

Minutes of the Meeting of Inter-Ministerial Approval Committee (IMAC) Constituted under the Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 09.11.2015

A meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme of Cold Chain, Value Addition and Preservation Infrastructure was held on 09.11.2015 at 02:30 PM under the Chairpersonship of Hon'ble Minister, FPI. The list of participants is at **Annexure-I**.

At the outset, Smt. Anuradha Prasad, Joint Secretary and Convener of IMAC welcomed the Hon'ble Minister and other members of the Committee. Deliberations and decisions of the IMAC on each agenda item are as under:

Agenda Item No. 1: Action Taken Note on the Minutes of IMAC Meeting held on 20.08.2015

IMAC noted the actions taken on the decision of the IMAC in its meeting held on 20.08.2015. IMAC further directed that in future a tabulated summary of agenda items should also be prepared and circulated.

Agenda Item No. 2: M/s Himalaya Cotton Yarn Ltd., Himachal Pradesh for Change of Bank, Means of Finance and Release of 1st Installment

IMAC noted that Approval Committee (AC) in its meeting held on 23.08.2013 had considered and approved the proposal of M/s Himalaya Cotton Yarn Ltd. for grant-in-aid of Rs. 543.78 lakh for setting up of integrated cold chain project at Plot No. 1, Industrial Area Banalagi, Tehsil Kasauli, Dist. Solan (Himachal Pradesh).

2. The IMAC noted that the approval letter to the project was issued on 20.09.2013. The applicant submitted request for release of 1st installment of grant on 19.06.2014 (i.e. within the stipulated timeline of 9 months from the date of issuance of approval letter).

3. The IMAC was informed that the applicant vide letter dated 29.03.2014 had intimated that M/s Himalaya Cotton Yarn Ltd. had been granted an industrial plot on lease at Plot no. 1, Industrial Area Banalgi, District Solan, Himachal Pradesh measuring 20,000 sq. m. and the lease deed for the same was executed on 10.07.2006 on payment of lease amount of Rs. 30.70 lakh. The applicant had also mentioned that the Integrated Cold Chain project was sanctioned by the Department of Industries, Government of Himachal Pradesh on 14.02.2011 and it was approved by Ministry of Food Processing Industries for grant-in-aid on 20.09.2013. The letter further mentioned that the technical approval of the site plan as sought by the Department of Industries, Govt. of HP (through District Industries Centre, Solan) from Himachal Pradesh State Industrial Development Corporation had been obtained on 20.11.2013. The applicant also mentioned that due to the delay in execution of the work, the General Manager, DIC had proposed to cancel the lease deed for the land. However, based on the writ petition of the applicant, the Hon'ble High Court of Himachal Pradesh intervened and an undertaking was taken from the

applicant to commission the project within 9 months. The sanction letter for the site plan was only required from the concerned department (DIC) for the work to commence. The applicant also mentioned that there was no delay on the part of the applicant in execution of the project and the work could not be commenced due to want of necessary sanction of the site plan.

4. The IMAC also noted that the applicant vide letter dated 06.06.2014 had submitted a copy of letter dated 30.05.2014 from DIC, Solan for allotment of 3000 sq mtr. of land (1800 sq. mtr. for establishing 1000 MT CA store + 200 sq. mtr. for loading and unloading and 1000 sq. mtr. for employees residential quarters) out of 20000 sq.mt., which was earlier allotted for manufacturing of cotton yarn. DIC has also approved the revised site plan.

5. IMAC also noted that, not satisfied with the allotment of 3000 sq.mt. of land, the promoter is contesting before Hon'ble High Court for restoration of 20000 sq. mtr. of land originally allotted to him. The Ministry had also filed its response duly vetted by Department of Legal Affairs stating the factual position and praying for deletion of its name from array of respondents as it is not a necessary party in the matter. The matter is subjudice. However, the promoter is repeatedly requesting for release of 1st installment of grant stating that they have made progress in the project on the 3000 meter land allotted by DIC. The promoter had also enclosed photographs of the project site from which it appears that PEB structure has been erected.

6. IMAC was informed that the promoter vide Ministry's letter dated 30.07.2015 was requested to give a specific undertaking to the effect that they will implement the cold chain project even if their writ petition for restoration of 20,000 sq. mtr. of land is not allowed by the Hon'ble Court. Further, DIC Solan, Himachal Pradesh was also requested to confirm that 3000 sq. mtr. of land allotted to M/s Himalaya Cotton Yarn is sufficient for setting up integrated cold chain project and it would not adversely affect the viability of the project and also the allotment of 3000 sq. mtr. of land would not be withdrawn by DIC, Solan in future. In response, the promoter vide letter dated 05.08.2015 has submitted an undertaking duly mentioning the same. The District Industries Centre, Solan also vide letter dated nil received on 27.08.2015 has informed that land measuring 3000 sq. mtr. allotted to M/s Himalaya Cotton Yarn Ltd., is sufficient for setting up integrated cold chain project and it would not adversely affect the viability of the project. It has also been intimated that allotment of 3000 sq. mtr. land would not be withdrawn by the DIC subject to fulfilment of terms and conditions of allotment letter/lease deed. Representative of Govt. of Himachal Pradesh had also confirmed during the meeting that requisite land for instant project has been made available by DIC, Solan and the promoter has constructed 1800 sq. mtr. shed for the purpose of setting up 1000 MT CA store. Besides two bed room guest house and 4 number of servant quarters covering additional 1200 sq. mtr. (approximately) had also been constructed.

7. IMAC further noted that the applicant vide letter dated 18.06.2014 had also requested for change of bank from UCO Bank to Punjab National Bank (PNB). It is mentioned that due to unavoidable circumstances, it has changed the bank. It also

mentioned that PNB has now sanctioned the term loan of Rs. 200.00 lakh after appraising the project and disbursed term loan of Rs. 50.00 lakh (25% of sanctioned term loan). The applicant has also submitted a letter dated 19.06.2014 from PNB which certifies that the bank has disbursed 25% of the sanctioned term loan. The applicant has also submitted copy of appraisal note dated 18.06.2014 for term loan of Rs. 200.00 lakh from PNB. As per the revised appraisal note, there is no change in components and cost of project. However, there is change in means of finance, which is mainly due to less admissibility of grant (than the grant sought) for the project. Based on revised appraisal note from PNB, the comparison of approved means of finance for the project is as below:

| S. no. | Head of the project cost | Appraised by UCO Bank (Rs. Lakhs) | Appraised by PNB (Rs. Lakhs) |
|--------|----------------------------|-----------------------------------|------------------------------|
| 1 | Promoter's contribution | 194.70 | 210.93 |
| 2 | MoFPI subsidy | 635.01 (proposed) | 543.78 (Approved by MFPI) |
| 3 | Term loan | 200.00 | 200.00 |
| 4 | Cash credit | 200.00 | 200.00 |
| 5 | Venture capital assistance | - | 75.00 |
| | Total | 1229.71 | 1229.71 |

8. After detailed deliberations, the IMAC decided to approve the following in respect of cold chain project of M/s Himalaya Cotton Yarn Ltd:

- a) Change of term loan lending bank from UCO Bank to Punjab National Bank and also approved the revised means of finance as given in preceding para.
- b) IMAC also noted that 24-month period for project completion has elapsed. Considering the ongoing progress at project site, IMAC decided to give time extension for one year from the date of the IMAC i.e. 09.11.2015 to complete the project.

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Agenda item No. 3: The Proposal of M/s Western Hill Foods Ltd. for Extension of Time upto Feb, 2016 – reg.

IMAC noted that the proposal of M/s Western Hill Foods Ltd. was approved by the Approval Committee in its meeting held on 28.06.2012 for grant-in-aid of Rs. 786.04 lakhs for setting up of integrated cold chain facilities at Sy. No. 477,478, Village Thorandale, Taluka Ambegaon, Dist. Pune, Maharashtra.

2. IMAC noted that the approval letter to M/s Western Hill Foods Ltd. was issued on 31.07.2012. National Horticulture Board (NHB) is the Programme Management and Implementing Agency (PMIA) in this case. Subsequently, the AC in its meeting held on 19.08.2013, approved reduction in eligible grant from Rs. 786.04 lakhs to Rs. 767.64 lakhs. The 1st & 2nd installments of grant of Rs 191.91 lakh & Rs. 383.82 lakh respectively were released to the project on 09.09.2013 and 25.08.2014 respectively. The 18 months period for the project expired on 30.01.2014. The applicant vide letter dated 16.11.2013 had requested for grant of extension for one year i.e. 30.01.2015 for achieving completion. The AC in the meeting held on 10.01.2014, approved the extension of timeline by six months i.e. till 30.07.2014 (24 months from date of approval). Further, the applicant vide letter dated 16.06.2014 requested for time extension for another six months beyond 30.07.2014. IMAC in the meeting held on 25.07.2014 acceded to the request of the applicant and granted extension of time upto 31.01.2015 for completion of the project.

3. The IMAC noted that the promoter/applicant has not submitted the request for release of 3rd installment of grant till date. NHB has also sent two reminders to the applicant vide letter dated 28.04.2015 and 29.05.2015. Now, the applicant vide letter dated 14.07.2015 has requested for extension of timeline till Feb. 2016. The applicant has also mentioned that the IQF line for processing of fruits and vegetables has already been started and a turnover of Rs.5 cr has already been achieved. The letter also mentioned that they have planned to purchase machinery for Ready-to-eat (RTE) items by utilizing 3rd installment of grant. As per the letter, Andhra Bank has sanctioned a term loan of Rs. 4.58 crore for RTE line. However, as mentioned by the promoter, due to unforeseen procedural difficulties from bank in availing the loan, the promoter could not place order for machineries and hence there was delay in submission of final claim. IMAC also noted that the applicant has mentioned that as on date all the hurdles have been sorted out and they are ready to place their order and start RTE line.

4. IMAC noted that 24 month time period expired on 30.07.2014 and as on date, the project has already been extended beyond 36 months. It was also noted that in case of M/s Inkal Ventures, Kerala and M/s Dodla Dairy, Andhra Pradesh the projects have been granted extension of time beyond 24 months on case to case basis. In the instant case, the delay is on account of delay in disbursement of loan as stated by the applicant.

5. After detailed deliberations, the IMAC decided to provide a final extension till February 2016 for completion of the project by M/s Western Hill Foods Ltd.

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Agenda Item No. 4: Consideration of case of M/s Paonta Sahib Food Corporation for setting up integrated cold chain project at Solan District, Himachal Pradesh –reg.

IMAC noted that the proposal was approved by the Ministry on 04.10.2013 for grant-in-aid of Rs. 877.988 lakh to set up integrated cold chain project at Village Subhkhera, PO & Tehsil Paonta Sahib, District Sirmaur, Himachal Pradesh.

2. IMAC noted that the promoter vide their letter dated 17.05.2014 requested for grant of extension for 90 days on account of change of location and bank. The IMAC in its meeting held on 25.07.2014 noted that the promoter had decided to change the location of the project citing better suitability of the newly identified land for the project. The IMAC noted that the applicant was still in the process of registration of land at the changed location which could have been done only after getting permission from Revenue Department, which was also pending. The IMAC further noted that the applicant has also changed the bank from Allahabad Bank (for an approved term loan of Rs. 250 lakh) to another bank and was in discussion with several banks which indicated that even the term loan to the project was also not sanctioned by bank. It was also noted that the applicant had informed the Ministry about all these issues after seven and half months from the date of approval. The IMAC also noted that the application for setting up of integrated cold chain was submitted to Ministry in July, 2012 and even after more than two years of submission of proposal to the Ministry, the applicant was not able to acquire suitable land and get sanction of term loan for the project. Considering the reasons cited above, the IMAC cancelled the project as the applicant failed to procure even the land for the project, and submit the required documents for release of 1st installment in time. The cancellation letter was issued on 11.08.2014.

3. IMAC noted that the promoter had requested for revalidation of grant sanction for the project vide letter dated 29.10.2014 and mentioned that earlier the land was to be taken on lease and then it was purchased considering it as a permanent component of the project. The changed location of the project is at village Maiyan, Near Bhojnagar, Tehsil & Distt. Solan (HP). Due to change in location of project, there was increase in cost of project and means of finance. After knowing the changes in cost of project and means of finance, the earlier bank (Allahabad Bank) had withdrawn the term loan sanction issued to the project and accordingly, the promoter approached the new bank. However, delay in obtaining approvals from State Government delayed the process of registration of land and it caused further delay in obtaining the term loan. The promoter further mentioned that now, the land has been purchased and has been registered in the name of firm with all necessary approvals obtained from State Govt. It also mentioned that PNB had appraised the project and sanctioned a term loan of Rs. 500.00 lakh to the project.

4. IMAC noted that the promoter had submitted a copy of sanction letter dated 13.10.2014 for a term loan of Rs. 500.00 lakh. An appraisal note from PNB had also been submitted. As per the appraisal note, there are five partners in the applicant firm. It was noted that as per the partnership deed submitted along with the proposal, there were four partners in the firm. As per the appraisal note, Mr. Gurdarshan Singh Sohi has been inducted as fifth partner (whose name is not in the partnership deed submitted earlier),

holds 9% profit/loss sharing among the partners. The applicant had also submitted the copies of land documents.

5. IMAC noted that as per the non-notarized land documents, the sale deed was signed on 05.09.2014. The bank appraisal mentioned that the project is yet to be started and implementation schedule also indicates that the site development had started, civil construction for building would be started after sanction of subsidy from MoFPI and as such, exact date could not be ascertained. It was also noted that earlier, the Ministry has considered the request of revoking the cancellation of projects only in those cases where substantial progress had been made in implementation of the project including disbursement of the term loan.

6. IMAC also noted that in the instant case the representation of the promoter for revocation of cancellation order was processed and the same was not acceded to. The promoter was informed accordingly vide letter dated 16.01.2015.

7. The promoter vide letter dated 19.05.2015 has furnished a CA certificate dated 16.05.2015 from Ramandeep & Associates which shows that the promoter has incurred an expenditure of Rs. 125.68 lakh against the revised project cost of Rs. 1827.14 lakh. Out of this, Rs 89.60 lakh has been spent on land/land development. As per the revised means of finance, term loan component is Rs. 500.00 lakh. However, so far the bank has not disbursed any instalment of term loan to the project.

8. IMAC also noted that Pr. Secretary (Industries), Govt. of Himachal Pradesh vide letter dated 07.07.2015 had informed that the unit could not process the papers for 1st instalment due to delay in getting permission u/s 118 of HP Tenancy and Land Reforms Act, 1972 as purchase of land in the State is a cumbersome process because of requirements of permission under the Act and extra time is lost in the process. The Govt. of H.P. has now accorded permission in favour of M/s Paonta Sahib Food Corporation and promoter has started developing the land for setting up of the unit. It has been requested to grant extension of time in favour of the company in the interest of the State.

9. IMAC also noted that a joint site inspection of the project was carried out on 12.09.2015. During the inspection, the joint inspection team observed that works like levelling & construction of retaining wall was found to be in progress. Two JCB machines along with two trucks were engaged in ground levelling. Further, work was also going on retaining wall which is required for the project. It has been informed by applicant that approximately 40% of ground levelling to total land has been done and approximate 15% of overall retaining wall has been completed so far. It was found by joint inspection team that from roadside, a total 60.56 meters of retaining wall has been constructed. Joint inspection team further observed that work for approved Technical Civil work component has not yet started. No approved plant & machineries were found at the site during the inspection. It has been noted that no work has been started for facilities as approved by the Ministry as on the date of inspection.

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10. IMAC further noted that as per submitted CE (civil) certificate dated 15.05.2015, the advance payment of Rs 20 .00 lakh for Pre Engg building work has been issued to M/s Malwa Green Energy Solution Private Ltd. Also, as per CA certificate dated 16.05.2015, out of total project cost of Rs.1827.14 lakh, a total investment of Rs.125.68 lakh had been made from promoter's equity. However, the bank has not yet released any amount of term loan for the aforesaid project.

11. IMAC also noted that the promoter had submitted certain documents during inspection like copy of NOC from Panchayat for establishment of cold store and borewell, copy of in-principle approval for a load of 150 KVA contract demand from Himachal Pradesh State Electricity Board Limited, NOC from Town and Country Planning Department of HP, Consent to Establish (dated 14.01.2015) of HP State Pollution Control Board, Copy of sanction of term loan with bank appraisal from PNB, copy of the sale deed of land and copy of Essentiality certificate issued by Directorate of Industries, HP. While considering the report of Joint inspection team, Hon'ble Minister (FPI) has directed that "*Place in IMAC & call party for personal hearing*". Further, the Punjab National Bank, Solan vide letter dated 08.10.2015 had also inquired about the fate with regards to extension in time schedule for the project.

12. The applicant was called for personal hearing by IMAC. Shri Karamveer Singh, Partner in the project, assured the IMAC about the seriousness of the promoters to implement the project. The Senior Industrial Advisor, Department of Industries (State Government representative) also admitted the fact that delay was primarily due to sanction of statutory approvals from the State Govt. He also informed that a physical inspection was made during 1st week of November, 2015 and it was found that there was a significant progress in the site development. He further informed that the project is coming up in an area where there is no CA Storage at present and hence, need to be supported.

13. Considering the above facts and submission of the State Government which showed that the delay was beyond the control of the promoter and that all the requisite approvals had now been obtained and implementation had commenced. IMAC decided to revoke the cancellation of in-principal approval of M/s Paonta Sahib Food Corporation and allowed 24 months period (from the date of the IMAC i.e. 09.11.2015) to the promoter for completing the project.

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Agenda Item No. 5: Proposal of M/s Vijaykant Dairy & Foods Products Ltd, Karnataka For Approval of Revised Means of Finance

IMAC noted that Approval committee (AC) in its meeting held on 23.08.2013 considered and accorded approval to the integrated cold chain project of M/s Vijaykant Dairy & Food Products Ltd, Belgaum, Karnataka for grant of Rs. 280.00 lakh for expansion of existing milk processing plant. The 1st and 2nd installments of grant amounting to Rs 210 Lakh have been released to the project on 16.04.2014 & 26.08.2014 respectively.

2. IMAC noted that the applicant had revised the project cost and means of finance. The same had been duly certified by lending Bank. The Bank has mentioned that as per revised means of finance, the total project cost has been reduced from originally appraised project cost of Rs. 955.00 lakh to Rs. 866.42 lakh. The bank letter has further mentioned that the promoter's equity had been reduced from originally appraised Rs.155.00 lakh to Rs. 100.00 lakh along with the reduction in sanctioned term loan from Rs.800 lakh to Rs.720 lakh respectively. The bank letter also mentioned that the project is completed, commercial operations have started and the plant is running satisfactorily at full swing. The revised means of finance along with originally appraised means of finance are as under:-

Project Cost

| Component | Appraised Cost (Rs. Lakh) | Revised Cost (Rs. Lakh) | Actual Expenditure (Rs. Lakh) |
|--------------------------------|---------------------------|-------------------------|-------------------------------|
| Land | Nil | 0.00 | 0.00 |
| Civil Work | 25.00 | 72.08 | 72.08 |
| Plant & Machinery | 910.00 | 732.87 | 732.87 |
| MFA | 0.00 | 0.00 | 0.00 |
| Bank Loan Interest Capitalised | 0.00 | 61.47 | 61.47 |
| Pre-Operative/ Other | 20.00 | 0.00 | 0.00 |
| Total | 955.00 | 866.42 | 866.42 |

Means of Finance:

| Source of Funds | Appraised (Rs. Lakh) | Revised (Rs. Lakh) | Actual Expenditure (Rs. Lakh) |
|--|----------------------|--------------------|-------------------------------|
| Promoter's contribution | 155.00 | 100.00 | 100.00 |
| Bank term loan/including capitalized interest | | | |
| a) Building & Machineries | 520.00 | 440.00 | 440.00 |
| b) Against Grant-in –Aid from MOFPI | 280.00 | 280.00 | 280.00 |
| | | | |
| | 800.00 | 720.00 | 720.00 |
| <i>Less- Grant Received from MOFPI against term loan</i> | | | 210.00 |
| | | | |
| | | | 510.00 |
| Grant from MOFPI received | 0.00 | 0.00 | 210.00 |
| Others- Internal Accruals | Nil | 46.42 | 46.42 |
| Total | 955.00 | 866.42 | 866.42 |

3. IMAC noted that the applicant had submitted a letter dated 01.11.2014 mentioning that project cost had reduced due to negotiations. The Joint inspection team had inspected the site and had recommended for the release of 3rd installment. There is no change in the amount of grant approved for the project.

4. After detailed deliberations, the IMAC approved the revised means of finance as detailed in preceding para for the project of M/s Vijaykant Dairy & Foods Products Ltd.

Agreed

Agenda Item No. 6: Consideration of case of M/s Himalaya International Limited, Gujarat for release of 3rd & final instalment of grant-reg.

The IMAC noted that the integrated cold chain project of M/s Himalaya International Limited, Gujarat was approved on 27.09.2013 for grant of Rs. 10 crore for setting up of various facilities at Tehsil Vadnagar, District Mehsana, Gujarat.

2. IMAC noted that the Joint Inspection of the project was conducted on 06.06.2015. During joint inspection, it was observed that processing and packing of button mushroom, french fries, aloo tikki, canned mushrooms, appetizer mushrooms was under process and these were being stored in frozen storage, however, milk chilling centres were not set up (as against 20 no. of approved milk chilling centres). The promoter at the time of Joint Inspection had informed about the purchase of two reefer vans (out of 12 approved reefer vans). However, no reefer vehicles were found at the site for physical verification. Instead, the promoter submitted RCs of three trucks registered with Registering and Licensing Authority (R&LA) at Paonta Sahib, District Sirmour, Himachal Pradesh [HP 17C3267, HP 17C3268 & HP 17C1444]. The promoter had also furnished copy of Screen Report of Vehicles from R&LA, Paonta Sahib, H.P. which mentioned that the trucks are refrigerated. Further, mushroom freezer including electrical & ammonia insulation and sorting centre for vegetables had not been installed.

3. It was noted by IMAC that the project proposal was submitted against EOI dated 10.07.2012. In the said EOI, it was *inter alia*, mentioned that the project should not have commenced commercial production prior to submission of application. However, in case of those applicants who had applied against the EOI during 2010-11 and were applying against the 2012 EOI, the project should not have commenced commercial production prior to 30.09.2010. A perusal of instant proposal reveals that the proposal was initially submitted against EOI of 2010 but was found ineligible due to non submission of appraisal note from bank and was again submitted against EOI with last dated as 10.07.2012. The project was already complete at the time of submission of proposal. The project envisaged both milk as well as mushroom processing. Although the plant & machinery for milk processing had been erected yet the same could not be put into operation by the promoter. Consequently, the promoter had not created any chilling centers out of the 20 approved by the Ministry.

4. As regards reefer trucks, IMAC was apprised that the promoter had been advised on phone that all 12 refrigerated trucks should be made available on site for physical verification during the joint inspection. However, no reefer transport was available at site for physical verification. It was noted that the promoter had not purchased any reefer transport specific to and out of the means of finance of instant project. He has submitted RCs of only three reefer trucks which are registered with Himachal Pradesh Govt. at Paonta Sahib where the promoter has another project. As per RCs, the refrigerated trucks are hypothecated to HDFC Bank whereas the lending bank of the project is a consortium of Corporation Bank and EXIM Bank. IMAC was also apprised that the promoter vide letter dated 04.02.2014 has informed that he has another old plant in Paonta Sahib, Himachal Pradesh. As per para 5.1(c) of relevant Scheme Guidelines (dated 18.03.2010) "3rd and

final installment of remaining 25% of the grant assistance will be released after ensuring that the utilization of the second installment and 100% of promoters contribution and 100% of term loan has been invested on the project and the project has achieved completion and commercial operation has started."

5. It was also noted that as per the scheme guidelines, the promoter has to set up any two components out of (a), (b) and (c) of para 3 of scheme guidelines in order to complete the integrated cold chain and become eligible for financial assistance. In the instant case, at the time of submission of proposal all the three components viz. collection/ chilling centres, distributor centre and reefer transport were envisaged. Subsequently, the promoter has chosen not to set up milk chilling centers and at present no milk processing is taking place at the main facility. Also, as brought out at para 4 above, the promoter has not purchased reefer transport out of project funds. Therefore, it may be seen that the promoter has not created integrated cold chain infrastructure under the project.

6. The IMAC further noted that the Ministry had sought an explanation from the promoter regarding misrepresentation of facts. In response the promoter vide letter dated 17.08.2015 has informed that due to delays and increase in the cost of project, they deferred the investment in reefer transport and milk chillers but completed the essential part of the cold chain. They had outsourced the major part of the refrigerated transport & Milk Chilling. These shall be completed as soon as they attain financial stability and after the release of all pending assistances. The promoter has also mentioned that "looking to facts and figures and existing infrastructure, without considering the 12 nos. of refer trucks and 20 nos. milk chilling centers, we are still, in eligibility criteria of getting the maximum eligible and already sanctioned amount of Rs. 10 crore".

7. IMAC noted that the promoter had admitted to the fact of not purchasing reefer vehicles and not setting up milk chilling canters. This has resulted in non-creation of integrated cold chain. In view of above, a show-cause notice was issued to promoter for cancelling the approval of the project and recalling the grant already released. In response, the promoter vide letter dated 09.09.2015 has alleged the Ministry to be causing delay in the release of disbursement of grant and has sought the reasons for such inordinate delays in dispensation of committed assistance. The promoter has stated that the project had envisaged MoFPI assistance and the same was not made available in time. The project cost has escalated and he could not buy reefer trucks. According to the promoter, if the MoFPI assistance had been provided timely, they would have bought all the necessary refrigerated vehicles earlier. The promoter has further stated that in 2012-13 additional loan of Rs. 57 lakhs from HDFC Bank, Paonta Sahib was arranged to buy 3 reefer trucks and then another loan of Rs. 60 lakhs to buy two double capacity [20 ton capacity] reefer trucks was taken. He has yet to buy two more double capacity trucks which will be bought on release of balance assistance from the Ministry. All the above trucks are purchased by the company and are being used for transportation of chilled & frozen products between the two plants of the company (Himachal & Gujarat) and between the Gujarat Plant and Mundra port for export. The promoter has stated that MoFPI scheme is not for any particular state and is for all states and where the truck is registered (whether Himachal or Gujarat) is immaterial. According to the promoter, the key is that these are

owned by the beneficiary company and they are being used as cold chain for farm produce & processed foods. The promoter has also requested to withdraw the show cause notice and release balance amount.

8. IMAC noted that the promoter is silent on not setting up of milk chilling centres and milk processing components as proposed in the DPR and as approved by the Ministry. He has also accepted the fact that due to escalation in the project cost reefer trucks could not be purchased out of the project funds. The allegations of delay in disbursement of grant are baseless. The approval letter to the project was issued on 04.10.2013 and 1st & 2nd instalment of grant were released to the project in April 2014 and August 2014 respectively.

9. IMAC noted that total eligible cost of the project for the purpose of grant calculation is Rs. 4976.18 lakhs. Out of which cost of components not setup/ not in commercial operation viz. milk processing components, reefer trucks, mushroom freezer (TCW and Plant & Machinery) comes to Rs.3492.74 lakhs tentatively. If this amount is deducted from the approved eligible project cost, then the present eligible project cost for the purpose of grant calculation comes to Rs. 1483.44 lakhs [Rs. 4796.18 lakhs – Rs. 3492.74 lakhs] and the grant-in-aid component comes to Rs. 741.72 lakhs [Rs. 1483.44/2 lakhs]. An amount of Rs. 7.5 crore has already been released as grant-in-aid to the project. The components with cost of Rs. 3082.74 lakh have been set up by the promoter but the same have not been put into operation. The promoter has not purchased reefer trucks from the project funds of Gujarat Unit of M/s Himalaya International Limited which has been assisted by the Ministry.

10. The applicant was called for personal hearing before IMAC. The applicant mentioned that the some of the milk processing sections are also operational and products are being exported. The applicant also mentioned that the same were not in operation during the joint site inspection.

11. After detailed deliberations, the IMAC decided that a joint site visit should be undertaken to ascertain the exact nature of the cold chain and components established at site as also whether milk unit is in operation or not. Thereafter, the case be placed before IMAC for a decision.

Agreed

Agenda Item No. 7: The Request of M/s Gopaljee Dairy Foods Pvt. Ltd. for Time Extension for Setting up of Integrated Cold Chain Project in Uttar Pradesh

IMAC noted that Approval Committee (AC) in the meeting held on 27.09.2013 considered and approved the proposal of M/s Gopaljee Dairy Foods Pvt. Ltd. for setting up of integrated cold chain project at Khairpur, Khairabad and Dasna, Taluka Dhaulana, District Panchsheel Nagar (Uttar Pradesh) for milk and milk products. As per the approval letter dated 04.10.2013, the approved grant to the project is Rs. 1000.00 lakh. 1st and 2nd installments of grant (Rs.250.00 lakh and Rs. 500.00 lakh respectively) have been released on 02.05.2014 and 18.06.2015 respectively.

2. IMAC noted that the applicant vide letter dated 30.07.2015 mentioned that the proposal for setting up of integrated cold chain project was submitted on 10.07.2012 and was approved on 04.10.2013. Due to prolonged time span of about one year and three months in getting approval from Ministry, all the negotiations/exercises already done with regards to the project got scrapped and the applicant had to re-negotiate with the suppliers, which had taken much time.

3. IMAC further noted that the letter also mentioned that the 1st instalment of grant of Rs.250.00 lakh was released in May 2014 and the application for 2nd installment of grant was applied on 04.02.2015. The 2nd installment of grant (Rs. 500.00 lakh) was released on 18.06.2015.

4. IMAC further noted that the Ministry vide letter dated 05.10.2015 requested the applicant to submit the latest status of physical and financial progress for the project. In response, the applicant vide letter dated 12.10.2015 has mentioned that the 2nd installment of grant (Rs. 500.00 lakh) has been spent for the project and has got the disbursement of Rs. 441.00 lakh, out of last installment of term loan of Rs. 465.00 lakh. The letter has also mentioned that Rs. 250.00 lakh (equivalent amount of last installment of grant) has been arranged to complete the project and to put the claim for last installment of grant before Ministry. The applicant has also provided the latest physical progress for the project. The letter has mentioned that the basement and ground floor building of core processing plant are ready, 1st floor is under flooring stage, the machineries such as refrigeration unit, weighbridge, ETP, VAMs, boiler etc. are in final stage of erection/ commissioning, machineries such as pasteurizers, chillers, silos, tanks etc. are partially delivered and rest are under delivery. The letter mentions that the commencement of trial run and the commercial operations has been planned in Feb. 2016 and in 1st week of April, 2016 respectively. The letter also mentioned that out of four milk chilling centres (MCCs), land for three MCCs has already been purchased, the construction for two MCCs is in progress and identification of villages for installation of automatic milk collection units has been started. As per the financial progress mentioned in the applicant's letter, an amount of Rs. 5793.03 lakh has been invested up to 08.10.2015 against the approved project cost of Rs. 4120.05 lakh. This indicates that the applicant has invested Rs. 1672.98 lakh more than the approved project cost. As the project is under implementation, there may be more escalation in actual project cost.

Amend

5. IMAC also noted that in its meeting held on 20.08.2015, IMAC had decided to extend the provisions of revised guidelines (dated 20.11.2013) with regard to implementation schedule to the projects of earlier phase also and approved that the implementation schedule for all on-going projects is 24 months for general areas and 30 months for difficult areas (North-Eastern states, Sikkim, J&K, Himachal Pradesh and Uttarakhand) from the date of issue of approval letter. The request for time extension beyond 24 months only needs to be placed before IMAC for decision.

6. IMAC noted that in the instant case, 24-month was completed on 03.10.2015. The project has been envisaged for milk processing plant of 4 lakh LPD along with other components of integrated cold chain. As per the applicant's representation, a significant amount of Rs. 5793.03 lakh has been invested for the cold chain project. The applicant has requested for additional six months (till 03.04.2016) for completion of the project which would make the total period of about 30 months for project completion. IMAC noted that the Ministry had granted time extension beyond 24 months in several other cold chain projects such as M/s Western Hill Foods Ltd., M/s Inkal ventures Pvt. Ltd., M/s Associate Action for Progressive Development, M/s Utsav Organic & Cold Chain etc. for genuine reasons.

7. In view of the above, IMAC decided to approve time period till 30.04.2016 for completion of the cold chain project of M/s Gopaljee Dairy Foods Pvt. Ltd. IMAC also decided that this would be last & final extension and no request for further extension would be considered.

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Agenda Item No. 8: Change in Location of Collection Centres and Change of Lending Bank for Integrated Cold Chain Project of M/s Brij Dairy and Beverages, Betul, Madhya Pradesh-reg.

IMAC noted that Approval Committee (AC) in its meeting held on 23.08.2013 had considered and approved the proposal of M/s Brij Dairy & Beverages, for setting up of integrated cold chain project at Industrial Area Kosmi, Betul (Madhya Pradesh).

2. IMAC further noted that the applicant in the EOI had clearly mentioned 3 locations of collection centers i.e., Kosmi, Multai and Ghodadongri with estimated investment of Rs. 0.807 crore. Thus, one location of collection centre was at main facility i.e., at Kosmi (Betul Dist.) and other two locations are at Multai and Ghodadongri. The promoter vide letter dated 25.09.2015 had requested the Ministry to permit the change in location of collection centre from Ghodadongri to Village Ramgarha, District Sehore, Madhya Pradesh. The Promoter had informed that this change had to be made due to change in animal rearing pattern in the region. There is no change in other two locations i.e., Kosmi & Multai.

3. IMAC also noted that there had been change in lending bank as well. The promoter vide letter dated 20.09.2013 had intimated regarding change in lending bank from Zila Sahakari Kendriya Bank Maryadit, Khandwa to Central Bank of India, due to lower rate of interest on term loan and submitted the term loan sanction letter dated 10.05.2013 along with the appraisal note. It was noted that the applicant had availed term loan of Rs. 2.18 crore out of the total sanctioned term loan of Rs. 2.86 crore. This change had been taken into record and the approval letter was issued on 18.10.2013. As per the letter dated 11.01.2014 from Central Bank of India, the entire sanctioned term loan of Rs. 286.00 lakh has been disbursed by the bank for project.

4. In view of above, the IMAC decided to approve the change in lending bank from Jila Sehakari Kendriya Bank Maryadit, Khandwar to Central Bank of India and change of location of one collection centre from Ghodadongri to Village Ramgarha, District Sehore.

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Agenda item No. 9: Consideration of Continuation of Approval Granted to M/s Tricom Fruit Products Ltd., District Satara, Maharashtra for Setting up of Integrated Cold Chain Project

IMAC noted that the Approval Committee (AC) in its meeting held on 23.08.2013 had considered and approved the proposal of M/s Tricom Fruit Products Ltd. (TFPL) for grant-in-aid of Rs. 868.07 lakhs for setting up of integrated cold chain project at Gat no. 336, 338-341, Village Andhori, Taluka Khandala, District Satara.

2. IMAC also noted that the proposal was received against the EOI with last date as 10.07.2012. In the EOI, it was mentioned that in case of those applicants who have applied against EOI during 2010-11 and are applying against the present EOI, the project should not have commenced commercial production prior to 30.09.2010. The applicant had earlier applied in response to MoFPI's advertisement dated 26.07.2010. However, his proposal was found ineligible on the ground of inadequate net worth.

3. IMAC noted that the approval letter was issued on 20.09.2013 (against the EOI with last date as 10.07.2012). The promoter vide letter dated 22.04.2014 had requested the Ministry for release of 1st installment of grant. It was noted that the applicant had taken a consortium term loan from Bank of India (Rs. 2007.00 lakhs) and Bank of Baroda (Rs. 1929.00 lakhs). The promoter had submitted a letter from Bank of India (dated 10.04.2014) which mentioned that the bank had assigned total debts due from the promoter along with their rights, benefits and obligations to Edelweiss Asset reconstruction Co. Ltd. (EARC). A letter from Bank of Baroda (dated 07.04.2014) was also submitted which mentioned the similar facts. Two letters from EARC (dated 11.04.2014 and 16.05.2014) were submitted which mentioned that Bank of India and Bank of Baroda have appraised the project and disbursed more than 75% of sanctioned term loan to the unit. It further mentioned that the banks have assigned all the rights, title and interests in financial assistance granted by them to the promoter in favour of EARC and hence, EARC has become the secured lender and all the rights, title and interests of the banks have vested in EARC in respect of above financial assistance.

4. IMAC noted that the Ministry had sought assignment agreements executed in favour of EARC, viability study conducted by EARC for the project, details of all the assets acquired by EARC and conditions thereof. In response, EARC vide letter dated 06.07.2015 informed the Ministry that the cold chain project has been set up with processing house and integrated cold storage infrastructure. The letter also mentioned that consortium loan of Rs. 60.00 crore in the form of term loan and working capital limits were availed from Bank of India and Bank of Baroda. The letter mentioned that implementation of project and commercial operations were started in August, 2009 and December, 2010 respectively. During implementation, the promoters faced fund constraints due to delay in subsidy and thus, working capital funds were utilized for capital expenditure resulting in cash flow mismatch. Unsecured loans raised for working capital and capital expenditure were insufficient for full capacity utilization, which led to project operations being put on hold. Due to poor capacity utilization and continuous losses, it could not service loans and was classified as NPA. The unit was closed in year 2013. The promoters approached

consortium lenders for restructuring of debt and consortium lenders decided to assign their debts to EARC. Thus, EARC became the secured lender and all the rights, titles and interests of Bank of Baroda and Bank of India have vested in EARC with respect to their financial assistance to the project.

5. IMAC also noted that the last date for receipt of proposals was 10.07.2012 (against the EOI) and the Government (CCEA) had accorded sanction on 08.08.2013. Since considerable time had elapsed between last date and the sanction accorded by the CCEA, therefore, EFC in its meeting held on 12.07.2013 had inter alia, noted that “the applications that were received by MoFPI are over one year old. Therefore, the issue of proprietary may be examined by the Ministry.” In compliance of above, before issue of approval letter, the Ministry vide letter dated 26.08.2013 had requested all the promoters (including the promoter of M/s Tricom Fruit Products Ltd.) whose projects had been approved by Ministry for sanction, to submit the progress and status of integrated cold chain project with regard to validity of term loan sanction, change of bank, if any, nature of the firm etc. In response to Ministry’s letter, the promoter vide letter dated 07.09.2013 had informed that:

*“Current term loans amount outstanding as on date (07.09.2013) are as under:
Bank of India – Term loan Rs. 19.10 crores
Bank of Baroda – Term loan Rs. 18.15 crore*

We further state that there is no change in the term loan amounts availed and the Banks from which the same were availed. There is no change in the nature/statute of the Company. With respect to the current status of the cold chain project, we state that the civil work and installation/erection of the Plant & Machinery is complete. There are no changes in the Project since the submission of the application to the MoFPI which is relevant for processing the proposal.”

Thus, IMAC noted that the fact of closure of the unit in the year 2013 was not brought to the notice of the Ministry by the promoter in his aforementioned letter.

6. IMAC noted that the letter dated 06.07.2015 from EARC had mentioned that after acquiring the loans for the project, EARC conducted site visit of assets and undertook study for financial projects to assess the viability for turnaround of operations. It also mentions that EARC reappraised the project in view of the restructuring and disbursement of subsidy and the project was found to be technically feasible and commercially viable with following financial parameters:

| Particulars | |
|---------------|-----------------------------|
| DSCR | 1.55 |
| BEP | 48% in 3 rd year |
| IRR (pre-tax) | 23% |
| DER | 0.78 (overall) |

And →

7. The letter has also mentioned that the promoters have restarted their operations with the support of EARC. However, since the grant from Ministry has not been released to the project, the applicant has not been able to ramp up operations due to lack of working capital funding. The letter further mentioned that though the promoters and EARC had discussions with other strategic investors for ramping up the production, but high cost of these funds may affect the viability of project. Thus, grant from MoFPI is essential to ensure the viability and revival of company, else success of revival of the project may be jeopardised. The letter mentioned that EARC shall monitor the utilization of funds received from Ministry. It also mentioned that EARC shall permit the applicant to utilize the funds for augmenting the working capital of the company and is willing to consider fresh restructuring terms and extension of moratorium to allow the unit to have strong revival. EARC also submitted assignment agreements with Bank of India and Bank of Baroda.

8. IMAC also noted that, in response to the information furnished by EARC, the Ministry vide letters dated 21.08.2015 and 13.10.2015 informed the EARC that grant approved by Ministry is for capital expenditure and hence, utilization of grant released by Ministry for augmentation of working capital will not be permitted. The Ministry also requested the EARC to submit the revised means of finance in comparison with earlier appraised means of finance (by rectifying the approved amount of grant, as the grant approved by the Ministry was mentioned as Rs. 10.00 crore while the grant approved by Ministry as per approval letter dated 20.09.2013 is Rs. 868.07 lakhs), present status of the case wherein EARC has initiated the action under SARFAESI Act which the borrower has challenged in DRT and the decision is awaited and financial calculation sheets regarding viability study certified (stamped and signed) by EARC. Simultaneously, the Ministry vide letter dated 21.08.2015 directed the applicant to submit electricity bills for the project for the last 6 months, audited stock statements of the project, the details of income and expenditure of the project for the last 6 months certified by CA.

9. IMAC noted that as per the copies of electricity bills submitted by the applicant, it is seen that he has paid Rs. 1.36 lakh (Jan. 2015), Rs. 1.19 lakhs (Feb. 2015), Rs. 1.11 lakhs (March, 2015), Rs. 1.79 lakh (April, 2015), Rs. 2.79 lakhs (May, 2015) and Rs. 1.66 lakhs (June, 2015) towards electricity charges. The applicant also submitted a copy of stock valuation as on 31.07.2015 certified by CA M/s Aneesh Mitul & Associates. As per the submitted stock statement, total stock of packing material and finished goods worth Rs. 113.21 lakhs was in hand as on 31.07.2015. As per the profitability statement furnished by the applicant for the period from Feb. 2015 to July 2015, the total income from the project is Rs. 51.47 lakhs while the total expenses are Rs. 115.61 lakhs. Thus, there is a gross loss of Rs. 64.13 lakhs during this period. A letter dated 13.10.2015 from EARC has mentioned that the original estimated project cost was Rs. 69.19 crore which has been revised to Rs. 77.81 crore. The details of revised project cost and means of finance are as follows:-

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Project Cost**(Rs. in lakhs)**

| S. no. | Particulars | Cost Appraised by Bank | Actual Cost of Project |
|-------------------------|---|-------------------------------|-------------------------------|
| 1 | Land and land development | 286.23 | 516.88 |
| 2 | Factory & office building | 1900.51 | 3139.68 |
| 3 | Plant & machinery | 2875.77 | 2413.68 |
| 4 | Electrification | 191.42 | 242.87 |
| 5 | Collection centre/ reefer van/ pre-cooler | 120.00 | 0.00 |
| 6 | Misc. Assets | 81.86 | 13.58 |
| 7 | Office equipments and furniture | 25.00 | 211.08 |
| 8 | Vehicles | 20.00 | 110.44 |
| 9 | Interest during construction period | 120.00 | 0.00 |
| 10 | Add: Provision for contingencies @ 5% | 165.63 | 0.00 |
| 11 | Add: Margin for working capital | 1133.00 | 1133.00 |
| | Total | 6919.42 | 7781.21 |
| Means of Finance | | | |
| 1 | Equity share capital | 1175.00 | 985.50 |
| 2 | Term loan from bank | 3936.00 | 3936.00 |
| 3 | Grant from MoFPI | 868.07 | 0.00 |
| 4 | Unsecured loan | 940.35 | 2859.71 |
| | Total | 6919.42 | 7781.21 |

A copy of details of the unsecured loan of Rs. 2859.71 lakhs has also been submitted duly certified by CA M/s Aneesh Mitul & Associates.

10. IMAC noted that the letter from EARC further mentioned that as per the revised plan of utilization of funds, it has been decided to repay the loans availed for capital expenditure from grant to be received from Ministry, thereby, reducing the debt burden on the project. The letter also mentions that the case filed by the applicant challenging the action initiated under SARFAESI Act has been withdrawn by the applicant. The supporting affidavit withdrawing the application has also been submitted.

11. IMAC noted that the restructured debt for the project is under moratorium of 2 years and grant released by the Ministry will be during this moratorium period. As such, the Ministry will not be in a position to ascertain the financial robustness of the project during this period. IMAC also noted that now the loan has been taken over by an asset reconstruction company, which is not a bank/ financial institution authorised to give loans and therefore, the project does not fulfil the condition of having taken a term loan from bank/ financial institution for the cold chain project.

Done

12. After detailed deliberations, the IMAC observed that in the instant case the project had become NPA and operational status of project is still not clear, it may not be prudent to support the project under the Cold Chain Scheme. In view of above, IMAC decided to cancel the approval accorded to the cold chain project of M/s Tricom Fruit Products Ltd.

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Agenda Item No. 10: Revision of project components and project cost of integrated cold chain project of M/s Shree Shubham Logistics Ltd., Kota, Rajasthan-reg.

IMAC noted that Approval Committee (AC) in its meeting held on 23.08.2013 had approved the integrated cold chain project of M/s Shree Shubham Logistics Ltd with the total project cost of Rs. 2847.45 lakh, eligible project cost of Rs. 2449.30 lakh and eligible grant of Rs. 1224.65 lakh (restricted to Rs. 1000.00 lakh). The project proposed to create following integrated cold chain facilities:

| Location-1: At Kota (Rajasthan) | Location: Ramganj Mandi (District Kota), Rajasthan | Collection Centers at Jalore, Jodhpur and Jhalwar in Rajasthan |
|--|---|--|
| Distribution Hub/ Processing Unit at Kota (Rajasthan) with facilities such as: a. Cold Storage (7000 MT) b. Sorting grading facilities (1.5 MT/Hr) c. Testing lab, etc. d. Refrigerated trucks (4 Nos. x 10 MT). | Farm Level procurement, processing and storage center with facilities such as: a. Cold storage 8700 MT b. Pre-cooling facility (20 MT/day) c. Sorting grading facilities (1.5 MT/Hr) | a. Pre cooling facilities (20 MT/Hr) b. Shed & platform for primary cleaning, sorting, grading, packing, etc. |

2. IMAC noted that the promoter vide letters dated 14.05.2015, 13.07.2015 and 21.08.2015 03.10.2015 and 14.10.2015 had proposed the following changes, with justification, in project components:

- (i) Shifting of sorting grading facilities (1.5 MT/hr) approved at Kota to Ramganj Mandi and increasing the capacity of pre-cooling facilities from approved 20 MT/hr to 70 MT/day at Ramganj Mandi, to create a single large integrated processing capacity of 3.5 MT/hr to achieve economies of scale without affecting the functioning of the cold chain.
- (ii) Increase in the capacity of cold storage at Kota from 7000 MT to 7606 MT and reduction in the capacity of cold storage at Ramganj Mandi from 8700 MT to 8672 MT, as the Promoter is already having one cold storage (not included in cold chain project). This would meet the post-harvest and storage demands and also give benefit to farmers of processing and storage at a single location.
- (iii) Shifting of collection center of Jhalwar to Ramganj Mandi. It was mentioned that most of the farmers bring their produce for sale to Kota and Ramganj Mandi due to large scale processing and mandi activities at this location.
- (iv) Cancellation of collection centers at Jodhpur and Jalore. The promoter is setting up a large capacity Food Processing Unit at Jodhpur Netra for carrying out the processing of spices and oilseeds (cumin, groundnut and sesame) with an investment of Rs. 50 crore. Although, this facility will not be included in the cold chain project for subsidy purpose, but it includes collection center &

processing unit and would take care of the farmer's requirement in Jodhpur – Jalore belt.

3. IMAC also noted that the promoter vide letter dated 03.10.2015 has provided the details of approved capacity and specifications along with the revised specifications as below:

| # | Particulars | | Capacity & Area/ Volume | | |
|---|--|---|--|--|--|
| | | | Approved by MoFPI | Revised Appraisal | Bank Actual Construction |
| 1 | Kota | Central cold storage & distribution hub | 7000 MT 4526 m ² 18104 m ³ | 7606 MT 6557 m ² 19672 m ³ | 7606 MT 6557 m ² 19672 m ³ |
| | | Processing unit | 1.5 MT/hr | Shifted to Ramganj Mandi | |
| 2 | Ramganj Mandi | Cold storage | 8700 MT 6000 m ² 24000 m ³ | 8672 MT 4768 m ² 23923 m ³ | 8672 MT 4768 m ² 23923 m ³ |
| | | Pre-cooling unit | 20 MT/day | | 70 MT/day |
| | | Processing unit | 1.5 MT/hr | 3.5 MT/hr | 3.5 MT/hr |
| 3 | Collection center at Jhalwar | Primary cleaning and pre-cooling | 20 MT/day | Shifted to Ramganj Mandi | |
| 4 | Collection centers at Jodhpur and Jalore | Primary cleaning and pre-cooling | 20 MT/day each | Dropped from cold chain project | |
| 5 | Refrigerated trucks | | 4 no. x 10 MT each | 4 no. x 10 MT each | No change |

4. IMAC also noted that the promoter had submitted letters from lending bank (Axis Bank) dated 03.02.2015, 08.09.2015 and 14.10.2015 duly endorsing the above mentioned changes. The bank letters also mention that above modifications shall not have any impact on financial performance of the company, their repayment ability and bank's loan amount. The bank has also provided detailed analysis for initially appraised project cost and revised project cost. The bank has appraised the revised project cost as Rs. 2841 lakh with no change in term loan of Rs. 852 lakh. Bank has also confirmed that the balance project cost is to be funded between MoFPI grant-in-aid of Rs. 1000 lakh and promoter's contribution. The summary of project cost (in Rs. Lakhs) is given in the table below:

| S. no. | Particulars | Old Estimates | Revised Estimates | Comments in Bank Appraisal |
|--------|---------------------------|---------------|-------------------|---|
| 1 | Land and site development | 183.50 | 267.36 | |
| 2 | Cold storage civil works | 1482.84 | 1458.21 | Increase in built-up area of cold storage at Kota by 1200 sqm and Ramganj Mandi by 1700 sqm |
| 3 | Other civil | 321.27 | 243.42 | Increase in processing facility |

| | | | | |
|---|--------------------------|----------------|----------------|--|
| | works | | | area from earlier 50 sqm to 730 sqm, increase in DG room area from 15 sqm to 120 sqm |
| 4 | Plant & machinery | 719.84 | 511.68 | Capacity increase from 1.5 MT/hr with minimal cleaning/ grading facilities to 3.5 MT/hr with complete line of cleaning, grading, packing |
| 5 | Other misc. expenses | 18.00 | 114.83 | Earlier some of the fixed assets were not included which will form integral part of project. Project consultancy charges etc. are included |
| 6 | Contingency | 0.00 | 87.69 | Contingency was not factored in initial project cost |
| 7 | IDC | 0.00 | 35.81 | Earlier, IDC was not factored in project cost |
| 8 | Refrigerated trucks | 122.00 | 122.00 | |
| | Total (Rs. Lakhs) | 2847.45 | 2840.99 | |

5. After detailed deliberations, IMAC approved the below mentioned modifications in the project and directed the PMA to recalculate the eligible grant:

- (i) Shifting of sorting grading facilities (1.5 MT/hr) from Kota to Ramganj Mandi and increasing the capacity of pre-cooling facilities from 20 MT/hr to 70 MT/day at Ramganj Mandi;
- (ii) Increase in the capacity of cold storage at Kota from 7000 MT to 7606 MT and reduction in the capacity of cold storage at Ramganj Mandi from 8700 MT to 8672 MT;
- (iii) Shifting of collection center of Jhalwar to Ramganj Mandi;
- (iv) Cancellation of collection centers at Jodhpur and Jalore; and
- (v) Revised project cost of Rs. 2840.99 lakh in respect of the Integrated Cold Chain Project of M/s Shree Shubham Logistics Ltd., Kota, Rajasthan.

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Agenda Item No. 11: Consideration of Approval Granted to M/s Tirupati Balaji Agro Products Pvt. Ltd. for Setting up of Integrated Cold Chain Project.

IMAC noted that the project of M/s Tirupati Balaji Agro Products Pvt. Ltd. was approved by the Approval Committee (AC) on 23.08.2013 for financial assistance of Rs. 790.03 lakh for setting up integrated cold chain facilities at Baramati, District Pune for mushroom processing. Approval letter for the grant was issued by the Ministry on 20.09.2013.

2. IMAC noted that after carrying out physical verification of the project the Ministry *inter alia*, on the recommendation of lending bank i.e., Bank of Baroda, Pune, released 1st installment of 25% of grant amount (Rs. 1, 97, 50,750/-) to the project on 09.07.2014. After the grant reached the account of the project, the lending bank vide e-mail dated 17.07.2014 informed the Ministry that loan account of the project had turned NPA and action under SARFAESI Act was being initiated to recover the dues. The Ministry vide e-mail dated 17.07.2014 accordingly instructed the bank not to release the grant to the project till further instructions from the Ministry.

3. IMAC also noted that during the review meeting held in the Ministry on 02.12.2014, the promoter of the project informed that he was paying interest amount and only in 60 days the bank had declared the loan account as NPA. The promoter was apprised 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 (not NPA).

4. IMAC further noted that the Ministry vide letter dated 26.02.2015 had requested the bank to intimate the current status of the loan account of applicant's firm. The lending bank had confirmed that the account of M/s Tirupati Balaji Agro Products Pvt. Ltd. still continues to remain in NPA status as on 04.03.2015. The bank also informed that the unit is functioning and production is going on and the borrower (M/s Tirupati Balaji Agro Products Pvt. Ltd.) had also 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 consortium member. The bank further informed that the joint consortium meeting was held with NABARD and it was decided to call the borrower for joint meeting to improve the offer.

5. IMAC noted that the matter was placed before IMAC in its meeting held on 02.07.2015 for decision regarding cancellation of project and recall of 1st installment of grant lying with Bank of Baroda, Pune Branch or otherwise. The promoter was also advised to be present before the above IMAC meeting. After considering all the facts & circumstances and submissions of the promoter in the meeting, the IMAC had directed the Ministry to conduct joint inspection and correspond with the bank and the consortium.

6. IMAC noted that in compliance of aforesaid directions of IMAC during meeting on 02.07.2015, the Ministry had requested Bank of Baroda vide letter dated 06.08.2015 to intimate the present status of the account of M/s Tirupati Balaji Agro Products Pvt. Ltd. – whether it continues to be NPA – to enable the Ministry to take a view in the matter. On telephonic follow-up, the officer of Bank of Baroda had suggested over phone that it would

be appropriate if the matter may be discussed during joint inspection so that the issue can be resolved in consultation with representatives of Bank of Baroda (BoB), NABARD, MoFPI and the promoter. A joint inspection of the project was carried out on 14.10.2015 at project location Baramati, Dist: Pune, by the representatives of Bank of Baroda, NABARD, MoFPI and PMA in the presence of Shri Ramdas Shinde (promoter of M/s Tirupati Balaji Agro Products Pvt. Ltd.).

7. IMAC noted that prior to conduct of joint inspection of the project, a meeting was also held on 13.10.2015 at Regional office, Bank of Baroda, Pune Region with the representatives of Bank of Baroda, NABARD, PMA and MoFPI. After detailed deliberations, the lending banks inter alia, agreed on the following:-

- a) Borrower may be advised to pay Rs. 30 crore towards One Time Settlement(OTS) and this amount may be paid in 4 equal installments within a span of 9 months to 12 months
- b) Borrower may make an upfront payment of Rs. 7.50 crore at the time of sanction of OTS
- c) After the above payment of Rs. 7.50 crore, the bank will release the first installment of grant-in-aid of Rs. 197.50 lakh with the approval of MoFPI.

8. During the course of joint inspection on 14.10.2015, another meeting was held at the project location with the promoter, bank officials and official of the Ministry, in the light of decisions taken in the meeting held on 13.10.2015 at the Bank of Baroda, Regional Office, Pune.

9. IMAC noted that after detailed deliberations following consensus was reached between the Promoter and lending banks:-

- a) The full and final settlement of the dues of both the lending institutions will be fully settled by payment of Rs. 30cr over a period of 12 months from the date of intimation of sanction of the compromise proposal to the borrower. The same will be paid in 4 installments of Rs. 10cr (within first three months of intimation of sanction of OTS), Rs 7cr (in next three months), Rs. 7.50cr (in next three months after second installment) and Rs. 5.50cr within a period of 3 months after third installment is paid.

b) The installments will be paid by the borrower as under : -

- i. Rs. 3.02 crore will be paid immediately on receiving intimation of compromise and simultaneously grant in aid of approx Rs. 1.98 crore will be released and directly credited in the loan account of the borrower after obtaining consent from the borrower for which MOFPI will have no objection. In addition, remaining amount of Rs. 5 crore will be paid by the company within 3 months of intimation of OTS.

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- ii. Second installment of Rs. 7 crore in next three months period out of which approx Rs. 4 crore will be grant in aid and Rs. 3 crore will be paid by the company.
 - iii. Third installment will be Rs. 7.50 crore in next three months period of which approximately Rs. 2 crore will be grant in aid and Rs. 5 crore will be paid by the company.
 - iv. Fourth and last installment of Rs. 5.50 crore will be paid in next three months period by the Company.
 - v. If any balance amount remains to be paid after completion of period of 12 months from date of intimation of OTS for any reason will attract interest @ Benchmark Prime Lending Rate (BPLR) + 4% for the delayed period.
- c) The proportionate securities will be released by the Bank on receipt of loan repayment on each installment as per the request of the borrower.
- d) It was clarified by the MoFPI official that grant-in-aid can be utilized by the company for settling the dues of the lending institutions.
- e) Borrower to withdraw all the cases filed by him against the Bank and its officials in all forums immediately on receipt of intimation of compromise sanction by the Bank.
- f) Above OTS consensus arrived at is subject to sanction/approval by the competent authorities of the lending institutions and the Ministry of Food Processing Industries, Govt. of India for which both the lending institutions and MoFPI will initiate appropriate action at the earliest.

10. IMAC also noted that the project proposal was earlier rejected by the Ministry during EOI 2010-11 based on the observation of PMA on the basis that mushroom cultivation is production related activity. The proposal was again submitted against the EOI with last date as 10.07.2012. In the EOI dated 10.07.2012 it was, *inter alia*, prescribed that "*in case of those applicants who have applied against the EOI during 2010-11 and are applying against the present EOI, the project should not have commenced commercial production prior to 30.09.2010.*"

11. IMAC noted that the last date for receipt of proposals was 10.07.2012 and the Government (CCEA) had accorded sanction on 08.08.2013 for taking up 75 projects. As considerable time had elapsed between last date and the sanction accorded by the CCEA, therefore, EFC in its meeting held on 12.07.2013 had, *inter alia*, noted that "*the applications that were received by MoFPI are over one year old. Therefore, the issue of proprietary may be examined by the Ministry*". In compliance of above, before issue of approval letter, the Ministry vide letter dated 26.08.2013 had requested all the promoters [including the promoter of M/s Tirupati Balaji Agro Mushroom Pvt. Ltd.] whose projects had been approved by the Ministry for sanction, to submit the progress and status of integrated cold chain project with regard to validity of term loan sanction, change of bank, if any,

nature of firms etc. In response to Ministry's above letter dated 26.08.2013, the promoter vide letter dated 02.09.2013 informed the following:

(i) "Current status of the term loan of the project

We confirm that there is NO CHANGE in the term loan amount as well as no change in bank in our project.

We are attaching original letter from bank certifying validity of the term loan as per attached Annexure-I [*the Bank of Baroda, Pune vide letter dated 02.09.2013 inter alia, confirmed that the term loan is valid as per original terms of sanction/appraisal and requested the Ministry to sanction grant-in-aid at the earliest*].

(ii) **Is there any change in nature/statue of the firm?**

We confirm that there is NO CHANGE in the nature/statute of the applicant firm.

(iii) **Current status of the proposed cold chain project:-**

We are attached latest C.A. Certificate as per Annexure-II.

(iv) **Any other information, regarding change in the project.**

There is NO CHANGE in the proposed project.

12. The total cost of the project was Rs. 5041.03 lakh. The eligible cost of P&M and TCW is Rs. 1580.07 lakh. The following components have been considered eligible for grant-in-aid:-

| Technical Civil Work | | Cost (in Rs. lakhs) |
|--------------------------------------|---|----------------------------|
| 1 | IQF building | 197.69 |
| 2 | Cold Storage Building | 155.00 |
| 3 | Collection Center/Vegetable Collection Shed | 44.05 |
| 4 | ETP | 38.00 |
| 5 | Water Storage Tank | 90.48 |
| Plant & Machinery for IQF | | |
| 1 | IQF plant complete with refrigeration system | 250.00 |
| 2 | Preparatory line-vegetable washing, blanching, cooling, vibrator etc. | 150.00 |
| 3 | Dicer | 45.00 |
| 4 | Utility – Boiler, Steam Line | 35.00 |
| 5 | Cold Storage Handling units | 50.00 |
| 6 | Reefer Vehicle (5 Nos.) | 112.49 |
| 7 | Boiler | 19.00 |
| 8 | ETP and water treatment plant | 12.36 |
| 9 | Electrical installation with DG Set | 381.00 |
| | Total | 1580.07 |

As per the Commissioning Report of M/s Starcore Refrigeration Limited, New Delhi, following is the date of commissioning of IQF, Blast Freezer and Freezer room facilities:-

- a) IQF : 05.11.2014
b) Blast Freezer : 05.11.2014

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c) Freezer room : 15.09.2014

The promoter has also purchased five reefer vans and has submitted copies of RCs. All reefer vans were available at the site. The submitted RCs show that they were purchased in February 2011, October 2011, June 2011 etc. The date of manufacturing of DG sets installed at the location is November 2011.

13. IMAC noted that the project pertains to cultivation and processing of mushrooms. The capacity of the facility is 10 MT per day. Presently, the capacity utilization is between 60% to 70% i.e. approximately 6-7 tons are being grown and processed daily. The project is giving employment to 550 workers (males and females both). At the time of inspection, the technical civil work was completed, plant and machinery was found to be installed and operational and the facility was operational.

14. After detailed deliberations the IMAC decided that in the first instance the promoter should repay the entire amount of Bank loan as per the conditions of One Time Settlement (OTS) and thereafter the Ministry may consider the request for release of grant-in-aid for the project. In the meantime, the Ministry may obtain the comments of Department of Financial Services, Ministry of Finance as to whether such projects where after approval of grant, the debt has become NPA which is subsequently settled through an OTS, should continue to be supported with grant-in-aid from the Government.

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Agenda item no. 12: Proposal of M/s Alishan International Pvt. Ltd. for Change in the Locations of Collection Centres and Change in Capacities of Refrigerated Vehicles

IMAC noted that the Approval Committee (AC) in the meeting held on 23.08.2013 had considered and accorded final approval to the proposal of M/s Alishan International Pvt. Ltd. for grant-in-aid of Rs. 1000.00 lakh for setting up an integrated cold chain project for frozen fruits and vegetables at Village Kolra, NH-74 Gadarpur Road, Rudrapur, Udham Singh Nagar, Uttarakhand. The approval was conveyed to the applicant vide letter dated 20.09.2013. The 1st and 2nd installment of the grant were released to the applicant by the Ministry on 24.04.2014 and 29.09.2014 respectively.

2. IMAC noted that earlier, based on the request of the applicant, AC in the meeting held on 08.11.2013 approved the change in main location for setting up of the project from Village Kolra to Village Anandpur in Tehsil Kichha, District Udham Singh Nagar.

3. IMAC also noted that the applicant vide letter dated 29.04.2015 has requested the Ministry to approve the change in the locations of collection centres and change in capacities of refrigerated vehicles. Following is the table indicating the previously approved locations and proposed locations of collection centres along with the reasons for proposed changes:

| # | Approved Locations/ Components | Approved Facilities | Proposed Location | Reasons |
|----|---|---|--|---|
| I | Village- Bigwara, Tehsil- Kichha, District- Udham Singh Nagar, UK | <ul style="list-style-type: none"> • Primary Sorting/Grading Facility • Cold Storage (1000 MT) • Shed & Platform for Aggregation • Weighing Machine | Village- Anandpur, Tehsil- Kichha, District- Udham Singh Nagar, UK | The approved land is being acquired by National Highway Authority of India (NHAI). The applicant vide letter dated 25.06.2015 mentioned that the main facility is also at same location and the land documents for the same have been submitted. |
| II | Village- Bailparav, Tehsil- Kichha, District- Udham Singh Nagar, UK | <ul style="list-style-type: none"> • Shed & Platform for Aggregation • Weighing Machine | Village- Kolra, Tehsil- Kichha, District- Udham Singh Nagar, UK | <p>Due to delay in approval/project implementation, the proposed land was not taken in stipulated time, hence, the lesser has cancelled the lease agreement.</p> <p>The copy of lease agreement (for 30 years) for the proposed land of 0.5 bigha at Khasra no. 216, Village Kolra, District US</p> |

| | | | | |
|-----|-------------|---|---|--|
| | | | | Nagar, in the name of applicant has been submitted by the applicant vide email dated 25.06.2015. |
| III | Reefer Vans | <ul style="list-style-type: none"> • 2 no. x 6.5 MT each • 2 no. x 18 MT each | <ul style="list-style-type: none"> • 2 no. x 8 MT • 2 no. x 14 MT | As per the regulatory issues, the trucks have been allowed for 8 MT and 14 MT rather than proposed capacities of 6.5 MT and 18 MT. |

4. IMAC noted that the matter regarding approval to the above changes was placed before IMAC in its meeting held on 20.08.2015. During this meeting, IMAC decided to approve the proposed changes in capacities of reefer vans. Regarding the location of collection centres, the IMAC had observed that the proposed new location for one of the collection centres is same as that of the main location. The IMAC decided that approval of change of locations of the two collection centres may be decided based on site inspection of the project by PMA after ascertaining the progress of the project and also the suitability of the proposed new locations in terms of distance from the main facility location, establishment of backward linkage as proposed in the DPR etc. IMAC had directed that PMA should submit inspection report which should clearly mention the distance of all the proposed collection centres from main location vis a vis changed locations of collection centres.

5. IMAC was informed that PMA undertook site visit of the project on 25.09.2015 on main location as well as both the proposed collection centres. During site visit of main facility at Village Anandpur, Kichha and collection center at Village Kolra, Kiccha, it was observed that as both the locations are within the vicinity of 25-30 km, it would not have any significant impact on the catchment area. The collection centre may aid in overall integration with main facility and may attract locally available produce like green peas, cauliflower, cabbage, tomato, potato, carrot, papaya etc. During site visit of second collection centre at Malpuri, Sitarganj it was observed that the location is 51 km away from main facility and hence from the vegetable growers' point of view and utilization of reefer vans for highly perishable vegetables, this collection centre may be required. It was also noted by PMA that the project had started processing of green peas in Dec. 2014 and about 122 MT of frozen green peas was stored in frozen chamber under brand name "ye Fresh". The main facility has other components such as the IQF line, packaging unit, and laboratory. All four reefer vehicles were available at main facility at the time of inspection. The collection centre which was earlier proposed at Bighwara, now has been integrated with Main Facility at Anandpur with 1000 MT cold storage facility and sorting/grading line. All the sections of the current project facility are functional and civil work of main location have been completed.

6. IMAC also noted that the promoter vide letter dated 24.09.2015 mentioned that Malpuri Collection Centre is 45 km from the main facility and Kolra Collection Centre is 36 km from the main facility and both are in opposite direction. So the catchment area of both the centres is different. Since the main facility was shifted from semi urban area (6 km

from Rudrapur, major town of Uttarakhand) to an interior rural area (30 km from Rudrapur) surrounded by farms; with the approval of the Ministry one collection centre is set up here. This Kichha area is also a backward vegetable growing area; hence as per the promoter one collection centre was needed to cater to this area.

7. IMAC noted that the applicant has proposed no change in project facilities to be set up at collection centres. Therefore, there may not be any adverse impact on eligible grant of the project. Moreover, the proposed changes indicate that only the villages have been changed within same tehsil. The lending bank had also endorsed the changes proposed by the applicant. It was also noted that similar changes have already been approved by IMAC in several other cases like M/s Dodla Dairy Ltd., M/s Aromatrix Flora Pvt. Ltd., M/s D.J. Exports Pvt. Ltd., for change in the location of collection centres.

8. In view of above, IMAC considered the request of the applicant and approved the change in locations of collection centres as under:

- Village Bigwara to Village Anandpur, Tehsil Kichha, District Udham Singh Nagar
- Village- Bailparav to Village Kolra, Tehsil Kichha, District Udham Singh Nagar

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Agenda Item No. 13: Revision of project cost and eligible grant-in-aid in respect of M/s Gonglu Agro Pvt. Ltd., Nashik, Maharashtra.

IMAC was informed that the proposal is for revision of project cost and eligible grant-in-aid in respect of integrated cold chain project of M/s Gonglu Agro Pvt. Ltd., Nashik, Maharashtra.

2. IMAC was apprised that while issuing the approval letter, a detailed grant calculation was undertaken by the PMA. During this detailed grant calculation, it was observed that the eligible project cost comes to Rs. 2132.78 lakh instead of Rs. 21.94 crores and the eligible grant amount was recalculated to Rs. 1066.39 lakh instead of Rs. 10.97 crores. However, total approved grant remains unchanged at Rs. 10.00 crore (maximum eligible grant amount). This change in eligible project cost and eligible grant was mainly on account of calculation of eligible project cost in Rs. crores and using figures up to two decimal points and also due to an inadvertent summation error. In the approval letter issued to the Promoter, revised eligible project cost i.e Rs. 2132.78 lakh and recalculated eligible grant i.e Rs. 1066.39 lakh (restricted to Rs. 1000 lakh) has been conveyed.

3. IMAC took note of the revision and approved the revised eligible cost as Rs. 2132.78 lakh and eligible grant as Rs. 1066.39 lakh (restricted to Rs. 10 crore).

Approved

Agenda Item No. 14: Change of Location, Revised Project Cost and Means of Finance of M/s Safe N Fresh Foods, Distt. Jammu, Jammu & Kashmir

IMAC was informed regarding request of the promoter for change in location, upward revision in project cost and means of finance in respect of integrated cold chain project of M/s Safe N Fresh Foods, Sambha, J&K.

2. IMAC was apprised that the approved land was an agricultural land and to obtain the CLU was taking very long time. Hence, the Promoter has purchased an industrial land from SIDCO in the Industrial Area, Sambha and submitted a registered lease deed for a period of 81 years and two months. The revised location of the land is approx. 35 KM from the earlier proposed location and is well connected by NH-1A. The site has accessibility of utilities such as power and water provided by J&K SIDCO. The cost of the project has also increased due to the change in the location of the land for the Distribution Hub.

3. IMAC after considering all the facts of the case approved the following:

- (i) Change of location of distribution hub from Bhadrone, Pouni Chak, District Jammu to **Phase-II, Industrial Growth Centre, Samba, Jammu & Kashmir**; and
- (ii) Revised cost of project from Rs. 1499.40 lakh to **Rs. 1551.40 lakh** with the means of finance as follows:

| Particulars | Earlier approved (Rs. Lakh) | Revised Approved (Rs. Lakh) |
|-------------------------|--|--|
| Promoters' Contribution | 250.00 | 386.40 |
| MoFPI Grant | 1000.00 | 1000.00 |
| Term Loan | 150.00 | 165.00 |
| Unsecured Loan | 99.40 | 0.00 |
| Total | 1499.40 | 1551.40 |

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Agenda Item No. 15: Revision of project component and means of finance in respect of M/s Boxco Logistics India Pvt. Ltd., Distt. Sonapat, Haryana

IMAC was informed regarding request of the promoter for revision of project component and means of finance in respect integrated cold chain project of M/s Boxco Logistics India Pvt. Ltd., Distt. Sonapat, Haryana.

2. The IMAC was apprised that Promoter vide letter dated 06.07.2015 has intimated that he **doesn't want to invest in the Minimal Processing Centre with the facility of Multi Commodity Cold Storage (500 MT capacity), Minimal Processing Area (700 Sq. Mt.) and reefer vehicles (5 nos. – 1.25 MT, 2.5 MT, 4.25 MT, 6.35 MT and 8.0 MT)** as all the activities meant for Collection Centre/ MPC can be conveniently carried out from main distribution hub. The Promoter has also submitted the reappraisal with NOC by the lending bank, wherein, the bank has confirmed that there is no adverse effect on the project viability/ financial model due to the amendment made to the project cost elements or due to revised implementation schedule.

3. The proportion of the promoter's equity and term loan has now been reduced from Rs. 768.71 lakh and Rs. 1538.05 lakh to Rs. 678.34 lakh and Rs. 1356.68 lakh respectively. The revised means of finance are now as under:

| Sl. No. | Source of Finance | Approved by Ministry (Rs. Lakhs) | Revised (Rs. Lakhs) |
|---------|-------------------------|-------------------------------------|------------------------|
| 1. | Promoters' Contribution | 768.71 | 678.34 |
| 2. | Term Loan | 1538.05 | 1356.68 |
| 3. | Sanctioned Grant-in-aid | 1000.00 | 1000.00 |
| | Total | 3306.76 | 3035.02 |

4. The Project was approved with a total score of 69 marks in the IMAC meeting held on 24.03.2015 and ranked 20th in the final merit list. Factoring into the revised project components, the PMA has revised the scores as per evaluation criteria laid down in the scheme guidelines as below:

(i) **Section 3: Proposed Investment in Minimal Processing Centre/Farm Level Infrastructure including Collection Centers and reefer transport etc.** The Project was awarded 15 marks out of 25 marks in this scoring criterion in the IMAC meeting held on 24.03.2015, as the total proposed Investment in MPC & reefer transport in this category was 15.03% as compared to the total project cost (excluding land). As per the revised proposed project components, the percentage of investments is now less than 10% due to which the Project should be awarded 10 marks (minimum marks in this scoring criterion).

(ii) **Section 5: Leveraging of Investment in the Project:** The Project was awarded 5 marks in this scoring criterion in the IMAC meeting held on 24.03.2015 as the ratio of

proposed private investment to the grant sought by the Promoter was 2.23. As per the revised project components this ratio is now calculated as 1.96, based on which the project should be awarded 3 marks (minimum marks in this scoring criterion).

In view of above, the revised score of the project is 62. The project still makes it within top 30 eligible proposals. Earlier the proposal ranked at 20th position and now it is finding place at 26th position. After reconfiguration of the proposal as detailed above, it is still complying with minimum two eligible components by creation of distribution hub and procuring 5 reefer vans.

5. IMAC after considering all the facts of the case advised the PMA to undertake a site visit of the project to verify the proximity of the Distribution Hub from the consumption centre(s) and the proposed MPC and whether the objective of farm to fork cold chain would get fulfilled if these changes are approved. Further, the IMAC instructed the PMA to confirm the total capacity to be created by the Promoter and place the observations in next meeting of the IMAC to take the decision on the agenda.

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Agenda Item No. 16: Interchange of project location and revision of means of finance of M/s Shree Balaji Foods, Agra, Uttar Pradesh

IMAC was informed regarding request of the promoter for interchange of project location and revision of means of finance in respect of integrated cold chain project of M/s Shree Balaji Foods, Agra, Uttar Pradesh.

2. The IMAC was apprised that Promoter vide letter dated 02.07.2015 has intimated regarding interchange of project location and revision of means of finance. Promoter has submitted the notarised copy of lease deed for 29 years and 7 months in the name of the firm and revised appraisal note dated 07.09.2015 from the Bank of India. In the reappraisal note the bank has justified the interchange in the location as it would provide additional advantage in implementation and operational efficiencies of the project due to larger land at approved MPC (4577 sq mts) than that of approved distribution hub (2577 sq mts), location of MPC which is on the NH-93 vis-a-vis the approved distribution hub which is on the link road (about 2 km from Yamuna Express Way and about 3 km from NH-2) and the approved MPC has 24 hrs uninterrupted power supply as it falls under Taj Trapezium Zone.

3. IMAC after considering all the facts of the case approved the following:

(i) Inter change of locations of distribution hub & minimal processing center as shown below:

| Sl. No. | Earlier approved location | Revised approved location |
|---------------------------|---|--|
| Distribution Hub | Khasra No. 1497/3, Village Pili Pokher, Tehsil Etmadpur, Dist. Agra, U.P. | Hathras Agra Road, Agra (Opp. Canara Bank) Khasra no. 1439 which falls under the jurisdiction of Village Poiya |
| Minimal Processing Centre | Hathras Agra Road, Agra (Opp. Canara Bank) | Khasra No. 1497/3, Village Pili Pokher, Tehsil Etmadpur, Dist. Agra, U.P. |

(ii) Means of finance of the project as below:

| Particulars | Earlier approved (Rs. Lakh) | Revised Approved (Rs. Lakh) |
|-------------------------|--------------------------------|--------------------------------|
| Promoters' Contribution | 300.00 | 403.92 |
| MFPI Grant | 1000.00 | 1000.00 |
| Term Loan | 500.00 | 960.00 |
| Unsecured Loan | 563.92 | - |
| Total | 2363.92 | 2363.92 |

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Agenda Item No. 17: Revision of project component of M/s Revati Commercial Pvt. Ltd., Hooghly, West Bengal

The JS (FPI) explained the agenda to the members of the IMAC regarding revision of project component in respect of integrated cold chain project of M/s Revati Commercial Pvt. Ltd., Hooghly, West Bengal.

2. The IMAC was apprised that as per the DPR, project envisaged setting up of distribution hub, minimal processing centre and 2 reefer vans. However, in the approval letter dated 22.05.2015 issued to the Promoter four reefer vehicles have been mentioned in place of two. A corrigendum to this effect revising the no. of reefer vans from **4 to 2** has been issued on 09.10.2015. There is no change in the project cost and eligible grant.

3. The agenda was for information and IMAC took note of the revision of **reefer vans from 4 to 2.**

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Agenda Item No. 18: Decision Regarding Continuance or Otherwise of Approval Granted to M/s Avinash Raj Constructions Pvt. Ltd., West Bengal for Setting up Integrated Cold Chain Project – reg.

IMAC noted that the Ministry had approved the proposal of M/s Avinash Raj Constructions Pvt. Ltd. for grant of Rs. 691.66 lakh for processing of fruits & vegetables at District Jalpaiguri (West Bengal). The approval letter to the project was issued on 20.09.2013.

2. IMAC noted that the applicant's request for release of 1st instalment of grant along with requisite documents was received in the Ministry on 17.06.2014. Based on submitted documents, the PMA advised the Ministry vide email dated 09.07.2014 to seek certain clarifications from the applicant. Subsequently, 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 1st 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.

3. IMAC noted that in response, the applicant submitted a letter dated 29.08.2014 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. Based on the observations of PMA in the letter dated 08.01.2015 and email dated 09.07.2014, the Ministry had 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 submitted the additional documents/ clarifications.

4. IMAC also noted that the matter was placed before IMAC in its meeting held on 02.07.2015 for consideration. IMAC had 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 had 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?

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- 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?

5. IMAC noted that the PMA has carried out physical verification of the project on 18.07.2015. Based on physical verification, observations of PMA are as follows:-

| Parameter | Observations |
|--|--|
| Land Acquisition | <p>Applicant has acquired 0.78 acres of land for the Cold Chain Project at Fakir Deep Gram Panchayat of Rajganj block</p> <p>It may be noted that the applicant has changed the location of the main facility from Mall block of Jalpaiguri District to Fakir Deep Gram Panchayat of RaJganj block of Jalpaiguri district. <u>It may also be noted that the applicant has changed the location without due approval of the Ministry and the same was observed by the PMA during evaluation of the documents submitted by the applicant along with the request letter for release of 1st installment of grant assistance.</u></p> <p>The revised land has been acquired by the applicant on leasehold basis from M/s AASU Projects Pvt. Ltd. Applicant provided a lease deed dated 13th May 2014 during the site visit. The lease is valid till 12th May 2034. It appears that the lease deed was registered during a later date. It may be noted that the M/s AASU Projects Pvt. Ltd. had purchased the land from Shri Samarlal Agarwala. A copy of the registered sale deed dated 07th May 2014 between M/s AASU Projects Pvt. Ltd. and Shri Samarlal Agarwala was provided by the applicant on 20th Jul 2015 through e-mail. It may be noted that the said land is located amidst a tea plantation.</p> <p>As per the registered sale deed the land is classified as Danga (wasteland). However, a document was produced by the applicant during the site visit which states that the land is industrial in nature as per Record of Revenue.</p> |
| Site Suitability and Status of Basic Infrastructure | <p>a) <u>Road Connectivity</u>: The site is located at a distance of approximately 40 Kms from Siliguri. The site is located amidst a tea plantation. It was observed that there is no proper approach road to the site. The road is not conducive for commercial/heavy vehicular movement. The applicant informed that they have requested the local body to develop the approach road.</p> <p>b) <u>Site development</u>: Minimal site development was observed</p> <p>c) <u>Power Connection</u>: No power connection was observed. It was observed that a DG set is being used for providing temporary lighting during construction.</p> <p>d) <u>Water Source</u>: It was observed that, available ground water was being used for construction work.</p> |

| | |
|----------------------------|---|
| Financial Closure | <p>Applicant claims to obtain a term loan of Rs.181.71 lakh from JIT Finance Pvt. Ltd. for the project. However, the tenure of the debt is 18 months and thus it may not qualify as Term Loan. Moreover, the applicant has not yet clarified whether JIT Finance has made any communication to RBI before extending the debt.</p> <p>The applicant has also not clarified why it preferred to obtain a high cost debt when other banks/FIs are extending term loan to similar projects at a lesser interest</p> |
| Statutory approvals | <p>Applicant has submitted No Objection Certificate from Local Authority. The certificate is dated 9th June 2014 and is signed by Hitabala Ray, Pradhan, Fakirdeep Gram Panchayat</p> <p>However, applicant has not yet obtained required permission from State Pollution Control Board. The applicant has informed that the same is in process.</p> |
| Physical Progress | <p>It was observed that work on foundation has been completed for :</p> <p>a) Cold Room/Deep Freezer b) IQF/Fruits and Vegetable processing line</p> <p>It was also observed that plinth work has been initiated for the above components.</p> <p><u>Moreover it was also observed that there is no progress on basic enabling infrastructure development even basic site development. The representative of the applicant also suggested that work on Collection Centers is yet to be initiated.</u></p> <p><u>As required civil work has not been completed, Applicant has not procured plant and equipment</u></p> |

Other observations:

- a. The applicant has issued a turnkey contract to Good Point Developers Pvt. Ltd, 360, RGSN Banerjee Road, Kolkata on 9th June 2014. The contract value is Rs.1485.68 lakhs. The contract covers both civil construction and procurement of Plant and Equipment. It appeared that, applicant has made significant advance payments to the contractor. Such advance payments towards procurement of plant and machinery, even when there is hardly any progress in civil construction, may not be reasonable.
- b. As per the revised implementation schedule submitted by the applicant, the project is expected to be completed by July 2016. However, the applicant has submitted photographs of recent work vide its e-mail and it appears there is not much progress since the site visit was undertaken

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Overall it was assessed that the physical progress is not commensurate with the financial progress as claimed by the applicant. Also, the physical progress is very slow. The applicant could not provide any satisfactory explanation for revising the site location without due approval from the Ministry. It was also observed that the site does not have proper access road and is amidst a Tea Plantation. The status of land use is also not clear from documents submitted by the applicant. Applicant has not yet obtained required statutory approvals/permissions. The clarifications related to term loan are also not satisfactory. In view of the above Ministry may take appropriate decision.”

6. IMAC also noted that the applicant has replied to Ministry’s observations which are as follows:

| S. No. | Clarifications Sought by Ministry | Reply of the Promoter |
|--------|---|---|
| 1. | Whether Jit Finance is mandated by RBI to provide term loan and why you have availed term loan from JF at a higher rate of interest when commercial banks are providing loans at a lower rate. Also furnish a copy of authorization by RBI whereby Jit Finance has been mandated to sanction term loan for infrastructure projects. | The promoter mentioned that Jit Finance is mandated by RBI to provide term loan and the said term loan is taken in the interest of the project. The promoter has also furnished Certificate of Registration issued by RBI as Non-banking Financial Institution. The promoter further mentioned that the rate of interest is little higher but they have been exempted loan processing fee of 1% of total project cost, 0.5% project appraisal fee and the loan disbursement conditions are more convenient than other commercial banks. |
| 2. | Why did you initiate construction at the site without having statutory clearances such as Consent to Establish from State Pollution Control Board? | The promoter has inter alia, stated that he has started the construction activities at the site after getting necessary clearances from the concerned legal authority and has also started construction at the site in the best interest of the project and also to complete the project as per project implementation schedule submitted to PMA. The promoter has submitted a copy of the “No Objection” dated 09.06.2014 from Fakirdeep Gram Panchayat, Village Fakirdeep, PS – Rajganj conveying therein the consent to establish an operate integrated cold chain project. The promoter has also submitted a copy of the challan dated 17.08.2015 of Rs. 250 in favour of West Bengal Pollution Control Board, Kolkata in connection with applying for Consent To Establish. However, the consent from Pollution Control Board is yet |

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|----|---|--|
| | | <i>to be received.</i> |
| 3. | Why you have paid significant amount as advances to P&M suppliers/contractor when there was no progress in civil construction? | The promoter has stated that before award of contract they found that the quotations of plant & machinery received from individual suppliers/ contractors are 15 to 20% higher than the approved cost of plant & machinery as per DPR. In this situation the plant & machinery will cost Rs. 1 to 1.5 crore more than the approved cost of plant & machinery as per DPR and the cost of the same would be borne by the promoter. Thus in order to prevent the cost escalation the work has been awarded to contractor on turnkey basis. |
| 4. | How you can achieve progress in implementation within stipulated time period of 24 months when 21 months have already elapsed without any significant progress? | The promoter has stated that he expects substantial progress by the end of December 2015 subject to amendment of final approval letter and timely release of approved grant-in-aid by the Ministry. It has been stated that due to adverse weather conditions and outbreak of Japanese encephalitis there has been loss of more than six months. The promoter has stated that civil work of Rs. 1.32 crore as on 18.07.2015 has already been completed and civil work of Rs. 1.83 crore is under construction and will be completed within 55 days from the date of issue of this letter (i.e., 18.08.2015). The promoter has proposed the date of inauguration of the project on 31.03.2016. However, as per the implementation schedule annexed by the promoter the proposed date of inauguration is 17.07.2016 subject to timely released of grant. |

7. IMAC noted that as per site verification carried out by the PMA, the civil construction for the components has been started recently. Moreover, it was also observed that there is no progress on basic enabling infrastructure development even basic site development. During the course of site inspection, the applicant also presented a document in support of the NBFC status of JIT Finance to the representative of PMA and it was noticed that as per one of the terms and conditions as laid out in the registration certificate, JIT Finance was to advise Reserve Bank of India before extending any debt. Applicant was not able to clarify whether JIT finance has made any communication to RBI before extending the term loan. It was also observed that the repayment tenure of the debt is only 18 months and thus the debt may not qualify as a Term Loan. The promoter has

also forwarded a Appendix –I to the Sanction letter dated 09.06.2014 which mentioned that repayment schedule is 84 monthly instalments. But, the main loan sanction letter mentions loan period as 18 months, which is contradictory. As per detailed implementation schedule the proposed date of inauguration is 17th July, 2016 subject to timely release of grant.

8. IMAC further noted the fact that the promoter had started construction without having a “*Consent to Establish*” from State Pollution Control Board so the construction is not in accordance with the provisions of law. Moreover other requirement such as having term loan from a bank/FI is also not fulfilled by the applicant.

9. Considering the above facts, IMAC decided to cancel the approval granted to the integrated cold chain project of M/s Avinash Raj Constructions Pvt. Ltd.

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SUPPLEMENTARY AGENDA ITEMS

Supplementary Agenda Item S1: Case of Integrated Cold Chain Project of M/s Basweshwar Industries, Karnataka - Reduction in Grant –reg.

IMAC noted that the Approval committee (AC) in its meeting held on 27.09.2013 had considered and accorded approval to the integrated cold chain project of M/s Basweshwar Industries, Karnataka for grant of Rs. 835.51 lakh for setting up integrated Cold Chain Facilities for fruits & vegetables. The approval letter was issued on 04.10.2013. As per the approval letter, the approved grant was Rs. 835.51 lakhs. Subsequently the grant was recalculated upwards from Rs 835.51 lakh to Rs. 871.46 lakh during the release of 2nd installment of grant-in-aid.

2. IMAC noted that based on the original approved grant, 1st installment of Rs. 208.8775 lakh was released to the project on 16.01.2014 and 2nd installment of grant of Rs. 444.7175 lakh was released to the project on 30.05.2014 factoring into upward revision of grant. The upward revision of Rs 35.95 lakh was considered based on request of the promoter that some critical component like transformers, electrical control panels, electrical cables & wires and water supply and pumping system integral to the functioning of the project were not considered eligible earlier by the Ministry in its approval letter.

3. IMAC noted that during joint inspection before the release of 3rd and final installment of grant, it was observed that the promoter has reduced the capacity of MA/frozen store from 2000 MT to 1500 MT at Bijapur location and also not set up sorting grading line at Belgaum location. Based on the capacity creation the eligible grant was recalculated by the PMA at Rs780.21 lakh. Accordingly, the third installment of grant of Rs1,26,61,500/- [Rs780.21 lakh minus already released grant of Rs 653.595 lakh] has been released to the project with the concurrence of IF Wing. While according concurrence for release of third and final installment to the project, IF Wing has advised that IMAC may be apprised of the reduced amount of grant in the next meeting of IMAC as per the decision taken by the Approval Committee in its meeting held on 10.01.2012.

4. In view of the above, the IMAC noted the reduction of Rs. 55.30 lakh in the final grant approved by the ministry for the project of M/s Basweshwar Industries.

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Agenda Item No. S2: Revision of project component, project cost (total and eligible), eligible grant and means of finance of M/s Shree Uttam Food Products (India) Pvt. Ltd., Dist. Jhabua, Madhya Pradesh.

IMAC was informed regarding revision of project components, project cost (total and eligible), eligible grant and means of finance in respect of integrated cold chain project of M/s Shree Uttam Food Products (India) Pvt. Ltd., Dist. Jhabua, Madhya Pradesh.

2. The IMAC was apprised that Promoter vide letter dated 13.07.2015 has requested to include the cost of blast freezers in the eligible cost of plant and machinery. Promoter, to support the claim for inclusion of blast freezer in eligible cost, has submitted the CE (Mech.) letter dated 12.07.2015. In the letter of CE (Mech.), it is mentioned that:

- (i) IQF is restricted to only some products like green peas, sweet corn, green gram and allied items,
- (ii) Some ripened sticky fruits like Mango, Banana, Papaya, Sapota etc. in cut form or in pulp form are not possible to process in IQF. These types of items could be frozen in blast freezers only.
- (iii) Uttam Food Products have a VFD unit for freeze drying of cut-fruits & vegetables, which require frozen fruits and frozen fruit pulps to be dehydrated; hence blast freezer are a must.
- (iv) In peak season the blast freezers can also be utilized for storage of frozen products as they can act as sub-zero cold storage.

3. IMAC after considering all the facts of the case approved the following:

- a) Inclusion of the blast freezer and its cost (Rs. 45.08 lakh) in the eligible component of plant and machinery;
- b) Total project cost as Rs. 3225 lakh with the following break-up:

| S. No. | Particulars | Earlier approved (Rs. Lakh) | Revised approved (Rs. Lakh) |
|--------|--|-----------------------------|-----------------------------|
| 1 | Land & Dev. Charges | 32 | 32 |
| 2 | Building/ Plant & machinery Civil Work | 769 | 769 |
| 3 | Plant, equipment and utilities | 2,015 | 2,015 |
| 4 | Miscellaneous Fixed Assets | 25 | 25 |
| 5 | Contingencies | 32 | 32 |
| 6 | Preliminary and Pre-operative Expenses | 102 | 102 |
| 7 | Working Capital | - | 250 |
| | Total | 2,975 | 3,225 |

Approved

c) Means of finance of the project as below:

| S. No. | Particulars | Earlier approved (Rs. Lakh) | Revised Approved (Rs. Lakh) |
|---------------|-------------------------------------|--|--|
| 1. | Promoters' Contribution (equity) | 1474.99 | 1,500 |
| 2. | Unsecured Loans | - | 225 |
| 3. | Term Loan | 500.00 | 500 |
| 4. | Sanctioned Grant-in-aid | 1,000.00 | 1,000 |
| | Total | 2974.99 | 3,225 |

d) Eligible project cost as Rs. 2361.63 lakh and grant-in-aid as Rs. 1180.81 lakh (restricted to Rs. 1000 lakh).

Grant

Agenda Item No. S3: Revision of project component, eligible project cost and eligible grant of M/s Western Superfresh Corporation, Taloja, Dist. Raigarh, Maharashtra

The JS (FPI) explained the agenda to the members of the IMAC regarding revision of project components, eligible project cost and eligible grant in respect of integrated cold chain project of M/s Western Superfresh Corporation, Taloja, Dist. Raigarh, Maharashtra.

2. The IMAC was apprised that Promoter vide letter dated 03.11.2015 has intimated regarding increase in the cost of certain eligible components due to cost escalation (RCC Shed, Refrigeration system & cabling), wrong classification of certain eligible components (RCC Slab building) as non-eligible components (Office- Non Technical Civil Works) by the applicant in the DPR, change in nature of project component (wooden pallets to steel pallets), increase in the quantity of certain eligible components resulting in a decrease in the cost of those components due to a better offer from a different vendor (Sliding doors & dock levers) and increase in the quantity of reefer vans from 2 No. to 8 Nos. The Promoter vide letter dated 21.09.2015 has intimated that *they had wrongly mentioned entire RCC Slab Building under the head office building.*

3. The PMA has assessed the facts and recommended for considering the cost of RCC Building (Rs. 115.14 lakh), excluding office space, in the eligible cost of project, after which the eligible project cost works out to Rs. 1862.9 lakh and grant-in-aid as Rs. 931.45 lakh.

4. The IMAC noted that since, RCC Shed was classified by the Promoter himself as Non-technical Civil Works in the DPR, hence, the cost of RCC Shed would not be considered as an eligible component towards the calculation of the grant-in-aid.

Agenda

Agenda Item No. S4: Proposal for Extension of Time in respect of integrated cold chain project of M/s Elaf Cold Storage, Panvel, Raigad, Maharashtra -reg.

IMAC noted that the Approval Committee in its meeting held on 23.08.2013 had considered and approved the integrated cold chain project of M/s Elaf Cold Storage, Panvel, Raigad, Maharashtra for processing of fruits and vegetables for grant-in-aid of Rs. 762.27 lakh. The approval letter was issued on 20.09.2013. The 1st installment and 2nd installment of grant-in-aid of Rs. 190.56 lakh and Rs. 381.13 lakh respectively had been released to the project on 12.06.2014 and 13.04.2015 respectively.

2. IMAC noted that the promoter vide letter dated 20.10.2015 has requested for extension of time of two months for completion of the project i.e. till November, 2015. The Promoter has stated that the application for release of 2nd installment of grant was submitted on 25.08.2014, and the grant was received on 29.04.2015. The promoter has stated that the 2nd installment of grant was mainly used for clearing all the outstanding dues of the vendors and this has delayed the purchase of reefer vehicles and pre-cooling vans. Since, then four reefer vehicles have been procured and completed in all aspects. Apart from this, two pre-cooling vans are ready and have been applied for registration.

3. IMAC also noted that the reason for delay of eight months in release of grant to the project was due to non-availability of funds. In case of instant project the time of 24 months to complete the project was up to 19.09.2015 as per the decision taken by the IMAC in its meeting held on 20.08.2015, when it was decided to extend the provisions of revised guidelines (dated 20.11.2013) with regard to implementation schedule to the projects of earlier phase also and approved that the implementation schedule for all on-going projects as 24 months for general areas and 30 months for difficult areas (North-Eastern states, Sikkim, J&K, Himachal Pradesh and Uttarakhand) from the date of issue of approval letter.

4. The Ministry has earlier granted the extension of time beyond 24 months to various projects such as M/s Associate Action, M/s Canvas Integrated Cold Chain, M/s Aromatrix Flora, M/s Keventer Agro, etc. In the present, case the Ministry could not release the grant to the project in time due to paucity of funds, which has delayed the implementation of the project.

5. After detailed deliberations the IMAC approved the extension of time to complete the project upto 30.11.2015 in respect of the Integrated Cold Chain Project of M/s Elaf Cold Storage, Panvel, Raigad, Maharashtra.



Agenda item No. S5: Case of Integrated Cold Chain Project M/s Shri Ram Solvent Extraction Pvt. Ltd, Uttarakhand Regarding Revised Means of finance, Change in Number and Capacity of Components of Weighbridge and Refer Vans-reg.

IMAC noted that the Approval Committee in its meeting held on 27.09.2013 had considered and approved the proposal of M/s Shri Ram Solvents Extraction Pvt. Ltd. for setting up of Integrated Cold Chain Facilities for processing of fruits and vegetables at 2 km stone, Kashipur Road, Jaspur – 244712, Uttarakhand. Approval letter to the project was issued on 07.10.2013 for grant –in-aid of Rs. 756.435 lakhs. The 1st installment of Rs 189.10 lakhs and 2nd installment of Rs 378.21 lakhs were released to the project on 26.05.14 and 20.09.14 respectively.

2. IMAC noted that in the grant calculation sheet attached with the approval letter, 3 no. of weighbridge with a cost of Rs. 21.50 lakh (Rs 18 lakh towards plant & machinery plus Rs 3.5 lakhs towards TCW) and 3 no. of refer vans with a cost of Rs. 75 lakhs was approved. As per DPR, no. and capacity of weighbridge are 3 x 30 MT and that of reefer vans as 3x9 MT.

3. IMAC also noted that during joint inspection before release of 3rd and final installment of grant, it was observed that the project has been completed and has commenced commercial operation. However, instead of 3 weighbridge of 30 MT each, the promoter has installed one weigh bridge of 100 MT. Similarly, in place of 3 reefer vans of 9 MT each, 2 reefer vans of 15 MT each [total 30 MT capacity] have been purchased by the promoter. The promoter has stated that current market need and demand is of bigger load vehicles therefore, he has installed 100 ton capacity of weighbridge instead of 3 no. of 30 ton. Regarding reefer vans, the promoter has submitted that due to long distance demand of frozen green peas and logistics economy, it was in the interest of the project to buy two reefer vans of 15 ton each.

4. IMAC noted that previously, the Ministry has approved the change in number and capacity of the refer vans in case of M/s Brar Frozen Foods, M/s Aromatrix Flora and M/s Zoram Fish Seeds Production Centre.

5. IMAC also noted that the status of means of finance as originally appraised/approved by the Ministry and at time of achieving completion of the project are as follows:-

Means of Finance:

| Source of finance | Appraised | (Rs. in lakh) |
|-------------------|-----------|-----------------------------------|
| | | Actual Cost (As on 01.08.2015) |
| Promoter's Equity | 231.75 | 318.77 |
| Grant from MoFPI | 756.44 | 567.32 |
| Term Loan | 150.00 | 138.89 |
| Other's | 100.00 | 173.84 |

| | | |
|---------------------|----------------|----------------|
| -Funds from Unit -1 | | |
| Unsecured Loan | 0.00 | 50.00 |
| Total | 1238.19 | 1248.82 |

IMAC noted that means of finance of the project have been re-certified by the bank and the term loan disbursed at 92.59 % (i.e. Rs138.89 lakhs) has been considered as final by the bank. Accordingly, the disbursement of term loan of Rs138.89 lakh may be taken as 100% disbursement as the project is complete and has started commercial production.

6. Considering the above facts, IMAC decided to approve the change in capacity and number of reefer vans and weighbridge as mentioned in Para '3' above and revised means of finance for the project as mentioned in Para '5' above of M/s Shri Ram Solvent Extraction Pvt. Ltd.

Anand

Agenda Item No. S6: The Request for Time Extension in Case of M/s Asandas & Sons

IMAC noted that the project has been approved (vide letter dated 20.09.2013) for a grant of Rs. 774.998 lakh by Ministry for setting up of integrated cold chain project at S. no. 189, Vill. Ganeshpura, Mehsana-Ahmedabad Highway, District Mehsana (Gujarat).

2. IMAC noted that the applicant had submitted its request for release of 1st installment of grant on 19.06.2014. It was noted that the applicant had changed the bank and there was change in project cost and means of finance for the project. IMAC in the meeting held on 02.07.2015 approved the change of lending bank from UCO Bank to consortium of Syndicate Bank and Dena Bank and approval of revised project cost and means of finance. After the approval from IMAC, the 1st installment of grant (Rs 193. 74 lakhs) was released vide letter dated 31.08.2015.

3. IMAC noted that subsequently, the applicant had requested for release of 2nd installment of grant along with requisite documents on 13.10.2015. PMA had scrutinized the submitted documents and conducted site visit for physical verification of project facilities. PMA had submitted its recommendation letter for release of 2nd installment of grant on 04.11.2015. In the meanwhile, the applicant vide letter dated 29.10.2015 requested the Ministry for extension of timeline for project completion till January, 2016. The applicant mentioned that there has been inordinate delay in release of 1st installment of grant, which affected the desired pace of the project implementation. The letter also mentioned that the project is at advanced stage of completion and the trial run would be conducted by 20.11.2015. The ancillary items are also expected to be completed by December, 2015.

4. IMAC noted that the 24-month period for project completion ended on 19.09.2015. As mentioned above, the 1st installment of grant was released on 31.08.2015 (i.e. about 20 days before the completion of 24-month period). The applicant applied for 2nd installment of grant within two months of release of 1st installment of grant. As per the latest CA certificate submitted by the applicant, Rs. 4049.09 lakhs have been spent on the project (as against the approved cost of Rs. 4612.00 lakhs). Thus, it could be ascertained that the progress for the project implementation is in advanced stage of completion. The site visit for physical verification of project facilities was conducted by PMA on 29.10.2015. It was noted that the project is in advanced stage of implementation. The plant and machinery for vegetable processing, potato processing, IQF freezer and cold storage has been installed at the project.

5. IMAC also noted that the applicant had asked for time extension till January, 2016 which would make the time period for project completion as 28 months. The Ministry has earlier granted the extension of timeline beyond 24 months to various projects (such as M/s Associate Action, M/s Canvas Integrated Cold Chain, M/s Aromatrix Flora, M/s Keventer Agro etc.) on case-to-case basis.

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6. Considering the above, IMAC approved the time extension for project implementation upto 31.01.2016 in case of cold chain project of M/s Asandas & Sons.

Asand

Meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 09.11.2015.

List of Participants

1. Smt. Harsimrat Kaur Badal, Hon'ble Minister, FPI – Chairperson
2. Shri Ranglal Jamuda, Secretary, FPI
3. Shri Sunil Kumar Singh, AS&FA, FPI
4. Smt. Anuradha Prasad, Joint Secretary, MoFPI – Convener
5. Shri Shri Prakash, Joint Secretary (Fin.) MoFPI
6. Dr. Atya Nand, Deputy Secretary, MoFPI
7. Dr. Ghuratna Babu, Deputy General manager, NABARD
8. Shri S.N. Sivastava, Consultant, Department of Agriculture & Cooperation, Ministry of Agriculture.
9. Dr. R. Chauhan, Sr. Industrial Adviser, Dept. of Industries, Govt. of Himachal Pradesh
10. Shri S.S. Kalra, Project Manager, Dept. of Food Processing, Govt. of Punjab.
11. Dr. Shivamurthappa, Dept. of Agriculture, Govt. of Karnataka
12. Smt. Sunaina Bhat, J&K SIDCO
13. Shri R. C. Dahra, Consultant, Industries Dept., Govt. of Haryana
14. Shri Ravi Ranjan Mishra, IL&FS CDI
15. Shri Akshay Sahrawat, Grant Thornton India LLP
16. Shri Mandeep Ahuja, PWC
17. Shri Karamveer Singh, M/s Paonta Sahib Food Corporation, Solan, HP
18. Shri M S Dhanota, M/s Himalaya International Ltd, Gujarat
19. Shri Parag Hande, M/s Western Hill Foods Ltd.
20. Shri Ramdas Sinde, M/s Tirupati Balaji Agro Products Pvt Ltd

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