that the applicant vide letter dated 12.09.2014 mentioned that they had submitted the detailed technical specifications for normal cold storage facilities at both locations whereas the Ministry has written CA facility in the approval letter. It has been further stated that specifications of the system do not include any item related to CA facility. Moreover, negative temperature chambers in the facility proposed by them whereas in CA store there are no negative temperature chambers. With these submissions, the promoter had requested to modify the approval letter as the project only envisaged Cold Storage instead of CA store. Thereafter, the promoter also submitted documents along with request for release of 1<sup>st</sup> installment of grant-in-aid vide letter dated 22.09.2014.
- (iii) IMAC also noted that the matter was referred to PMA for examination. PMA had examined the documents submitted along with the proposal and observed that at various places in the DPR, it is mentioned that the project is for setting-up of Controlled Atmosphere. However, the appraisal note from Punjab & Sindh Bank (dated July, 2012) which was submitted along with proposal and revised appraisal from SIDBI (dated November, 2013) both mention that the project is for setting-up of Cold Storages at both locations. The quotations (dated July, 2012 from M/s RINAC India Ltd.) along with technical specifications also indicate that there was no critical equipment/ component (such as CO<sub>2</sub> Scrubber, Nitrogen Generator, etc.) envisaged for the project which are specifically required for Controlled Atmosphere (CA) store. The layouts and technical quotations indicate the proposed cold storage chambers as below:
- Location-Guwahati (1900 MT):
    - Frozen Chambers (4 No.)

- Above Zero Chambers (2 No.)
  - Location-Dehradun (1200 MT)
    - Frozen Chambers (2 No.)
    - Above Zero Chambers (2 No.)
- (iv) IMAC noted that PMA had advised that the Ministry may modify approval of project facilities from CA store of 1900 MT and 1200 MT to cold storages of 1900 MT and 1200 MT at Guwahati and Dehradun locations respectively. The PMA has advised that a corrigendum to the approval letter in this regard may be issued.
- (v) Meanwhile the PMA has also furnished the recommendations for release of 1<sup>st</sup> installment on 27.03.2015. The 1<sup>st</sup> installment of grant has been partially released (Rs 186.100 lakh out of Rs 215.61 lakh) due to less availability of funds. While concurring in the proposal for release of 1<sup>st</sup> installment of grant, IFD had advised that SMD may also obtain in-principle approval of Secretary (FPI) for necessary rectification in the approval letter prior to the matter being placed before IMAC for obtaining ex-post facto approval. Accordingly, the approval of Secretary (FPI) was taken on-file for rectification in approval letter and the sanction was issued on 31<sup>st</sup> March, 2015 for partial release of 1<sup>st</sup> installment of grant.
- (vi) Considering the above, IMAC decided to give ex-post facto approval for carrying out necessary rectification in the approval letter of M/s E-appliances. IMAC also directed that break-up of the revised project cost may be given in the approval letter to be issued.

**11. Agenda Item No. 6: Representation of M/s D.J. Exports Pvt. Ltd. for change of location of collection center in respect of their integrated cold chain project in Maharashtra.**

- (i) IMAC noted that AC in its meeting held on 27.09.2013 under the Chairmanship of Secretary, FPI, had considered and approved the proposal of **M/s D. J. Exports Pvt. Ltd.**, for setting up of Integrated Cold Chain Facilities for fruits and vegetables with distribution Hub at C-494, MIDC, TTC, Tl & Distt. Thane and Collection Centre at Gat no. 26, AT Bhorvadi, At/Post Narayan Gaon, Tehsil Junnar, Dist Pune (Maharashtra) for grant-in-aid of Rs. 610.185 lakh. The facilities proposed under the project are Cold storage (2000 MT), Reefer vans (3 no. x 10 MT) at main facility and Pack House (50 MT/day), Pre-cooling (2 no. x 10 MT), Cold storage (2 no. x 60 MT), Mobile pre cooler (2 no. x 5 MT), Grading/packing line at collection centre. The 1<sup>st</sup> and 2<sup>nd</sup> installment of grant of Rs. 152.546 lakh and Rs. 305.09 lakh were released to the project on 11.12.2013 and 16.04.2014 respectively.
- (ii) The IMAC also noted that the applicant vide letter dated 18.12.2014 has mentioned that it is facing problem in getting FSI for proposed location of collection centre and hence is not in a position to construct the desired facility at the existing site. Accordingly, the applicant has proposed change in location of collection centre from Gat. no. 26 to **Gat. no. 13**, Bhorwadi (Yedgaon), Post Narayan Gaon, Tehsil Junnar, Dist. Pune (Maharashtra). It also mentioned that the new proposed location for collection centre is adjacent to earlier proposed land for collection centre. The applicant has requested the Ministry to approve the change in location of collection centre. The applicant has also submitted duly notarized English version of sale deed (dated 14.08.2014) for a land of 1.97 ha at above mentioned location in the name of the applicant. The applicant has also submitted English translated copy of Change of land Use (CLU) for the proposed land of collection centre.
- (iii) The matter was referred to PMA for scrutiny and comments. PMA mentioned that the Ministry has approved change of location for other projects also in the past. In this case, the applicant has requested for change of plot within the same village which may be accepted. However, it may also be noted that the approved cost of facilities to be created at this site is Rs. 405.00 lakh for P&M and civil work which is about 22.11% of total project cost of Rs. 1831.38 lakh. PMA opined that the applicant may be advised to submit no-objection certificate from lending bank along with justification for change of location.
- (iv) The applicant vide letter dated 08.05.2015 has submitted no objection certificate from the lending bank. The bank has mentioned that there is change in location for collection centre due to FSI and client is not able to construct the cold storage in the said location. It is further mentioned that Bank has no objection for change in location.

- (v) Considering the above, IMAC decided to approve the change in location of collection centre from Gat. no. 26 to Gat. no. 13, Bhorwadi (Yedgaon), Post Narayan Gaon, Tehsil Junnar, Dist. Pune (Maharashtra) in the case of M/s D.J. Export Pvt. Ltd.

**12. Agenda Item No. 7: Proposal for Approval of Change of Bank, Project Cost and Means of Finance for the Integrated Cold Chain Project of M/s Asandas & Sons, Gujarat**

- (i) IMAC noted that the Integrated Cold Chain Project of M/s Asandas & Sons was approved by Ministry vide letter dated 20.09.2013 for a grant of Rs. 774.998 lakh. The project has been approved for setting-up of following facilities:
- Vegetable cold storage (300 MT), Multipurpose IQF for vegetables (2 MT/hr), Subzero Cold Store (600 MT), sorting, grading, washing line (10 MT/Hr) and Refrigerated Vans (2 Nos. x 10 MT) at Survey.No. 189, Vill. Ganeshpura, District Mehsana (Gujarat).
  - Four Collection Centers with 10 MT/day collection facility at all four locations as given below:
    - Mansa (Gandhinagar District)
    - Siddhpur (Patan District)
    - Deesa (Banaskantha District)
    - Vegetable Market, Mehsana
- (ii) IMAC noted that at the time of submission of request for release of 1<sup>st</sup> installment of grant, the applicant vide letter dated 19.06.2014 mentioned that it had informed Ministry in the Review Meeting held on 20.05.2014, that advances to foreign suppliers of machinery have already been released in January 2014 (the applicant had also submitted copies of RTGS instructions issued to bank for remittance of foreign currency payments to suppliers, receipts of payments along with bank statements indicating payments made to suppliers). However, it was not able to get the disbursement of term loan sanctioned by UCO Bank. On request of applicant (as per minutes of review meeting dated 20.05.2014), the Ministry assured help in expediting the term loan disbursement provided the applicant approached Ministry with complete details.
- (iii) IMAC observed that the applicant submitted the following details regarding delay in disbursement of term loan:-
- a) The credit facility for the project was sanctioned by UCO Bank on 09.07.2012.
  - b) Subsequently, based on requirement of the Ministry vide letter dated 26.08.2013, the revalidation of the facilities was issued by UCO Bank on 07.09.2013 for a period of 3 months.
  - c) The final approval of grant received from Ministry on 20.09.2013.
  - d) After completing other statutory clearances required for start of construction, the applicant approached the bank for disbursement of term loan. However, due to transfers in the Bank, the new officials insisted on submission of TEV study of the project from the empanelled consultant of the bank. The TEV study was submitted in due course which also caused delay. The applicant also mentioned that the bank

officials further kept on delaying the process of disbursement citing reasons like leave of some officials, insufficient staff, year-end closing and the ongoing statutory audit. It was mentioned that the bank officials finally informed that the SME Loan Hub of the Bank that had originally processed the term loan application had been closed and now, the entire process of application, processing, approval and final disbursement has to be re-done as the revalidation period has expired.

- e) It has also been mentioned by the applicant that it immediately resubmitted the proposal and was assured by UCO Bank that it would process the application after 15<sup>th</sup> April. However, the bank kept on delaying the matter and finally the applicant received a letter from the Bank dated 02.06.2014 stating that the request for revalidation of credit facility has not been acceded to.
  
- (iv) IMAC noted that the applicant mentioned that if the bank had informed earlier about this matter, it would have made alternative arrangements. However, sensing the non-cooperative attitude of the UCO Bank, it had approached Syndicate Bank and Dena Bank as an alternative. Accordingly, the applicant had submitted term loan sanction letter dated 20.06.2014 (based on application submitted to bank on 30.04.2014) from Syndicate Bank for a term loan of Rs. 1500 lakh. The applicant has also submitted a letter from Dena Bank dated 11.06.2014 mentioning that the proposal of sanction of term loan of Rs. 12.80 crore (under consortium) has been sent to higher authorities for decision.
  
- (v) IMAC noted that the applicant further mentioned that, it had started construction much earlier to ensure timely implementation of the project by March 2015 and has also remitted second tranche of payment to the foreign supplier of machinery on 07.06.2014, in addition to 1<sup>st</sup> tranche remitted in January, 2014 and thus has invested more than 25% of promoter's contribution on the project towards civil work and advance for imported P&M.
  
- (vi) IMAC also noted that the applicant has mentioned that due to actions/inactions of UCO Bank, significant time was wasted which was beyond its control. The applicant has submitted a letter from Syndicate Bank (dated 01.10.2014) which mentioned that the total project term loan of Rs. 2600.00 lakh has been sanctioned to the applicant under consortium loan of Syndicate Bank (Rs. 1500.00 lakhs vide sanction letter dated 20.06.2014) & Dena Bank (Rs. 1100.00 lakh vide sanction letter dated 14.07.2014). The letter further mentioned that Rs. 662.00 lakh (25.46% of total term loan of Rs. 2600.00 lakh) has been disbursed to the applicant by the consortium.
  
- (vii) IMAC observed that originally, the approved project cost was Rs. 2549.32 lakh which has been increased to Rs. 4612.00 lakh. The applicant has also submitted revised bank appraisal note from Syndicate Bank for revised project cost and term loan. The increase in project cost is due to installation of additional line of ready to eat frozen products. The revised project cost and means of finance for the project are given below:

**Project Cost: (Amount Rs. in Lakh)**

<b>Cost of Project</b>	<b>As Originally Appraised by Bank</b>	<b>Revised Cost</b>
Land and Site development	0.00	0.00
Civil Work	679.41	807.27
Plant and Machinery	1394.42	2738.01
Reefer Vans ( 2 vehicles)	48.00	52.29
Utilities	125.98	217.77
Contingency (@3%)	68.57	114.46
Preliminary and Pre-operative	159.63	382.25
Margin Money For WC	73.31	299.95
<b>Total Cost of Project</b>	<b>2549.32</b>	<b>4612.00</b>

**Means of Finance: (Amount in Lakh Rs.)**

<b>Means of Finance</b>	<b>As originally appraised by Bank</b>	<b>Revised</b>
Promoter's Contribution	249.32	937.00
MOFPI grant	1000.00	775.00
Unsecured Loan from relatives	200.00	300.00
Term Loan	1100.00	2600.00
<b>Total Means of Finance</b>	<b>2549.32</b>	<b>4612.00</b>

**Progress at site:**

- (viii) IMAC noted that the submitted CA certificate (dated 17.01.2015 from M/s Chhabria & Associates), certified an expenditure of Rs. 2196.58 lakh (against the revised appraised cost of Rs. 4612.00 lakh) towards implementation of the project. It includes Rs 181.74 lakh on civil work (against the revised appraised cost of Rs 807.27 lakh), Rs 1337.84 lakh on P&M (against the revised appraised cost of Rs 3008.07 lakh including refrigerated vehicles and utilities), Rs. 530.63 lakh on Foreign LC issued for P&M and Rs 146.37 lakh as preliminary & pre-op expenses. As per the CA certificate, the expenditures on project has been funded through promoter's contribution of Rs 519.12 lakh (55.40% of revised appraised equity contribution of 937.00 lakhs), term loan of Rs 1191.00 lakhs (45.80% of revised term loan of Rs. 2600.00 lakh), LC from bank for P&M worth Rs. 262.23 lakh and unsecured loan of Rs. 224.23 lakh.
- (ix) The site visit for physical verification of facilities was carried out by PMA on 13.02.2015. During the site inspection, it was observed that the civil work was under progress. It was informed that plant & machinery worth Rs. 970 lakh has already arrived at site & at the port.

- (x) IMAC noted that due to the delay caused by earlier Bank (UCO Bank) in disbursement of term loan, the applicant has changed the lending bank. The reasons for change of bank mentioned by applicant seemed beyond the control of promoter. Moreover, the project has made significant physical progress at site.
- (xi) In view of the above, IMAC decided to approve the project of M/s Asandas & Sons for following:
- a) Change of lending Bank from UCO bank to consortium of Syndicate Bank and Dena bank
  - b) Approval of revised project cost and means of finance as indicated above.

**13. Agenda Item No. 8: Decision on Cold Chain Project of M/s Avinash Raj Constructions Pvt. Ltd., West Bengal.**

- (i) IMAC noted that integrated cold chain project of M/s Avinash Raj Constructions Pvt. Ltd. was approved by the Ministry on 20.09.2013 for a grant of Rs. 691.66 lakh. The project proposed to set up integrated cold chain project at Mall block, District Jalpaiguri (West Bengal) having the following facilities:
- 1) IQF: 1MT/hr
  - 2) Frozen cold store: 500MT
  - 3) Grading, sorting facility: 3 MT/hr
  - 4) Multipurpose cold store: 100 MT
  - 5) Reefer mobile vans: 2 no.
  - 6) Weighing machine, sorting, grading tables (10 no.) and Cold storage of 1000 MT each at two locations namely Malda and Uttar Dinajpur
- (ii) IMAC noted that the applicant's request for release of 1<sup>st</sup> instalment of grant along with requisite documents was received in the Ministry on 17.06.2014. The documents were forwarded to PMA on 17.06.2014 for scrutiny. Based on submitted documents, the PMA advised the Ministry vide email dated 09.07.2014 to seek clarifications from the applicant.
- (iii) IMAC also noted that the Ministry issued Show Cause Notice dated 28.08.2014 to the applicant mentioning that the documents submitted by the applicant indicated no physical progress at the site as most of the expenditure was in the form of advance payments. The Ministry further noted that the applicant has submitted documents within the prescribed time (on or before 19.06.2014 as per approval letter for submission of 1<sup>st</sup> installment of grant) without actually making any progress on the ground just to circumvent the provisions of scheme guidelines. The Ministry advised the applicant to submit the response within three days of receipt of letter.
- (iv) IMAC observed that the applicant submitted a letter dated 29.08.2014 to the Ministry which mentioned that the Ministry was already informed about the reasons such as adverse weather conditions, heavy rainfall and outburst of Japanese encephalitis due to which the targeted work progress was not achieved. The applicant mentioned that these reasons were beyond its control. In the same letter, the applicant also requested corrections in the approval letter dated 20.09.2013.
- (v) The IMAC observed that PMA submitted the response regarding the above issue and modifications in approval letter to Ministry vide letter dated 08.01.2015. Based on the observations of PMA in the letter dated 08.01.2015 and email dated 09.07.2014, the Ministry sought for additional documents/ clarifications from the applicant vide letter dated 16.02.2015. In response to the same, the applicant vide letter dated 24.02.2015 has submitted the additional documents/ clarifications.

- (vi) The IMAC noted that the clarifications/ documents sought by Ministry, response of the applicant and observations of PMA (submitted vide letter dated 08.05.2015) on the same which are as below:-
- a. As per submitted lease deed of land for main location, the land is located in Block Rajganj, District Jalpaiguri whereas the approved location was Block Mall, District Jalpaiguri. This indicates that the location of main facility had been changed. In response to above observation, the applicant mentioned that originally the proposal was submitted in Block Mall, District Jalpaiguri which is under ITDP Area/ Difficult area where project was eligible for 75% grant. However, the Ministry approved the project with 50% grant eligibility by considering the project to be in general area. The PMA mentioned that as per the Scheme guidelines, only the projects located in Hilly States including North Eastern States are eligible for 75% grant. There is no provision for grant of 75% of the cost of Plant & Machinery and Technical Civil Work to the projects in ITDP areas. **In view of this, the justification for change of location of project submitted by applicant seemed unacceptable.**
  - b. The applicant had also submitted a letter dated 09.06.2014 from M/s Jit Finance Private Limited which mentioned that based on the submitted project report, the project is financially viable. The applicant had also submitted brief profile of project certified by M/s Jit Finance Private Limited which confirmed that the location of central facility is Block Rajganj, District Jalpaiguri (West Bengal) and locations of collection centres are at English Bazar (District Malda) and Dalkhola (District North Dinajpur). However, no justification has been provided for change in location of project in the appraisal note also. **This indicates that the bank/ FI has not done any due diligence while appraising the project and hence, may not be accepted.**
  - c. The location of land is in Block Rajganj as per lease deed. However, there was no block named as "Rajganj" in North Dinajpur District. Instead, Raiganj is a block in Jalpaiguri District. The applicant has submitted Deed of Rectification dated 18.02.2015 for 3<sup>rd</sup> location. The submitted deed of rectification indicates that the location of collection centre is in Block Karandighi instead of Block Rajganj. Thus, the exact location of collection centre is Sheet No. 5, J.L. No. 20, Mouza Dalkhola, Block Karandighi, District North Dinajpur. PMA remarked that the submitted clarification may be accepted. **However, the submitted copy of Deed of Rectification has not been notarized. In view of this, PMA remarked that the applicant may be advised to submit the duly notarized copy of Deed of Rectification for the above land.**
  - d. As per conditions of approval letter regarding bank/FI term loan, more than 25% of term loan should be released and spent on the project before release of 1<sup>st</sup> installment. However, in this case 25% of term loan has not been disbursed. The applicant has submitted a letter from M/s Jit Finance Private Limited dated 28.07.2014 confirming

that 25% of the term loan (Rs. 45,42,750/- out of sanctioned term loan of Rs. 181.71 lakh) has been disbursed to M/s Avinash Raj Constructions Pvt. Ltd.

- e. Earlier, the applicant did not submit CE (civil) & CE (mech) certificates and was asked to furnish the same. The applicant submitted CE (civil) certificate dated 20.02.2015 from Chartered Engineer, Mr. Anindya Ghosh. As per submitted CE (civil) certificate, the actual cost of civil work is Rs. 458.08 lakh. However, in the remark it is has been mentioned that the civil work has started and about 20% of work amounting to Rs. 91.62 lakh is in progress. **PMA requested the applicant to clarify the same. The CE certificate has also not been countersigned by the applicant.** The PMA further mentioned that as per CA certificate dated 16.06.2014 from M/s Ghoshal & Co., the expenditure incurred on civil work was Rs. 81.47 lakh. This indicates that the applicant has incurred additional expenditure of only about Rs. 10 lakh till 20.02.2015 i.e. in about 8 months from the date of submission of earlier CA certificate. **The above facts confirm that the implementation of project is almost stagnant.**

The PMA also mentioned that the applicant vide letter dated 24.02.2015 has mentioned that the expenditure on P&M is as advance payment. In this regard, it may also be noted that at the time of submission of request for release of 1<sup>st</sup> installment of grant on 17.06.2014, it was mentioned that advance payment of Rs. 116.05 lakh has been towards purchase of P&M. This also confirms that the applicant may not have made any progress/ further investment towards implementation of project and no P&M has been received at site even after eight months of submission of request for release of 1<sup>st</sup> installment of grant. Moreover, the applicant has not even submitted any documentary evidence (receipt from supplier, bank statement, certificate for CA etc.) in support of advance payments made to suppliers. **PMA remarked that the clarification submitted by applicant may not be accepted.**

- f. For Change of Land Use (CLU) permission for land, the applicant has submitted a letter (dated 09.06.2014) from Fakirdeep Gram Panchayat, Rajganj. It was noted that the location of main facility of project as per submitted letter/ brief appraisal from bank, as confirmed by applicant and as per submitted lease agreement is Sheet No.-1, Pargana Baikunthapur, J. L. No. 9, Mouza Chat Gujrimari, Block Rajganj, District Jalpaiguri (West Bengal). **This indicates that the applicant may have submitted the NoC from village panchayat for some other land.**

The applicant has already submitted the NoC from Village Panchayat Sovanagar for land located at J.L. no. 2, Mouza Madiya, Sovanagar, English Bazaar, District Malda admeasuring 0.50 acres. The applicant has not submitted the NoC from Panchayat/ CLU for the 3rd location of the project i.e. Sheet No. 5, J.L. No. 20, Mouza Dalkhola, Block Karandighi, District North Dinajpur. **In view of the above, PMA remarked that the applicant be advised to submit CLU permission/ NoC for the main location and collection centre at Dalkhola from the competent authority.**

- g.** Earlier, the applicant was advised to submit CA certificate countersigned by applicant indicating present financial progress of the project. In response, a copy of CA certificate by M/s Ghosal & Co dated 30.07.2014 was been submitted. The PMA observed that the CA certificate has not been countersigned by applicant. It was also noted that the applicant was advised to submit the CA certificate with latest financial progress of the project. However, the applicant has not submitted the same. **In view of this, the PMA noted that applicant may be advised to submit the original copy of CA certificate (duly countersigned by the applicant) indicating latest financial progress of the project.**
- h.** Statutory approvals:
- i.** Consent to Establish from State Pollution Board: The applicant has submitted a copy of application (dated 20.02.2015) submitted to West Bengal Pollution Control Board. It was noted that the applicant has submitted the application for grant of Consent to Establish after about 8 months of submission of request for release of 1<sup>st</sup> installment of grant. In fact, this should have been submitted by applicant before start of construction at site.
- ii.** Approval of Building Plan from Competent Authority: The applicant has submitted copy of Building plan certified by Fakirdeep gram panchayat, Rajganj. As mentioned earlier also, the location of main facility of project as per submitted letter/ brief appraisal from bank, as confirmed by applicant and as per submitted lease agreement is Sheet No.-1, Pargana Baikunthapur, J. L. No. 9, Mouza Chat Gujrimari, Rajganj Block, District Jalpaiguri (West Bengal). **There is no evidence that the project location falls under the jurisdiction of Fakirdeep Gram Panchayat, Rajganj. PMA requested the applicant to clarify the same.**
- iii.** Status of Power and water connection/Permission: The applicant has submitted a letter dated 26.02.2015 from West Bengal State Electricity Distribution Company Ltd which acknowledges that they have received application from M/s Avinash Raj Constructions Pvt. Ltd for temporary connection (10 KW). The submitted documents indicate that the applicant has applied for temporary connection also after about 17 months from date of approval of project which too should have been applied much earlier.
- (vii)** IMAC noted that the approval letter was issued to applicant on 20.09.2013. As per the condition at para (g) of approval letter, the project should be completed within 18 months (i.e. 19.03.2015) from date of approval of project. In this case, the applicant has submitted the applications for approval of basic clearances after about 17 months from the date of approval of project. The 18-month period for the project has already expired.

- (viii) IMAC noted that earlier, the applicant vide letter dated 29.08.2014 mentioned that the project implementation is slow due to heavy rains in the region. In this regard, it may be noted that the monsoon season is again approaching and would further hamper the progress of project. Considering the very slow/ negligible progress at site, the applicant would not be able to complete the project even after 24 months of approval of project. The above facts also indicate that the reasons for slow progress were not beyond the control of promoter.
- (ix) The applicant was advised to be present before IMAC for making submissions if any. The applicant did not attend the meeting himself instead an official of M/s Avinash Raj Construction attended the meeting. A project representative informed the IMAC that civil work for project has been completed up to plinth level for about Rs. 93.00 lakhs (out of total proposed civil work of about Rs. 6 crore). It was also informed to IMAC that 10% amount of total P&M has been given to contractor for placing order of P&M. However, P&M has not been received at project site. The official failed to show documentary evidence to enable IMAC to ascertain the present status of project.
- (x) The IMAC took a note of above facts and observed that the promoter has changed the project location without any valid reason (or beyond the control of applicant) and has not sought for prior approval of Ministry.
- (xi) IMAC noted that the repayment period of the term loan as mentioned in the sanction letter from Jit Finance (FI) is only 18 months thus it may not qualify as a term loan. Also, it was not clear why the applicant has availed term loan from Jit Finance at a higher rate of interest when commercial banks are providing the loans at a lower rate. It was also not clear whether Jit Finance is mandated by RBI to provide long term infrastructure loan. The IMAC was also apprised that, in case of a Mega Food Park project, Ministry had taken the view that eligibility of Jit Finance to provide long term infrastructure debt was not established beyond reasonable degree of doubt and the promoter of the Mega Food Park was advised accordingly.
- (xii) The physical progress at site is also negligible to consider the project for approval to the change of location and release of 1<sup>st</sup> installment of grant, even after 20 months of approval of project and after about 12 months from the date of submission of request for release of 1<sup>st</sup> installment of grant.
- (xiii) In view of above, facts and circumstances and submission made by the official of M/s Avinash Raj Construction, before taking a considered decision IMAC directed the PMA to physically verify the progress of project at the site and to verify all the documents required by the Ministry as per approval letter. IMAC also decided to seek clarifications from the applicant for the following:

- a.** Whether Jit Finance is mandated by RBI to provide term loan and why it has availed term loan from JF at a higher rate of interest when commercial banks are providing loans at a lower rate.
- b.** Why did it initiate construction at the site without having statutory clearances such as Consent to Establish from State Pollution Control Board?
- c.** Why has it paid significant amount as advances to P&M suppliers/contractor when there was no progress in civil construction?
- d.** How can it achieve progress in implementation within stipulated time period of 24 months when 21 months have already elapsed without any significant progress?

**14. Agenda Item No. 9: M/s Aromatrix Flora Pvt. Ltd., Himachal Pradesh - decision on Change of Project Cost, Means of Finance and Change in capacities of refrigerated vehicles.**

- (i) IMAC noted that the project of M/s Aromatrix Flora Pvt. Ltd., Himachal Pradesh was issued an approval letter dated 25.05.2011 for setting-up of integrated cold chain project having main hub at Baddi (Himachal Pradesh) & 2 distribution hub at Chennai & Noida for facilities such as:-
- Cold store including CA (3x100 MT, 6x50 MT), MA storage (1x50 MT), Frozen storage (4x50 MT, 2x25 MT), Low humidity cold storage (6x50 MT), High humidity cold storage (6x100 MT, 2x50 MT)
  - Ripening chambers (4x25 MT)
  - Weighing & packing equipments
  - Spices processing & packing (0.5 MT/hr)
  - Reefer vans (4x5 MT, 2x10 MT, 12x2 MT)
  - Distribution hubs at Noida & Chennai with facilities such as Cold Store including CA (2x50 MT), Frozen storage (2x25 MT), Low humidity cold storage (2x50 MT), High humidity cold storage (3x50 MT), Ripening chambers (4x25 MT) and Weighing & packing equipments.
- (ii) The IMAC also observed that the applicant requested the Ministry for change in locations and components of the project without changing the total capacity of cold storage. Based on the request of applicant, the AC in the meeting held on 18.09.2012 had approved a grant-in-aid of Rs. 983.355 lakh to the project (revised) for setting-up of following facilities:
- CA storage of 1560 MT at Patlikuhal, Dist. Kullu, Himachal Pradesh and
  - CA storage of 1055 MT, Frozen store of 385 MT, spices processing/extraction and packaging, weighing, packing equipment and reefer vans at Baddi, Dist. Solan, Himachal Pradesh
  - Reefer vans (4x5 MT, 2x10 MT, 12x2 MT)
- (iii) The IMAC observed that the 1<sup>st</sup> and 2<sup>nd</sup> installments of grant of Rs. 245.84 lakh and Rs. 491.67 lakh were released to the project on 19.10.2012 & 03.06.2013, respectively. It has been observed that the applicant has actually purchased 5 refrigerated vehicles (4 Nos. 15 MT + 1 no. x 6 MT) with total capacity of 66 MT instead of 18 vehicles (4x5 MT, 2x10 MT, 12x2 MT) with total capacity of 64 MT. It may be noted that the Ministry earlier has also approved modification in size & capacities of refrigerated vehicles for some other projects also.

- (iv) IMAC also noted that the applicant has completed components such as CA stores and Refrigerated Vehicles for both locations. However, it has not implemented the spice extraction plant and was advised to submit a confirmation from bank regarding the same along with revised project cost and means of finance from the lending bank. Accordingly, the applicant has submitted letters dated 14.04.2014 and 29.01.2015 from State Bank of India confirming that the core business of cold chain project is from storage, packaging and selling of apple and other fruits. The profitability of this project remains largely unaffected due to non-implementation of the spice extraction plant and the project is still viable. The State Bank of India (vide letter dated 29.01.2015) has also certified the revised project cost and means of finance for the project as below:

**Project Cost (Rs. in lakh):**

Cost head	Appraised Cost	Actual expenditure (Rs. in lakhs) as on 31.12.2013
Plant & Machinery	1214.70	1093.377
Civil Work	361.19	338.182
Land/ Development Charges	49.48	41.69
Margin Money for Working Capital	74.59	-
Other Expenses	136.32	92.148
<b>Total</b>	<b>1836.28</b>	<b>1565.395</b>

**Means of Finance (Rs. in lakh):**

Source of funds	Appraised means	Revised means	Actual expenditure as on 31.12.2013
Promoter's contribution	502.925	232.04	234.195
Bank term loan	350.00	350.00	350.00
Grant-in-aid	983.355	983.355	737.516
Bills payable by company			243.684
<b>Total</b>	<b>1836.28</b>	<b>1565.395</b>	<b>1565.395</b>

- (v) The IMAC noted that the project has already been completed and a joint inspection for physical verification of the project progress was conducted from 3<sup>rd</sup> to 5<sup>th</sup> September, 2014 by the representatives of the Ministry, APEDA and IL&FS Cluster Development Initiative Ltd. (PMA). As per the joint inspection report, the project on completion has commenced commercial operations on 02.09.2014. The team observed that the sorting, grading and packaging of fruits was in progress and packed fruits were stored in two chambers at Kullu facility. The PMA vide letter dated 09.04.2015 has submitted the recommendation for release of 3<sup>rd</sup> and final installment of grant. However, the grant to the project can be released only after approval of above mentioned changes.

**(vi)** In view of the above, based on the request of applicant, IMAC decided to approve the project of M/s Aromatrix Flora Pvt. Ltd. for the following changes:-

- i.** No. and capacities of refrigerated vehicles from 18 vehicles (4x5 MT, 2x10 MT, 12x2 MT) with total capacity of 64 MT to five refrigerated vehicles (4 Nos. x 15 MT, 1 no. x 6 MT)
- ii.** Revised Project Cost and Means of Finance as given in above tables and reduction in grant-in-aid from Rs 983.355 lakh to Rs 975.255 lakh.

**15. Supplementary Agenda: Decision on Closure of Project of M/s Inkal Ventures Pvt. Ltd. for Further Assistance.**

- (i) IMAC noted that the project was approved on 26.05.2011 to set up an integrated cold chain project at Village Bara, District Kasargod (Kerala) with facilities such as Milk processing plant (1 lakh LPD), Ice cream Plant (10500 litres/day), Ghee production (900 kg/day), Milk chilling centres (7 no. x 12000 LPD), Bulk milk coolers (10 x 2000 LPD), Insulated tankers (3 x 15000 litres, 2 x 6200 litres, 2 x 3200 litres), Refrigerated trucks (1 x 15000 litres, 2 x 6200 litres, 2 x 3200 litres), Insulated trucks (2 x 15000 litres, 2 x 6200 litres, 2 x 3200 litres). The project had been approved for a grant of Rs. 741.355 lakhs which was subsequently revised to Rs. 621.26 lakhs by IMAC in the meeting held on 10.01.2012 along with approval of change in location from District Kasargod to District Pathanamthitta (due to Endosulphan issue in District Kasargod).
- (ii) IMAC noted that the request for the extension of timeline was received by the Ministry twice and thus the project was granted an extension of total seven months by the IMAC on the grounds of extraordinary situation created due to Endosulfan outcry in the State of Kerala. The 1<sup>st</sup> installment of grant of Rs. 155.31 lakhs was released to the applicant on 10.12.2012.
- (iii) IMAC also noted that another request of the applicant for extension of timeline of the project till 25.08.2013 was placed before IMAC in the meeting held on 08.02.2013. The reasons such as change of location, complexities related to big size of the project, difficult topography and incessant rain with the onset of monsoon in Kerala were cited by the applicant for delay in progress of the project. After detailed deliberations in this regard, the IMAC approved the extension of time for completion of the project of M/s Inkal Ventures Private Limited till 25.08.2013. Subsequently, the applicant vide its letter dated 21.08.2013 further applied for extension of the timeline for the completion of the project. In response, the IMAC in the meeting held on 08.11.2013 took a note of site inspection report of KINFRA and directed the PMA to conduct a site visit to verify the physical progress of the project and to verify the present expenditure on the project against the approved means of finance. The PMA earlier submitted the report based on site visit of the project location vide letter dated 08.01.2014. It was also noted that the applicant did not submit requisite documents which were required by PMA to verify the present status of expenditure for the project. In the meanwhile, the applicant was also invited to attend the review meeting held on 11.11.2013. However, the applicant neither attended the meeting nor submitted documents in support of expenditure incurred on the project.
- (iv) Further, the applicant in the email dated 02.01.2014 (just before the completion of 24 months from the revised date of approval i.e. 10.01.2012) to the Ministry informed that it has submitted the proposal to bank for re-appraisal due to changes in some of the project components. In response, the Ministry in the letter dated 03.02.2014 sought requisite documents/ clarifications from the applicant within 30 days. Final

show-cause notice was issued to the applicant by Ministry vide the letter dated 12.06.2014. In response, the applicant vide its letter dated 19.06.2014 requested the extension of timeline till 31.07.2014 for completion of the project.

- (v) IMAC noted that as per the directions of the Ministry, a physical verification of the project was undertaken by officials of KINFRA on 02.09.2014. As per the site inspection report, construction work of the building is not yet completed. Majority of equipments at the project site were in packed condition and could not be verified. Crucial equipments such as milk pasteurizer, boiler and cream separator had not been delivered at the factory. The procured equipments for collection centres were kept at main location and had not been installed at respective centres. Seven vehicles including milk tankers and insulated tankers were parked inside the factory premises. The report indicates slow project implementation. It also mentioned that the details of P&M and civil work were sought from the applicant; which were not made available to the inspecting officers. Hence, the site inspection was carried out based on the drawings made available at the site. The report recommends that since the promoters have made substantial investments in the project and commercial operations are possible with dedicated efforts from promoters, the Ministry may consider giving final chance to the promoters.
- (vi) As per advice of Ministry, the PMA has also conducted the site inspection of project on 24.09.2014 and mentioned that the civil work for the project buildings has almost been completed and some finishing work was in progress in some parts. However, the flooring work is still pending without which the installation of machines and equipments could not be carried out. It also mentioned that significant investments have been made in buildings and P&M but due to improper planning and execution plan, the requisite flooring work could not be completed for timely installation of equipment. It further mentioned that the civil work is nearing completion and most of the P&M for main facility have been purchased and received at site. The PMA also mentioned that the project has made significant progress at the site since last inspection during January 2014 as most part of civil structure has been completed since then and majority of P&M (for main facility) has been purchased and installation is underway. However, the critical equipments such as milk pasteurizer, boiler and cream separator have not yet been received at the site. The project also envisages setting-up of 10 BMCs at farm level. The P&M for all the BMCs (have purchased only 5 BMCs) has also not yet been purchased.
- (vii) IMAC noted that the 24 month period (after approval of revised location on 10.01.2012) expired on 09.01.2014. Even after the approval of various extensions of timelines for completion of the project, the applicant till date did not even submit the request for release of 2<sup>nd</sup> installment of grant. The applicant has failed to report the actual expenditure on the project and the legitimate reasons for subsequent delay in the project. The applicant has not yet provided details sought by the Ministry.

- (vii) Regarding the timeline for implementation of projects, the Approval Committee (AC) in the meeting held on 19.08.2013 also decided that the maximum period for completion of a project shall be 24 months. In that meeting the AC decided that:  
*“Extension beyond 24 months may be given by AC only in exceptional cases where there are reasons beyond the control of promoters. In such cases, the reasons for delay may also be verified by the PMA. However, the request for extension of time in such cases must be submitted by the promoters within 24 months clearly stating reasons for such delay.”*
- (ix) Earlier, the AC in the meeting held on 11.01.2013 has also decided that:  
*“Maximum period for completion of the project shall be 24 months. Promoter(s) shall submit the request for third and final installment within 24 months period from the date of the approval letter. If the promoter(s) fail to submit the document for release of third and final installment within 24 months, the project shall be closed for financial assistance. In such cases, no further grant shall be released. However, the grants already released shall not be recalled, provided, after the site verification by the PMA/ PMIA, it is confirmed that the grants have been utilized for creation of the approved facilities.”*
- (x) In this case, the applicant has still not applied for 2<sup>nd</sup> installment of grant even after about two years from the dated of release of 1<sup>st</sup> installment of grant. The 1<sup>st</sup> installment of grant of Rs. 155.31 lakhs was disbursed to the applicant on 10.12.2012.
- (xi) The applicant was called for hearing at IMAC meeting. The applicant informed that the project is completed and has commenced commercial operations and submitted project photographs, which seemed to corroborate the statement of the promoter. The promoter also informed that because there was delay in implementation of the project, the bank was not providing documentation support and was insisting that they will issue expenditure certificate and recommendation for release of 2<sup>nd</sup> installment of grant only after the project is completed. It was also informed by the promoter that now bank officials have visited the project and seeing the progress of the project, are willing to provide documentation support. The applicant further informed the Ministry about the reduction of capacities of BMCs. The applicant requested the IMAC to provide a time of three weeks to complete the documentation and submit to the Ministry.
- (xii) In view of aforementioned position, IMAC decided to give a final timeline to the project of M/s Inkal Ventures till August 15, 2015 to submit the requisite documents for release of 2<sup>nd</sup> installment of grant to the Ministry.

## 15. Other Decisions

- (i) Representative of Gujarat Govt. informed that State Mission Directors are not aware of the sanctioned cold chain projects in their state and therefore not able to comment on the various issues affecting the implementation of the project. He also suggested

that if the Ministry keeps the state govts. informed of the sanctioning of the cold chain projects they can assist in resolving various issues pertaining to state govts. JS(AP) informed the IMAC that all the approval letters are invariably endorsed to the State Mission Directors. Besides, they are also invited to participate in the Technical Committee meetings and IMAC meetings. However, JS(AP) suggested that concerned State Mission Directors may also be separately informed. IMAC directed that separate letters to all State Mission Directors may be issued and they may also be invited for the review meetings in the Ministry to monitor the progress of the projects.

- (ii) The representative of Gujarat Govt. suggested that all the cold chain projects being assisted by the Ministry may be made GPS enabled and their GPS reading may be made compulsory. This would enable the Ministry to ascertain the actual progress/status of implementation of the project online. IMAC agreed to the suggestion and directed that all the cold chain projects [existing as well as newly approved] may be directed to ensure that their projects are GPS enabled.

**16.** Meeting ended with vote of thanks to the chair and all present.

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## Annexure – I

### **Meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 02.07.2015.**

#### **List of Participants**

- i. Smt. Harsimrat Kaur Badal, Hon'ble Minister, FPI - Chairperson
- ii. Shri Ranglal Jamuda, Secretary, FPI
- iii. Smt. Anuradha Prasad, Joint Secretary, MoFPI – Convener
- iv. Smt. Rosy Sharma, Joint Secretary (Finance), MoFPI
- v. Dr. R. Chauhan, Sr. Industrial Advisor, Department of Industries, Govt. of Himachal Pradesh
- vi. Shri Anog Lego, Deputy Director (Agri), Department of Agriculture, Govt. of Arunachal Pradesh
- vii. Shri K.S. Randhawa (IFS), Managing Director, Gujarat Agro Industries Corporation, Govt. of Gujarat
- viii. Mr. Sunil N. Patil, M.A.I.D.C, Goregaon, Mumbai
- ix. Dr. Ghu Ratna Babu, Deputy General Manager, NABARD, Head Office, Mumbai
- x. Shri Prabhat Saxena, Chief Consultant, Department of Agriculture & Cooperation, Ministry of Agriculture
- xi. Shri Kunal Sood, Director & other Members, M/s Grant Thornton

**Annexure-II**

S.No.	Applicant Name	Project Cost (Rs. Lakh)					Eligible Grant-in-aid (Rs. Lakh)	
		DPR	Bank Appraisal	IMAC Approved Cost dated 24/25 <sup>th</sup> March 15	Sanction Letter	IMAC Approved Cost dated 02.07.15	IMAC Approved Grant dated 24/25 <sup>th</sup> March 15	IMAC Approved Grant dated 02.07.15
1	Mahua Cooperative Cold Storage Limited (A34)	2112	2112	2116	2112	2112	976.215	975.36
2	Powercon (A29)	1836.4	1836.4	1836.52	1836.4	1836.4	1000	1000
3	Neutrons Agri Produce(D7)	1626.34	1626.34	1626.34	1626.34	1626.34	984.37	977.66
4	ShriBalaji Foods (C20)	2363.92	2363.92	2363.95	2363.92	2363.92	1000	1000
5	Vedant Edible Products (P) Ltd (A27)	1846.5	1846.5	1846.38	1846.5	1846.5	798.56	798.56
6	Chanakya Dairy Products Limited (C19)	3100	3100	3100.03	3100	3100	1000	1000
7	B.P. Frozen Foods (D19)	1714.6	1714.6	1714.68	1714.6	1714.6	1000	1000
8	S. R. Food Chain (C10)	1995	1995	1995.56	1995	1995	865	865
9	Industrial Progressive (B27)	2966.32	2966.32	2966.83	2966.32	2966.32	1000	1000
10	Transport Corporation of India (C31)	3692	3692	3699.47	3692	3692	1000	1000
11	Nekkanti Sea Foods Limited (D20)	3690	3690	3690.3	3690	3690	1000	1000
12	Boxco Logistics (B12)	3307.07	3307.07	3306.76	3306.76	3306.76	1000	1000
13	Aveena Milk (A10)	1872	1872	1872.23	1872	1872	1000	1000

14	<b>Hind Terminals (C8)</b>	3869.85	3869.44	3854.87	3869.44	3869.44	910.345	930.14
15	<b>Raajratna Energy Holdings Pvt. Ltd. (A26)</b>	2357.86	2358	2357.92	2357.86	2357.86	987.57	987.57
16	<b>Western Superfresh Corporation (B25)</b>	3836	3870	3870.7	3836	3836	892.66	873.88
17	<b>Anandum Agro Tech (P) Limited (B23)</b>	3635.91	3635.91	3800.88	3635.84	3635.84	1000	1000
18	<b>Revati Commercial Pvt. Ltd (B15)</b>	1759.75	1820.28	1820	1759.75	1759.75	741.69	737.64
19	<b>Prithvi Multi-Purpose Cold Storage Private Limited (A22)</b>	2713.42	2713.42	2842.9	2713.42	2713.42	1000	1000

<b>Annexure-III</b>								
		<b>DPR</b>	<b>Bank Appraisal</b>	<b>IMAC Approved Cost dated 24/25<sup>th</sup> March 15</b>	<b>Sanction Letter</b>	<b>IMAC Approved Cost dated 02.07.15</b>	<b>IMAC Approved Grant dated 24/25<sup>th</sup> March 15</b>	<b>IMAC Approved Grant dated 02.07.15</b>
<b>20.</b>	<b>Desai Brothers (D4)</b>	2818.5	2828.5	2927.37	2818.5	NA	Requirement of Detailed Breakup of the Total Project Cost as per the DPR	Requirement of Detailed Breakup of the Total Project Cost as per the DPR

21.	<b>Pinnacle Industries Limited. (D2)</b>	2342.19	2342.19	2342.2	2342.19	NA	951.025	951.025
22.	<b>Ginni Agro Products Private Ltd. (C5)</b>	4081.5	4081.5	3939.74	4081.5	NA	670.42	670.42
23.	<b>PratibhaKrushiPrakriya Ltd. (D6)</b>	4225.67	3973.00	3,615.69	3964.69	NA	767.155	767.155