

Minutes of the Meeting of Inter-Ministerial Approval Committee (IMAC) Constituted under the Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 20.08.2015

A meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme of Cold Chain, Value Addition and Preservation Infrastructure was held on 20.08.2015 at 02:00 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: Extension of Timelines for Implementation of Cold Chain Projects of Phase-IV

The IMAC noted that approval letters to Phase-IV cold chain projects were issued during 2013-14 (after 20.09.2013). As per the approval letter, the implementation schedule for completion of project is 18 months from the date of issue of approval letter. The 18 months period has expired and several projects viz., M/s Basweshwar Industries, M/s Asandas & Sons, M/s Supreme Agro foods Pvt. Ltd., M/s Brij Dairy & Beverages, M/s Cheema Frozen Foods, M/s Gopaljee Dairy Foods Pvt. Ltd., Resource Foods etc. have furnished their request for grant of extension of timelines.

2. IMAC noted that the matter was referred to PMA for comments on the request of these promoters. The PMA vide letter dated 08.05.2015 has furnished their comments in the matter. PMA mentioned that in above mentioned cases, the applicants have requested the approval for extension of timeline of project implementation by another six months to one year from the stipulated 18-month period as per approval letter.

3. It was observed that as per the condition of the approval letter, request for the release of 3rd and final installment of grant along with requisite documents should be submitted within 18 months from the date of issue of approval letter to the applicant. In most of the cases approved in phase-IV, the 18-month period has expired in April, 2015. The request for release of 3rd installment of grant has been received from seven projects only while the request for 2nd installment of grant has been received from 33 projects.

4. The IMAC further observed that most of the projects could not meet the timeline of project completion within stipulated 18-month period. The IMAC noted that, regarding completion of projects/time extension, the Approval Committee (AC) in the meeting held on 19.08.2013 had decided that the maximum period for completion of a project shall be 24 months. In the meeting, the AC decided that:

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"In the guidelines for cold chain projects, it is envisaged that any project would be completed generally in about 18 months. However, a general experience has been that very few projects are completed in 18 months as promoters have to obtain approval of several Government Departments. In view of this, the AC in its meeting held on 11.1.2013 has decided that an extension of six months may be provided. The promoters may be asked to complete the project within 24 months and they should submit their request for release of third and final installment within 24 months from the date of approval letter. Extension beyond 24 months may be given by AC only in exceptional cases where there are reasons beyond the control of promoters. In such cases, the reasons for delay may also be verified by the PMA. However, the request for extension of time in such cases must be submitted by the promoters within 24 months clearly stating reasons for such delay."

5. The IMAC noted that the Approval Committee had already decided that the promoters should complete the projects and submit the requests for release of 3rd installment of grant within 24 months from the date of approval. The request for time extension beyond 24 months only needs to be placed before IMAC for decision. Keeping in view of the above, scheme guidelines have already been revised and as per new guidelines, the implementation schedule is 24 months for general areas and 30 months for difficult areas.

6. In view of this, the IMAC 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.

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Agenda item no. 2: Proposal of M/s Global Entrade, Assam for Condoning Delay in Submission of Documents for Release of 3rd Installment of Grant-in-Aid

The IMAC noted that the proposal of **M/s Global Entrade**, was approved for grant-in-aid of Rs. 936.945 lakh for setting up an integrated cold chain project for frozen fruits and vegetables at Village Tetulia, District Kamrup, Assam.

2. The IMAC also noted that the first and second instalments of the grant (Rs. 234.23 lakh and Rs. 468.46 lakh respectively) were released to the applicant by NHB on 11.12.2013 and 05.09.2014.

3. The IMAC noted that based on the request of the applicant, IMAC in the meeting held on 19.08.2014 approved the extension of timeline for project completion till 31.12.2014. Subsequently, the applicant, in letter dated 11.11.2014, requested the Ministry to approve further time extension for project completion till 31.03.2015. Further vide letter dated 25.03.2015 the applicant has requested for extension till 15.05.2015 for submission of documents for release of 3rd installment. It was mentioned by the applicant that the Ministry's letter (dated 18.03.2015) regarding the recommendation for concessional rate of custom duty as a project import for equipment (semi hermetic screw compressor) was received by the applicant on 24.03.2015, based on which, the applicant is in the process of getting the project registration with custom officials at West Bengal. The IMAC also noted that the applicant also mentioned that the import of P&M from Indonesia to India and its installation at the site took minimum 45 days.

4. The IMAC also noted that in this regard, it seems that the applicant is required to import only one project component (semi hermetic screw compressor) along with the accessories. As per the applicant, the recommendation letter from Ministry (dated 18.03.2015) for concessional rates for importing machinery has been received by the applicant on 24.03.2015.

5. The IMAC further observed that as per the conditions of the approval letter dated 06.08.2012, the request for release of 3rd and final installment of grant along with requisite documents should be submitted within 18 months from the date of issue of approval letter to the promoter(s) (i.e. on or before 05.02.2014). The Approval Committee (AC) in the meeting held on 19.08.2013 decided that the maximum period for completion of a project shall be 24 months. In the meeting the AC decided that:

"In the guidelines for cold chain projects, it is envisaged that any project would be completed generally in about 18 months. However, a general experience has been that very few projects are completed in 18 months as promoters have to obtain approval of several Government Departments. In view of this, the AC in its meeting held on 11.1.2013 has decided that an extension of six months may be provided. The promoters may be asked to complete the project within 24 months and they should submit their request for release of third and final installment within 24 months from the date of approval letter. Extension beyond 24 months may be given by AC only in

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exceptional cases where there are reasons beyond the control of promoters. In such cases, the reasons for delay may also be verified by the PMA. However, the request for extension of time in such cases must be submitted by the promoters within 24 months clearly stating reasons for such delay."

6. IMAC also noted that the applicant applied vide letter dated 25.03.2015 has requested for time extension till 15.05.2015. The applicant has applied for release of 3rd instalment of grant along with requisite documents on 12.05.2015. In this regard, it was noted that in some other cases such as M/s Saastha Warehousing Ltd., M/s Impartial Agrotech, M/s Cold Star Logistics, Zoram Fish Seeds Production Centre etc. also, the applicants had submitted the request for release of 3rd instalment of grant after about 2-4 months from the last date of submission of documents. The matter of late submission of documents by these applicants had been earlier condoned by IMAC and had decided to release the grant after due procedure of scrutiny of documents and joint inspection.

7. IMAC also noted that the applicant has been facing issues in availing permission for approvals such as Change in Land Use and electricity connection. The applicant vide letter dated 12.08.2015 informed the Ministry that the matter has been discussed with Chief Secretary, Govt. of Assam and the electricity connection will be received shortly.

8. After detailed deliberation, the IMAC decided to condone the delay in submission of documents for release of 3rd and final instalment. IMAC also decided that the applicant will be released 3rd and final instalment of grant after receipt of all the requisite approvals as per the conditions of approval letter and scheme guidelines and after the joint site inspection.

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Agenda item no. 3: Proposal of M/s Utsav Organic & Cold Chain for Condoning the Delay in Submission of Request for 3rd Installment of Grant

The IMAC noted that the proposal of **M/s Utsav Organic & Cold Chain** was approved vide letter dated 22.08.2012 for grant-in-aid of Rs. 607.31 lakh for setting up an integrated cold chain project at Chhota Urla, Abhapur, District- Raipur (CG). The first instalment of grant-in-aid of Rs 151.83 lakh and second installment of Rs 303.65 lakh (in two parts) were released to the applicant by NHB on 09.09.2013, 31.03.2014 and 26.08.2014.

2. The IMAC also noted that the applicant vide letters dated 16.08.2014 and 11.11.2014 had requested for three month time extension for project completion. Major reason cited was undue delay in release of 2nd installment of grant. It was noted that the applicant applied for the 1st installment of grant on 29.01.2013 and the 1st installment of grant was released on 09.09.2013. Subsequently, the applicant submitted the request for the release of 2nd installment of grant on 05.12.2013 and the grant was released in two parts on 31.03.2014 and 26.08.2014 due to non-availability of funds.

3. IMAC observed that the extension was granted till 22.08.2014 for completion of project. Subsequently the applicant had submitted request for release of 3rd installment of grant along with requisite documents to NHB vide letter dated 23.01.2015. As per CA certificate (M/s AVN & Company, dated 21.01.2015) submitted by the applicant, the promoter has utilized more than 100% of promoter's contribution and 100% of bank term loan as per submitted CA certificate. It was also noted that the joint site inspection has already been conducted at the project site for physical verification of project facilities.

4. The Approval Committee (AC) in the meeting held on 19.08.2013 decided that the maximum period for completion of a project shall be 24 months. In that meeting the AC decided that:

*"In the guidelines for cold chain projects, it is envisaged that any project would be completed generally in about 18 months. However, a general experience has been that very few projects are completed in 18 months as promoters have to obtain approval of several Government Departments. In view of this, the AC in its meeting held on 11.1.2013 has decided that an extension of six months may be provided. The promoters may be asked to complete the project within 24 months and they should submit their request for release of third and final installment within 24 months from the date of approval letter. **Extension beyond 24 months may be given by AC only in exceptional cases where there are reasons beyond the control of promoters. In such cases, the reasons for delay may also be verified by the PMA. However, the request for extension of time in such cases must be submitted by the promoters within 24 months clearly stating reasons for such delay.**"*

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5. In this regard, IMAC noted that in some other cases such as M/s Saastha Warehousing Ltd., M/s Impartial Agrotech, M/s Cold Star Logistics and M/s Shimla Horticulture, Zoram Fish Seeds Production Centre etc. also, the applicant had submitted the request for release of 3rd installment of grant after about 2-4 months from the last dates of submission of documents.

6. In view of the above, the IMAC decided to condone the delay in submission of documents for release of 3rd and final instalment of grant in the case of M/s Utsav Organic & Cold Chain.

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Agenda item no. 4: Proposal of M/s Haldiram Foods International Pvt. Ltd for Condoning the Delay in Submission of Documents in Implementation of Project

IMAC noted that the AC in the meeting held on 28.05.2012 considered proposal of M/s Haldiram Foods 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 Gumthala, Tal Kamptee, Distt. Nagpur (Maharashtra).

2. The IMAC noted that the approval letter was issued on 28.08.2012. The 1st and 2nd installment of grant (Rs. 250.00 lakh, Rs. 500.00 lakh respectively) were released to the applicant by NHB on 06.02.2013 & 02.07.2014 respectively.

3. The IMAC noted that the applicant vide their letter dated 30.11.2013 had requested for grant of extension for six months i.e. 27.08.2014. The applicant stated that delay in implementation was due to heavy rains till September, 2013 in Nagpur and the foundation dug were filled with water thereby civil work could not be taken up. The IMAC noted that the AC in the meeting held on 10.01.2014, approved the extension of timeline for project implementation till 27.08.2014.

4. IMAC also noted that the applicant vide letter dated 05.08.2014 requested for extension of six months for completion of the project i.e. 27.02.2015 citing the reasons such as delay in release of 2nd installment of grant (released on 02.07.2014). It was noted that the applicant submitted the request for release of 3rd installment of grant along with requisite documents on 23.01.2015 (one month prior to the last date of submission of documents as requested by the applicant i.e. 27.02.2015). Based on the submitted documents, NHB vide letter dated 20.02.2015 had requested to the applicant to submit revised CA Certificate, CE (civil & mech.) certificates, utilization certificate, bank certificate and other statutory licences/ clearance such as FSSAI license etc.

5. The IMAC also noted that the joint site inspection was conducted on 30.07.2015 for physical verification of project facilities. The project was found to be completed and operational. The applicant has also submitted additional documents to NHB which is yet to be scrutinized.

6. The IMAC further observed that in some other cases such as M/s Saastha Warehousing Ltd., M/s Impartial Agrotech, M/s Cold Star Logistics and M/s Shimla Horticulture, Zoram Fish Seeds Production Centre etc. also, the applicant had submitted the request for release of 3rd installment of grant after about 2-4 months from the last dates of submission of documents. In these cases, the IMAC decided to condone the delay in submission of documents for release of 3rd installment of grant and decided to release the grant after due procedure of scrutiny of documents and joint inspection.

7. In view of above, the IMAC decided to condone the delay in submission of documents for release of 3rd and final instalment of grant-in-aid the case of M/s Haldiram Foods International Pvt. Ltd.

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Agenda item no. 5: Proposal of M/s Alishan International Pvt. Ltd. for Change in the Locations of Collection Centres and Change in Capacities of Refrigerated Vehicles

The IMAC noted that the Approval Committee (AC) in the meeting held on 23.08.2013 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 for setting up of following project components:

- IQF (2 MT/Hr), Frozen Product Cold Store (2400 MT), Sorting/grading facility (7 MT/Hr) at main location
- Refrigerated Vehicles (2 no. x 18 MT and 2 no. x 6.5 MT)
- Three Collection Centres:
 - Khasra no. 423/2/2, Village Bigwara, Kichha Road, Rudrapur, Dist. Udham Singh Nagar: Primary Sorting, grading facilities and cold storage (1000 MT)
 - Village Malpuri, Tehsil Sitarganj, Dist. Udham Singh Nagar: Shed and platform for aggregation of produce and weighing machine
 - Khasra no. 403/3, Village Bailparav, Tehsil Kaladungi, District Nainital: Shed and platform for aggregation of produce and weighing machine

2. IMAC observed that 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. IMAC also 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. The IMAC 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 as per the following table:

#	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 	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

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		Machine		have been submitted.
II	Village- Bailparav, Tehsil Kaladungi, District Nainital	<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 Nagar, in the name of applicant has been submitted by the applicant vide email dated 25.06.2015.</p>
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. The IMAC further observed that the applicant has provided a copy of The Gazette of India dated 05.07.2013 (published in newspaper *DanikJagan*, dated 20.08.2013) vide which the Survey no. 423, Village Bigwara, District Udham Singh Nagar was declared to be acquired for building NH-74. Further, the applicant forwarded a copy of letter written to Competent Authorities on 04.09.2013 for deciding optimum compensation of land to the applicant. It was noted that the applicant had earlier submitted duly notarized lease agreement dated 27.06.2012 while applying for release of 2nd instalment of grant to the Ministry. This indicates that the applicant had prior information about the said land to be acquired by NHAI. The applicant also mentioned in the email dated 18.06.2015 that they were trying to save the land but NHAI did not give any satisfactory answer till date. Therefore, the applicant has requested the Ministry to change the location of land. The IMAC noted that the matter was also referred to PMA for comments. The PMA vide letter dated 14.07.2015 opined that the justification submitted by applicant seems acceptable.

5. IMAC noted that regarding change of location for collection centre at Village Bailparav, the lease agreement was signed on 27.06.2012 for a period of 30 years. There has been no such condition of cancellation of lease agreement which has been mentioned by the applicant in its letter dated 29.04.2015. The applicant has mentioned in the email dated 18.06.2015 that as the possession was not taken within the

stipulated time due to delay in approval/ implementation of project, the lessor has cancelled the lease agreement.

6. Regarding change in capacities of reefer vans, the IMAC noted that there has been net reduction of 5 MT in the approved (total 49 MT capacity) and proposed capacities of reefer vans (44 MT capacity). The applicant has submitted a letter from lending bank (Andhra Bank dated 01.05.2015) which mentions that the changes proposed by the applicant won't affect the viability and profitability of the project and the bank has approved the proposed changes.

7. The IMAC 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 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. After getting report from PMA the proposal for change of location of collection centres may be processed on file for decision.

8. The IMAC noted that regarding change in proposed capacities of Reefer vans, such changes have been approved earlier by IMAC in cases such as M/s Brar Frozen Foods, M/s Aromatrix Flora and M/s Zoram Fish Seeds Production Center for changes in numbers and capacities of refrigerated vehicles. In view of this, after detailed discussion, IMAC decided to approve the proposed changes in capacities of reefer vans.

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Agenda item no. 6: Consideration of continuation of approval granted to M/s Meena Food Processing Industry, Papumpare District, Arunachal Pradesh for setting up integrated cold chain facilities.

The IMAC noted that the Integrated Cold Chain Project of M/s Meena Food Processing Industries Papumpare District, Arunachal Pradesh was issued an approval letter on 18.10.2013 for setting up of facilities for fruits at Village Amba, Doimukh, Papumpare District, Arunachal Pradesh for grant-in-aid of Rs. 444.086 lakh.

2. IMAC observed that as per the condition of the approval letter, request for the release of 1st installment of grant along with requisite documents should be submitted within 9 months from the date of issue of approval letter to the promoter(s) (i.e. on or before 17.07.2014), failing which the approval to the project shall stand automatically cancelled. In this case, the applicant failed to submit the documents within stipulated time.

3. It was also noted by IMAC that the promoter vide letter dated 08.07.2014 had submitted the request for release of 1st instalment of grant-in-aid. The documents were forwarded to PMA for scrutiny. The PMA vide letter dated 21.08.2014 had submitted their response stating that the term loan is less than 10% of the project cost and hence does not comply with the condition of approval letter. Based on the observations of PMA, a letter was sent to promoter on 27.08.2014 seeking deficient information/documents. However, the promoter had not submitted any information/document in response to Ministry's communication. Further, a review meeting was also held on 02.12.2014 under the Chairmanship of AS (JPM). The promoter did not attend the review meeting.

4. The IMAC noted that a show cause notice was also issued to the promoter on 31.12.2014 giving final opportunity to explain the reasons as to why the approval granted to the aforesaid cold chain project should not be cancelled. However, the promoter did not submit any response to the show cause notice also. It appears that the promoter is not willing to take up the cold chain project further. The promoter was also contacted on phone to come and appear before IMAC held on 02.07.2015 to explain the status of implementation of the project. However, the promoter did not appear before the IMAC.

5. The IMAC noted that aforesaid facts and circumstances were placed before IMAC in the meeting held on 02.07.2015. IMAC considered the fact that the project is to be implemented in a difficult area which requires such infrastructure. Accordingly, IMAC directed the Ministry to call the applicant for making representation, if any, within a week before Hon'ble Minister (FPI) / Secretary / Joint Secretary in respect of his Cold Chain project to enable the Ministry to take a considered decision in the matter.

6. IMAC noted that the applicant was sent an e-mail on 06.07.2015 asking him to come to the Ministry and explain the position of Cold Chain Project either before Hon'ble Minister or Secretary/ Joint Secretary. This was followed by another e-mail

dated 22.07.2015. The promoter has chosen not to respond to the e-mails of the Ministry. Deputy Secretary, MoFPI had spoken to the promoter on telephone on 27.07.2015. Despite his assurance on telephone, promoter has not responded by email or letter.

7. Considering the above, the IMAC decided to cancel the approval granted to the cold chain project of **M/s Meena Food Processing Industries.**

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Agenda item no. 7: Recalculation of Grant- in-aid in respect of Cold Chain project of M/s Innovative Cuisine Pvt. Ltd.

The IMAC noted that the proposal of **M/s Innovative Cuisine Pvt. Ltd.** was approved by Ministry vide approval letter dated 20.09.2013 for grant-in-aid of Rs. 727.42 lakh for setting of integrated cold chain project for Collection centres (100 MT/day), Reefer van (1 no. x 10 MT), IQF/blast/plate freezer (2 MT/hr), Pre-cooling (10 MT), Packing & distribution hub (2 MT/hr), Cold store (5000 MT/annum) at S. no. 504-512, VillKandri, TalukaKarjan, Dist. Baroda (Gujarat). The 1st and 2nd installments of grant of (Rs. 181.85 lakh and Rs. 363.71 lakh) were released to the project on 28.11.2013 and 16.06.2014 respectively.

2. IMAC also observed that the applicant vide letter dated 22.12.2014 requested for upward revision in grant-in-aid and also submitted request for release of 3rd installment of grant. The promoter mentioned that while calculating eligible grant-in-aid, following civil/technical civil work was considered ineligible:

- Raw Material store (200 sq. meter) worth Rs. 14.00 lakh
- Raw Material store (600.4 sq. meter) worth Rs. 30.02 lakh
- Clean change room area as per international (435 sq meter) Rs. 32.00 lakh

The applicant requested for consideration of these items as eligible in the light of following justification:

- a) Quality of final finished frozen product depends on the post harvest handling of raw materials/ fruits and vegetables.
- b) They keep cool temperature/air conditioned temperature in the raw material area so as to maintain keeping quality of fresh fruits and vegetables.
- c) As per international norms of Food Safety quality management system such as ISO 22000, HACCP and BRC, they have to make clean room area as per international standards so as to meet the above standards. It is further stated that investment in above directly adds value to the finished product as microbial contamination is reduced and their food products, thereby, meets international quality norms.

3. IMAC observed that the matter was referred to PMA for scrutiny of documents for release of 3rd installment and comments of revision of grant as requested by applicant. PMA vide letter dated 22.06.2015 has submitted their recommendations for release of 3rd installment inter alia also recommended for consideration of raw material stores worth Rs 44.02 lakh as an eligible component. PMA mentioned that for all IQF projects, the cost of raw material storages have been considered eligible for grant by the Ministry. Accordingly, in this case also, the costs of raw material storages (Rs. 44.02 lakh) have been considered eligible for grant-in-aid. However, the cost of change rooms has not been considered eligible by Ministry in any of the cases.

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4. IMAC also noted that a joint inspection for physical verification of the project progress was conducted on 18.05.2015 by the representatives of the Ministry, APEDA, SBI and IL&FS Cluster Development Initiative Ltd (PMA). As per the joint inspection report, the installation of P&M and civil construction is found as per the details provided in CE (civil & mech.) certificates. During the joint inspection, it was found that the unit is fully operational and has started commercial production. The joint inspection team recommended the Ministry for consideration of the release of 3rd and final installment of grant after recalculation of eligible grant as per Scheme guidelines.

5. The IMAC noted that based on the representation submitted by applicant and the norm followed by the Ministry to ascertain the final eligible grant amount and based on the actual expenditure incurred by the applicant, the actual grant for the project has been recalculated by PMA at Rs. 7,46,10,500/- which is more than the approved grant of Rs. 7,27,42,000/- lakh by an amount of Rs. 18,68,500/- (i.e. by about 2.57%). The details of grant calculation are as follows:

Component wise details of grant calculation (in Rs. lakhs)				
A. Plant & Machinery				
S. No.	Components	Approved (X)	Actual (Y)	Final eligible (Z= lower of X and Y)
1	IQF System	217.53	231.73	217.53
2	Vegetables & Fruits Processing Equipments	93.13	109.25	93.13
3	Trolley freezer	34.93	36.17	34.93
4	Translicer	34.54	35.55	34.54
6	Two storage ammonia reciprocating compressor	17.98	18.73	17.98
7	Drive motor compressor	5.01	6.56	5.01
8	Single motor compressor	2.42	6.67	2.42
9	Drive motor compressor	0.91	2.44	0.91
10	Two storage ammonia reciprocating compressor	8.00	9.66	8.00
11	Drive motor compressor	2.26	4.67	2.26
12	PHE type condenser	3.67	4.67	3.67
13	PHE type condenser	13.87	16.40	13.87
14	PHE type chiller	4.85	5.33	4.85
15	High pressure receiver	8.09	8.96	8.09
16	Low Pressure receiver (IQF)	4.68	4.72	4.68
17	Low Pressure receiver (Frozen stone)	3.32	4.14	3.32
18	Inter storage cooler	2.97	3.06	2.97
19	Inter storage cooler	1.94	2.05	1.94
20	Liquid ammonia pump	2.50	2.56	2.50

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21	Ammonia pump	1.25	2.44	1.25
22	Ammonia piping	9.00	11.29	9.00
23	Refrigeration Controls	15.96	19.72	15.96
24	Condenser water pump	1.00	1.00	1.00
25	Condenser water pipping	0.85	2.09	0.85
26	First charges of Ammonia & Oil	1.00	1.06	1.00
27	FRP included draft cooling tower	4.26	5.07	4.26
28	FRP included draft cooling tower	1.32	2.71	1.32
29	Air cooling units	4.44	29.54	28.27
30	Air cooling units	11.22		
31	Air cooling units	8.83		
32	Air cooling units	3.78		
33	Misc. painting support insulation	1.50	2.60	1.50
34	Surge drum	1.47	1.50	1.47
35	Oil plot	0.80	0.80	0.80
36	Transformer	13.21	13.55	13.21
37	Valves and fitting	7.61	23.91	7.61
38	Control panels	58.84	81.56	58.84
39	Laboratory Equipments	8.00	8.49	8.00
40	DG. Set for production	18.19	42.78	40.04
41	DG. Set for Cold Storage	21.85		
42	Effluent treatment plant	22.50	34.63	22.50
43	Dispatch material equipments	8.00	8.86	8.00
44	Oil Fired	4.66	36.15	4.66
45	Water Softening Plant	0.80	1.15	0.80
46	Vegetables cutting machines	40.00	55.46	40.00
47	Metal Detector & Hoppers	6.00	5.94	5.94
48	Pre-cooling refrigerated van	13.84	7.24	7.24
49	Refrigerated Van	19.12	19.60	19.12
	Total	771.90	932.46	765.24
Cold Store				
1	Cold Storage as per design	87.70	187.09	87.70
2	Doors for Cold storage (Manual)	6.13	7.86	6.13
3	Doors for cold storage (emergency)	4.96	4.98	4.96
4	Doors for cold storage (emergency)	1.46	2.99	1.46
5	Tube-lights for Cold Store	5.00	6.53	5.00
	Total	105.25	209.45	105.25
	Total P&M	877.15	1141.91	870.49
B. Civil Work				
1	IQF production hall	49.21	63.27	49.21
2	Preparatory section	68.67	88.29	68.67
3	Packing area	12.18	15.66	12.18
4	Packing material store	12.25	15.75	12.25
5	Boiler House & Refrigeration section	49.00	63.00	49.00

6	Frozen Cold Storage (Including Insulation)	156.24	213.09	156.24
7	Clear air system for factory building	42.00	42.30	42.00
8	Factory building panels and floor insulations	185.00	199.23	185.00
9	ETP Room	3.15	6.21	3.15
10	Raw Material Storage*	30.02	54.04	30.02
11	Raw Material Receiving Area*	14.00	18.00	14.00
	Total	577.70		621.72
	Total eligible cost	1454.85		1492.21
	Total eligible grant @ 50%	727.42		746.105

**The cost of these components was not considered eligible by Ministry at the time of issuance of approval letter. However, based on request of applicant and recommendation of PMA the costs of these components have been considered as part of eligible cost for grant, as has been considered for all the IQF projects.*

6. IMAC also noted that regarding the approval of change in grant amount the Approval Committee (AC) in the meeting held on 10.01.2012 approved as follows:

- Cases wherein there is a reduction of grant amount, installments of grant may be released after obtaining concurrence of IFD and the AC may be apprised of the final reduced grant at the time of release of 3rd installment.
- Cases wherein there is an increase of up-to 10% of the grant amount, the grant may be released after obtaining concurrence of IFD and approval of Secretary (FPI). AC may be apprised of the increased grant in the next meeting of AC.
- Cases wherein the increase in grant amount is more than 10% of the grant amount, the same will be placed before the Approval Committee before release. These proposals should be shown to IFD before bringing them to AC.

7. The IMAC further observed that in this case, the increase in grant amount is only 2.57% from the originally approved grant. In view of the above and already released grant of Rs. 5,45,56,500/- as 1st and 2nd installments, M/s Innovative Cuisine Pvt. Ltd. was considered eligible for release of Rs. 2,00,54,000/- as 3rd and final installment of the grant in aid.

8. After detailed deliberations, IMAC approved for the revision in approved grant-in-aid from Rs. 7,27,42,000/- to **Rs. 7,46,10,500/-** in respect of M/s Innovative Cuisine Pvt. Ltd.

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Agenda item no. 8: Compliance of Order Dated 06.11.2013 in W.P. No. 32016 of 2013 [M/s Soumya Agrotech Pvt. Ltd. &Ors. Vs UOI &Ors.]and Order dated 02.04.2015 in M.A.T. No. 331 of 2014, C.A.N. No. 2203 of 2014 [UOI &Ors. V/s M/s Soumya Agrotech Pvt. Ltd. & Ors. vs UOI & Ors.] Passed by Hon'ble High Court, Calcutta – Consideration of Case of M/s Soumya Agrotech Pvt. Ltd. – reg.

The IMAC noted that the proposal relates to soliciting decision of IMAC on the eligibility of proposal of M/s Soumya Agrotech Pvt. Ltd. - in accordance with law and relevant scheme guidelines - received against EOI with last date as 10.07.2012 and conveying the same to the applicant in compliance of order dated 02.04.2015 and 06.11.2013 passed by Hon'ble High Court, Calcutta in M.A.T. No. 331 of 2014, C.A.N. No. 2203 of 2014 [UOI &Ors. Vs M/s Soumya Agrotech Pvt. Ltd. &Ors.] and W.P. No. 32016 of 2013 respectively.

2. The IMAC observed that the Hon'ble High Court, Calcutta vide order dated 02.04.2015 have disposed of the Appeal of the Ministry by directing that the "The appellant authority is directed to arrive at a reasoned decision in terms of the order passed by the learned Single Judge within two months from date".

3. The IMAC observed that the Ministry had issued an EOI on 07.05.2012 inviting proposals for setting up of integrated cold chain projects under the scheme of Integrated Cold Chain, Value Addition and Preservation Infrastructure. The last date for submission of the applications was **10.07.2012 (4:00 PM)**.

4. The IMAC also observed that against the EOI, the Ministry received 146 proposals upto 4:00 PM on 10.07.2012. Another 11 proposals were received after 4:00 PM. It was decided not to consider the 11 proposals received after 4:00 PM on 10.07.2012. The proposal submitted by M/s Soumya Agrotech Pvt. Ltd. was one of these 11 proposals which were received after 4:00 PM. Accordingly, the proposal of M/s Soumya Agrotech Pvt. Ltd. was returned to the applicant.

5. It was observed by IMAC that aggrieved by non consideration of their proposal for setting up of cold chain, on the ground of late submission, M/s Soumya Agrotech Pvt. Ltd. filed a Writ Petition No. 32016 of 2013 before Hon'ble High Court of Calcutta claiming, inter alia, following relief:

"A writ of or in the nature of Mandamus commanding the concerned respondents, and particularly the respondent no. 4 and / or their agents and/ or employees and/ or their servants to consider the Projects of the petitioner company as submitted under the letter dated 10.07.2012 on its merit and thereafter disburse the financial aid to the petitioner company."

6. IMAC further observed that the Writ Petition came up for admission hearing on 06.11.2013. Hon'ble High Court disposed of the Writ Petition at the admission stage without seeking response of the Ministry. The operative part of the order dated 06.11.2013 reads as follows: "**The respondent no. 4 [Inter Ministerial Approval**

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Committee] is directed to consider the petitioners' application received at 4:30 P.M. on July, 10 2012 on merits in accordance with law and the existing guidelines. A reasoned decision on the petitioners' application should be communicated to the petitioners within a period of four weeks from date. It is made clear that the merits of the petitioners' application have not been gone into and it will be open to the respondent no.4 to reject the same if the circumstances so warrant".

7. The IMAC also noted that the proposal was referred to Department of Legal Affairs soliciting their advice in the matter. Department of Legal Affairs advised the Ministry to challenge the order dated 06.11.2013 of the single judge before Division Bench. Accordingly, an Appeal challenging the order dated 06.11.2013 was filed on 05.03.2014 before the Hon'ble High Court of Calcutta after vetting by Department of Legal Affairs. The Appeal came up for admission hearing on 09.04.2014. During the course of hearing, Hon'ble Court desired to know as to whether the writ petitioners were present in the Ministry from 10:00 AM to 4:30 PM on 10.07.2012 for submitting their proposal.

8. The IMAC noted that a supplementary affidavit with the approval of Department of Legal Affairs was filed on 28.04.2014 before Hon'ble Court to the effect that there was no queue in front of the Office on 10.07.2012 for submitting such proposals. The Appeal filed by the Ministry was finally taken up for arguments on 02.04.2015 before Division Bench comprising Hon'ble Chief Justice and Justice Joymalya Bagchi. After hearing both the sides Hon'ble Court disposed of the Appeal as follows:-

"Accordingly, we called for affidavit to be filed by the Union of India. In the said affidavit, the appellant has categorically denied and disputed the contentions raised by the respondent / writ petitioner. Be that as it may, we cannot in this summary jurisdiction go into the thicket of facts and adjudicate which version is right. We are, therefore, constrained to hold that the decision of the learned Single Judge to remit the matter for consideration on merits by the appellant authority was not unjustified.

Accordingly, we do not interfere with the impugned order. The appellant authority is directed to arrive at a reasoned decision in terms of the order passed by the learned Single Judge within two months from date.

With the aforesaid direction, both the appeal and the application are disposed of."

9. The IMAC noted that this Ministry had sought for the opinion of govt. counsel Ms.Chandreyi Alam to furnish her opinion on the order passed by the Hon'ble Court regarding the course of action to be taken in the matter - as to whether the directions may be complied with or the same may be challenged before Supreme Court. The Govt. Counsel has opined as follows:

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“Under these circumstances, I opine that it would be prudent to implement the order of the Hon’ble Division Bench as well as the order dated 06.11.2013 passed by Hon’ble Justice Sanjib Banerjee. Since the entire case is based on disputed questions of fact, as such there will be no merits in any further appeal.”

Since the application of the petitioner will be considered pursuant to an order of the Court, the Respondents cannot be blamed for the consideration for subsidy. On the contrary non-compliance of the orders are likely to give rise to contempt proceedings.”

10. The IMAC noted that the matter was referred to Department of Legal Affairs, Ministry of Law & Justice soliciting their advice as to whether the orders dated 02.04.2016 passed by Hon’ble High Court, Calcutta may be complied with or the same may be challenged before Hon’ble Supreme Court by filing an SLP. Department of Legal Affairs, Ministry of Law & Justice returned the proposal with the advice that “The Administrative Department may take an administrative decision, whether to file an SLP or to implement the order of the High Court. If, the Administrative Ministry wants to file an SLP, the same may be referred with grounds for our consideration.”

11. The IMAC observed that after considering that the Ministry does not have any fresh grounds other than those mentioned in the Appeal filed before Hon’ble High Court, Govt. Counsel’s opinion is in favour of implementing the judgment and the fact that Department of Legal Affairs have left it to the Ministry to take an administrative decision whether to file SLP or implement the judgment; on balance of consideration it has been decided to implement the judgment and take up the proposal for scrutiny/ appraisal as per scheme guidelines.

12. The IMAC noted that, accordingly, the proposal of M/s Soumya Agrotech Pvt. Ltd. was first placed before Technical Committee Chaired by Joint Secretary, Cold Chain for recommendation on eligibility or otherwise of the proposal. The TC in its meeting held on 16.07.2015 considered the examination undertaken by the PMA, M/s IL&FS with regard to ascertain the prima facie eligibility of the proposal.

13. Based on the detailed observations of TC on eligibility criteria in respect of proposal of M/s Soumya Agrotech Pvt. Ltd., the IMAC noted the following:

(i) **The applicant must have net worth of at least 1.5 times of the grant amount applied**

The IMAC noted that as per DPR and Bank Appraisal Note, the applicant has sought grant of Rs. 863.85 lakh. Therefore, the applicant’s network should be Rs. 1295.775 lakhs i.e., 1.5 times of the grant sought.

The IMAC noted TC’s observation that the applicant has also submitted duly audited balance sheet (dated 29.09.2012) for the year ending 31.03.2012. The applicant has submitted a CA certificate (from M/s Singhania Agarwal & Co dated 04.07.2012) in support of network which mentions that the net worth of applicant is Rs

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13.71 crore as on 31.03.2012. The said CA certificate states that the network is based on provisional balance sheet as on 31.03.2012. However, as per audited balance sheet submitted alongwith proposal the network of the applicant was Rs. 1220.52 lakh as on 31.03.2012.

After detailed deliberations, the IMAC decided that for the purpose of ascertaining network, in case of any difference in the figures, the details mentioned in the audited balance sheet will take precedence over provisional balance sheet as audited balance sheet is finalized after following due audit process in accordance with the provisions of Indian Companies Act, 1956 and Income Tax Act. Accordingly, the IMAC decided that based on submitted documents the proposal does not meet the network eligibility criterion.

(ii) Detailed Appraisal Note from Bank/ Financial Institution and Term Loan Sanction Letter.

The IMAC noted that the applicant has submitted a Bank Appraisal Note dated 10.07.2012 from Dena Bank, Kolkata. The Appraisal Note states that the project has completed the Phase-I under which Packhouse at Theog, Shimla and Cold Store with 500 MT Cold Room, 40 MT Ripening Chamber and 5 MT Pre Cooler at Kolkata have been commissioned. Under Phase II, 2000 MT multi-chamber cold rooms, 150 MT Frozen Cold Chamber at Kolkata and 4 number of reefer trucks were proposed to be completed by March 2013. The appraisal note further states that existing term loan of Rs. 246.18 lakh from bank will be available for the project. The bank has approved the renewal of Cash Credit Hypothecation (CCH) limit and review of term loan. IMAC observed that the term loan of Rs. 246.18 lakh is the remainder of previous term loan of Rs. 507.75 lakh which has been availed by the applicant in 2008 from the same bank i.e., Dena Bank and for which sanction letter has been submitted.

(iii) As per para 3 of the Operational Guidelines dated 18.03.2010 of the Scheme, the project must have at least two of the components out of (a), (b) or (c) mentioned in the Guidelines. The project for setting up Irradiation facility may however, be treated as a stand-alone one for the purpose of availing grant

The IMAC noted that the proposal envisages creating the following facilities:-

- Pack house at Theog, Shimla.
- Distribution centre with pre-cooler, ripening rooms, cold rooms, frozen cold rooms, MA cold rooms at Howrah.
- Reefer trucks.

IMAC observed that the applicant has proposed (a), (b) and (c) components as mentioned in the guidelines.

(iv) Date of commercial operations/ production

The IMAC noted that earlier, the applicant had applied for grant against the EOI in 2010-11 and was found to be ineligible. In this regard, the TC also noted that in the

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EOI dated 10.07.2012, it was mentioned that *"the project should not have commenced commercial operations prior to submission of application. However, 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."*

The IMAC noted that the Appraisal Note dated 10.07.2012 of Dena Bank states that the unit was made operational in the month Nov. 2011 only, which is later than 30.09.2010.

14. IMAC noted that after considering in detail every aspect of the eligibility of proposal of M/s Soumya Agrotech Pvt. Ltd. as mentioned above, the TC had observed that the proposal doesn't meet the net worth eligibility criterion due to insufficient net worth. After detailed deliberations, the IMAC endorsed TC's observation and decided to reject the proposal.

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Additional agenda Item No. 1: Proposal of M/s Aligned Industries, Haryana – Extension of Time for Implementation of Project till November 30, 2015.

The IMAC noted that the proposal of M/s Aligned industries vide their letter dated 21.07.2015 has submitted CE (Civil) and CE (Mechanical) certificates with status of implementation of project and has requested the Ministry to approve extension of time till 30.11.2015 for project completion.

2. IMAC also noted that as per the approval letter dated 04.07.2012, the proposal of M/s Aligned Industries was approved for setting up of Gamma Irradiation Processing Facility for processed products such as cereals, F&V, meat, herbs, spices, etc. at HUDA Industrial Area, Dharuhera, Rewari (Haryana) for grant-in-aid of Rs.730.28 lakh. Based on the approved grant, the 1st installment of grant-in-aid of Rs.182.57 lakh was released on 20.02.2013 and 2nd installment of grant of Rs. 365.14 lakh was released on 24.04.2014.

3. IMAC further observed that earlier, based on the request of applicant, the IMAC in its meeting held on 10.01.2014 approved the extension of time till 03.07.2014. Subsequently, the applicant requested the Ministry for further grant of extension of time for the project. The applicant mentioned that the project implementation lagged behind due to reasons such as delay in disbursement of 2nd installment of grant due to paucity of funds with Ministry, inspection of the project by scientists of BRIT (Board of Radioactive Isotope Technology) and AERB (Atomic Energy Regulatory Board). Based on the request of applicant, the IMAC in the meeting held on 19.08.2014 noted that the delay in project implementation was beyond the control of the applicant and approved the request for extension of time for implementation of project till 31st January, 2015.

4. The IMAC noted that, the applicant (vide letter dated 05.12.2014) again requested the Ministry for further grant of extension of time for the project by further three months. The applicant mentioned that the cold storage and gamma irradiation facility have been fully completed along with AERB and BRIT approvals. The 100 kCi Co-60 radioactive source had already been ordered and was expected to be received and loaded by the end of December 2014 based on which, radiation survey/dosimetry report was expected to be prepared by 3rd week of January 2015. It was mentioned that permission for AERB and activities such as ordering, sourcing and loading of 200 kCi (as per the procedure of BRIT) will take another three months. The applicant also mentioned that the activities exclusively under its control have already been completed and the pending activities are on the behalf of AERB and BRIT. In view of this, the applicant had requested the approval for extension of time for project completion till April 2015. However, the applicant had not submitted the status of project duly certified by CE (civil) and CE (mechanical) and was advised to submit the same. The IMAC noted that thereafter, the applicant vide letter dated 04.03.2015 has submitted the CE (civil & mech.) certificates while certifying the progress of the project. As per submitted CE (civil & mech.) certificates dated 20.02.2015, the project is 99% completed and only final finishing touch is in progress. The certificate also mentioned that the work has been done as per the specifications and construction quality standards. The applicant

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mentioned that 100- Kci Cobalt source was received on 26.02.2015, almost with two months delay. It also mentioned that the radiation survey is in progress and it is expected to be completed by 10.03.2015 and permission from AERB for procurement of additional source is expected by 15.03.2015. As per applicant, the dosimetry report was expected to be completed by end of March, 2015. PMA has discussed with applicant, who mentioned that the dosimetry survey has been completed in April, 2015. The applicant further mentioned that the approval of additional radio-active sources, ordering, receipt and loading as per procedures and regulation may take additional three months and was expected to be completed by 30.06.2015. The final dosimetry and AERB approval for commercial operation with 300 KCi was expected to be completed by 31.07.2015. In view of this, the applicant had requested for extension of timeline till 31.07.2015. However, the project could not be completed by 31.07.2015.

5. IMAC also noted that the applicant vide letter dated 21.07.2015 further submitted that at present 200Kci source Cobalt has been received at site and dosimetry of the same has also been completed by the BRIT Team in the last week of April 2015. Additional source loading of 100 Kci (to complete mandatory requirement of 300 Kci) and its dosimetry & permission & approval by AERB & BRIT is taking much longer time & are expected to be completed in next 3-4 month. The applicant has also submitted CA certificate from M/s GMR & Associates certifying the expenditure incurred on the project as on 31.03.2015. As per the submitted certificate, an expenditure of Rs. 1981.34 lakh (against the approved cost of Rs. 2202.18 lakh) has been incurred on the project. The expenditure incurred includes, Rs. 320.74 lakh on land & development (against approved cost of Rs. 320.74 lakh), Rs. 893.07 lakh (against approved cost of Rs. 871.82 lakh) on civil work, Rs. 600.79 lakh (against approved cost of Rs. 780.89 lakh) on P&M, Rs. 6.17 lakh on Misc. Assets and Rs. 159.98 lakh as other expenses. The expenditure on the project has been funded through promoter's contribution of Rs. 880.51 lakh (against approved promoter's contribution of Rs. 971.00 lakh), Term loan of Rs. 436.65 lakh (of sanctioned term loan of Rs. 500.00 lakh), Grant of Rs. 547.71 lakh (75% of approved grant of Rs. 730.28 lakh) and Sundry Creditors of Rs. 116.47 lakh.

6. Regarding the extension of timeline for implementation of project, the Approval Committee (AC) in the meeting held on 19.08.2013 decided that the maximum period for completion of a project shall be 24 months. In that meeting the AC decided that:

*"In the guidelines for cold chain projects, it is envisaged that any project would be completed generally in about 18 months. However, a general experience has been that very few projects are completed in 18 months as promoters have to obtain approval of several Government Departments. In view of this, the AC in its meeting held on 11.01.2013 has decided that an extension of six months may be provided. The promoters may be asked to complete the project within 24 months and they should submit their request for release of third and final installment within 24 months from the date of approval letter. **Extension beyond 24 months may be given by AC only in exceptional cases where there are reasons beyond the control of promoters. In***

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such cases, the reasons for delay may also be verified by the PMA. However, the request for extension of time in such cases must be submitted by the promoters within 24 months clearly stating reasons for such delay."

7. The IMAC noted that the PMA has mentioned that in this case, it seems that the reasons for delay are beyond the control of promoter. It was also noted that after further approval of time extension, the total implementation period for the project would be more than 36 months. PMA further mentioned that the Ministry has earlier also 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.) which had shown progress at site and had made expenditure towards implementation of the project. In this case, the project is in advanced stage, 1st and 2nd instalments of grant have already been released.

8. The IMAC considered that the reasons for delay in implementation of the project seem to be beyond the control of the applicant and approved the extension of the timeline for the project completion till 30.11.2015. The IMAC also directed the Ministry to follow up with BRIT and AERB to ascertain the status of approvals required for the project and also to take up the matter with these organizations to expedite the approval process for this project.

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Supplementary agenda item No. 1: The Proposal of M/s Prima Food Tech Pvt. Ltd. for Consideration of Continuation of the Approval Granted to the Project for Setting up of Integrated Cold Chain Facilities - reg.

The IMAC noted that the proposal of M/s Prima Food Tech Pvt. Ltd. was approved for grant of Rs.700.00 lakh on 20.09.2013 for setting up of Integrated Cold Chain Project with facilities such as Normal Cold Storage (5000 MT), Frozen Cold Storage (2000 MT), Reefer Truck (4 no x 6 MT) , IQF and Blast Freezing Facility (2 MT/hr), Ripening Chambers (4 no. x 20 MT each), Sorting, grading line (10 MT/hr) at Village Muppireddypally, Mandal Toopran, Dist. Medak (Telangana) and 2 Collection Centres at Shadnagar and Sangareddy.

2. IMAC also noted that as per conditions prescribed in the approval letter, the documents for release of 1st instalment of grant-in-aid were to be submitted by 19.06.2014 (within 9 months of issuance of approval letter) after utilizing at least 25% of promoter's share and 25% of term loan towards implementation of project. The applicant failed to submit the request for release of 1st installment of grant within stipulated time. The applicant was issued a show cause notice by Ministry on 24.07.2014. In response, the applicant vide letter dated 07.08.2014 had informed that he is proposing change in the scope of the project to ensure the overall technical and financial feasibility of the project and to ensure the mutual benefit of all the stakeholders. The applicant also informed that the lending bank i.e., ICICI Bank had re-appraised the project subject to the condition that the applicant should seek the prior approval of the Ministry for making changes in the capacity of facilities, component and means of finance. Hence, the promoter had sought approval for the modification in the project. He had also enclosed the revised approval copy and sanction letter issued by the ICICI Bank. The applicant requested to condone the delay and to grant an extension of 45 days for submission of documents for release of 1st installment.

3. IMAC noted that in its meeting held on 20.08.2014, the IMAC had noted that the proposal was appraised by ICICI Bank Limited for part funding the project by way of term loan of Rs. 700.00 lakh. However, even after a lapse of more than a year, the bank had not disbursed the term loan. The IMAC also noted that *"the promoter had changed the scope of the project and approached the Ministry to approve the same after 8 months of issue of approval letter. Even after the lapse of more than 10 months, the construction of the project has not been properly started. The promoter still requires extension of 1½ months. The delay caused in this case cannot be stated to be beyond the control of the promoter."* In view of this, the IMAC had observed that the explanation submitted by the applicant to the show cause notice was not convincing and decided to cancel the approval issued to the project. The decision of IMAC was conveyed to the applicant on 05.12.2014.

4. IMAC further observed that in response to the cancellation letter, the applicant vide letter dated 19.12.2014 represented the case mentioning that the implementation of cold chain project was impaired due to delay in processing of the various

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approvals/licenses due to Andhra-Telangana bifurcation. The promoter had further mentioned that they had strategically reviewed the long term viability of the project and had obtained the revised appraisal of the project from the bank. The sanction of term loan of Rs. 700.00 lakh by ICICI bank is subject to the condition that they shall disburse the first tranche of term loan on receipt of the confirmation from the Ministry in respect of grant-in-aid of Rs. 700.00 lakh. The applicant had requested for extension of one month time for submission of application for release of 1st installment of grant.

5. IMAC observed that in the meeting held on 12.02.2015, without revoking the cancellation of approval the IMAC decided to inform the applicant to submit request for release of 1st installment of grant within a month, failing which the project may stand cancelled. The applicant was informed about the decision of IMAC vide letter dated 03.03.2015 to submit the documents within a month and in any case by 10.04.2015. In response, the applicant submitted its request for release of 1st installment vide letter dated 08.04.2015.

6. IMAC noted that as per the one of the conditions of approval letter, the applicant was advised to submit audited balance sheet of the company for last two years. At the time of submission of EOI, the applicant had submitted a CA certificate (dated 09.07.2012 from M/s GMK & Associates) mentioning the net worth of applicant as Rs. 1050.00 lakhs represented by share capital as on 09.07.2012. During the TC meeting held on 30.11.2012, it was noted that as the net worth is represented by share capital only, the applicant may be advised to submit audited balance sheet that would reflect the net worth clearly.

7. The IMAC observed that PMA had noted that the applicant has submitted audited balance sheets (certified by M/s SBS Manian dated 31.08.2013, 01.9.2014) for FY 2012-13 and FY 2013-14 which indicates the net worth of the applicant as follows:

S. no.	Particulars (in Rs.)	2011-12	2012-13	2013-14
1	Share capital	150000	150000	150000
2	Share application money	--	25040000	25640000
3	Reserves and surplus	(22266)	44634	250397
	Net Worth (1+3)	1,27,734	1,94,634	4,00,397

8. IMAC also noted that the CA certificate, in support of net worth, submitted at the time of EOI mentioned that the net worth of the applicant is Rs. 1050.00 lakhs represented by share capital as on 09.07.2012. The same has not been reflected in the balance sheet for FY 2012-13 even after the consideration of share application money. The Ministry vide letter dated 12.06.2015, requested the applicant to clarify the following:

- Discrepancy in the net worth as mentioned in the CA certificate (dated 09.07.2012) and submitted audited balance sheets. Basis on which the networth was arrived as on 09.07.2012 by CA duly supported by documentary evidence

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along with required clarification from the CA who had certified the network for the applicant.

- Clarification regarding the discrepancy in the submitted CA certificates as approved project cost mentioned in the CA certificate was Rs. 2106.00 lakhs as against the earlier approved project cost of Rs. 2450.00 lakhs along with reduction in promoter's equity to Rs. 706.00 lakhs from Rs. 1050.00 lakhs.

9. The IMAC further observed that the applicant submitted clarifications along with additional documents vide letter dated 18.06.2015 which stated that the reduction in the share application money in the subsequent financial years is on account of time lag in the conceptualization and implementation of the cold chain infrastructure project. The applicant further stated that subsequently, shareholder funds have been infused systematically to ensure that the project does not suffer any time / cost overrun. However, the IMAC noted that the balance sheets of the subsequent years do not corroborate any such capital infusion. The paid up capital remains Rs.1.50 lakh as on 31.03.2014. Thus, it appears that the applicant has included the share application money only to meet the eligibility criterion and subsequently reduced the same.

10. IMAC noted that a CA certificate (M/s GMK Associates, dated 18.06.2015) has been submitted duly mentioning that the CA certificate (dated 09.07.2012) in support of net worth was issued based on the following information and explanation submitted to CA:

#	Particulars	Amount (Rs.)
1	Cash Balance as per Books of Account	2,27,950
2	Bank Balance as per Books of Account as on 09/07/2012	9,61,75,000
3	Investment in land vide Doc. No 939/2012 Dt-05/07/2012 <ul style="list-style-type: none">• Amount Paid to Vendor: Rs. 77,50,000• Add: Stamp Duty And Registration: Rs. 6,58,750	84,08,750
4	Preliminary and Pre-operative expenses	1,88,300
	Total	10,50,00,000

11. IMAC observed that the network is arrived after deducting all outstanding liabilities from total assets. However, the statement which is claimed to be a network statement (by M/s GMK Associates, signed by CA Mr. M.S. Prakasa Rao, Partner, Membership no: 27278) does not provide details of outstanding liabilities. Moreover, the cash balance and bank balance may not be considered as assets because they might have been raised from unsecured loan or term loan. Thus, it may not be considered as a proper network certificate.

12. The IMAC also observed that applicant has also mentioned that there is a reduction in capacity of cold room from 5000 MT to 500 MT and thus, the project cost has been reduced from Rs. 2450.00 lakh to Rs. 2106.00 lakh. However, the applicant has not mentioned any reason for change in capacity of approved cold room under the project. The change in capacity of cold room will have implications on project cost,

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eligible grant and means of finance. The applicant has not taken the prior approval from Ministry for the same.

13. The applicant was called for hearing before IMAC. IMAC noted that the promoter has not been able to substantiate the argument in support of its net worth.

14. Considering the above, the IMAC decided not to revoke the cancellation of the approval to the cold chain project of M/s Prima Food Tech Pvt. Ltd and thus, the project shall stand cancelled.

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Meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 20.08.2015.

List of Participants

- i. Smt. Harsimrat Kaur Badal, Hon'ble Minister, FPI - Chairperson
- ii. Shri Ranglal Jamuda, Secretary, FPI
- iii. Shri Sunil Kumar Singh, AS&FA, FPI
- iv. Smt. Anuradha Prasad, Joint Secretary, MoFPI – Convener
- v. Dr. Atya Nand, Deputy Secretary, MoFPI
- vi. Shri Prabhat Saxena, Chief Consultant, Department of Agriculture & Cooperation, Ministry of Agriculture.
- vii. Shri S.S. Prasad, Resident Manager, Maharashtra Agro-Industries Development Corporation Ltd. (MAIDC)
- viii. Shri Girindra Joshi, Under Secretary (Finance), MoFPI
- ix. Shri Paramjyoti Chattopadhyay, IL&FS CDI

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