

**F. No. 5-1/2014-Infra (ICC)-Vol-III**  
Govt. of India  
Ministry of Food Processing Industries  
Panchsheel Bhawan, August Kranti Marg  
New Delhi - 110049

Dated: 16.02.2016

**OFFICE MEMORANDUM**

**Subject: Meeting of the Inter Ministerial Approval Committee (IMAC) for Cold Chain, Value Addition and Preservation Infrastructure – reg.**

The undersigned is directed to forward herewith the minutes of the meeting of Inter Ministerial Approval Committee (IMAC) held on **21.01.2016** under the Chairpersonship of Hon'ble Minister (FPI) for information and necessary action please.

**Encl: As above**



**(Sanjai Bajpai)**

Under Secretary to the Govt. of India

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**To**

1. Addl. Secretary & Financial Advisor, Ministry of Food Processing Industries, Krishi Bhawan, Room No. 114-A, New Delhi, (Tel. No. 23384360), (Fax No. 23389388).
2. Joint Secretary (Smt. Anuradha Prasad), Ministry of Food Processing Industries, Panchsheel Bhawan, New Delhi
3. Joint Secretary, In-charge, Mission for Integrated Development of Horticulture (MIDH), Department of Agriculture & Cooperation, Ministry of Agriculture, Krishi Bhawan, New Delhi.
4. Dr. Harsh Kumar Bhanwala, Chairman, National Bank for Agriculture and Rural Development, C-24, G Block, BandraKurla Complex, Bandra (E), Mumbai – 400051, (Tel. No. 022-2653000, 2653001), (Fax No. – 022-26530113), (Email – [chairman@nabard.org](mailto:chairman@nabard.org))
5. Additional Chief Secretary (Agri& Marketing), Agriculture, Animal Husbandry, Dairy Development, & Fisheries Department, Government of Maharashtra, Mantralaya, Annex Building, Madam Kama Road, HutatmaRajguruChowk, Mumbai-400032 Email: [sec\\_agri@maharashtra.gov.in](mailto:sec_agri@maharashtra.gov.in)
6. The Secretary, Department of Food Processing, Govt. of Punjab, Room No. 720, 7th Floor, Punjab Civil Secretariat-II, Chandigarh, Punjab Tel: 0172-2741912, Fax No. 0172-2742836
7. Principal Secretary (Agriculture), Department of Agriculture and Cooperation, 5th Block, 1st Floor, Sachivalaya, Gandhinagar (Gujarat), Tel. No. 07923250801, 07923250802 Fax: 07923252365, Email: [secagri@gujarat.gov.in](mailto:secagri@gujarat.gov.in)



8. The Principal Secretary (Horti.), Department of Horticulture & Food Processing, Govt. of Uttarakhand, Govt. Garden, Circuit House, Dehradun, Tel: 0135-2712057
9. The Addl. Chief Secretary, Industries & Commerce Department, Govt. of Haryana, Room No. 46, 9th Floor, Haryana Civil Secretariat, Chandigarh, Tel. No. 0172-2740009, Fax: 0172: 2749985, Email: [fcindustry@hry.nic.in](mailto:fcindustry@hry.nic.in)
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11. The Principal Secretary (Horti.), Department of Horticulture & Food Processing, Govt. of Uttarakhand, Govt. Garden, Circuit House, Dehradun, Tel: 0135-2712057
12. Secretary, Dept. of Food Processing Industries & Horticulture Government of West Bengal, MayukhBhavan(4 th Floor) , Salt Lake City, Kolkata - 700 091, Tel : 91 (033) 23374244 / 23593262 FAX : 23372922, Email: [sukla.rs10@gmail.com](mailto:sukla.rs10@gmail.com), [psfpihwb@gmail.com](mailto:psfpihwb@gmail.com)

**Copy to:**

1. PS to Hon'ble Minister (FPI)
2. PSO to Secretary (FPI)
3. PA to JS (AP)
4. PA to JS (Fin)
5. Shri Ravi Ranjan Mishra, Senior Vice President, M/s IL&FS Cluster Development Initiative Ltd., 3rd Floor, NTBCL Building, Toll Plaza, DND Flyway, Noida – 201301, (U.P.)
6. Shri Kunal Sood, Partner, M/s Grant Thornton India LLP, 21<sup>st</sup> Floor, DLF Square, Jacaranda Marg, DLF Phase – II, Gurgaon – 122002



Minutes of the Meeting of Inter-Ministerial Approval Committee (IMAC) Constituted under the Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 21.01.2016

A meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme of Cold Chain, Value Addition and Preservation Infrastructure was held on 21.01.2016 at 02:00 PM under the Chairpersonship of Hon'ble Minister, FPI.

2. The list of participants is at **Annexure-I**.
3. **Agenda Item No. 1a: Action Taken Note on the Minutes of IMAC Meeting held on 09.11.2015**

Joint Secretary and Convener of IMAC welcomed the Hon'ble Minister and other members of the Committee. Initiating the discussions Joint Secretary apprised the Committee about the action taken by the Ministry on the decisions taken by the IMAC in its last meeting held on 9.11.2015.



**4. Agenda Item No. 1: Recall of grant in case of integrated cold chain project of M/s Haldiram Foods International Pvt. Ltd., Nagpur, Maharashtra**

- a. IMAC noted that the project of M/s Haldiram Foods International Pvt. Ltd. was approved on 28.08.2012, for financial assistance of Rs.10 crore for setting up of integrated cold chain project at Mauja Gumthala, PH No : 23, Tehsil : Kamptee, District: Nagpur with facilities such as:
- Cold storage (5000 MT)
  - Frozen product cold store (6500 MT/PA)
  - Refrigerated vehicles (3 nos.)
- b. IMAC was apprised that National Horticulture Board (NHB) is the PMIA in this case. The 1<sup>st</sup> and 2<sup>nd</sup> instalments of grant of Rs. 250.00 lakh and Rs. 500.00 lakh were released by NHB on 06.02.2013 & 02.07.2014 respectively.
- c. IMAC noted that the promoter had submitted the request for release of 3<sup>rd</sup> installment of grant along with requisite documents on 23.01.2015. The IMAC in its meeting held on 20.08.2015, had decided to condone the delay in submission of documents for release of 3<sup>rd</sup> installment of grant and decided to release the grant after due procedure of scrutiny of documents and joint inspection.
- d. IMAC also noted that, the request for 3<sup>rd</sup> installment of grant was scrutinized by PMA (IL&FS)/NHB (PMIA) and joint site inspection was conducted on 30.07.2015. As per the joint inspection report the project is complete and operational. As per the approval letter, a potato cold storage was approved for civil work of Rs. 377.53 lakh and P&M of Rs. 672.53 lakh. As per the CE (Civil) certificate submitted at the time of release of 3<sup>rd</sup> installment, it was observed that the total expenditure on civil work on potato cold storage as per CE (civil) certificate is Rs. 1116.04 lakh and expenditure on P&M as per CE (mech.) certificate is Rs. 344.54 lakh. It was also noted that the submitted CE (civil) certificate was not as per the prescribed format and did not provide the information regarding floor wise facilities created for the project. It was also not clear which facilities have been created at which floor. As per the joint inspection report, the factory building at 1<sup>st</sup> floor was being used for administrative purposes and storage of packing material. Based on the above, the promoter was advised to clarify the above issues.
- e. IMAC was informed that in response, the promoter stated that the substantial increase in cost of civil material due to high quality construction has resulted in higher expenditure on the civil work. The promoter also mentioned that higher expenditure was also due to inflation in cost of material and labour, development of site on black cotton soil and heavy rains during construction period. The promoter also mentioned that they have been able to procure machineries at a lower cost than the estimated cost due to negotiations and research done before ordering the machinery.
- f. IMAC noted that the promoter also intimated that the 1<sup>st</sup> floor of factory building has been earmarked for expansion of the project to be taken up very soon and the factory



building has been constructed as per approved drawing of the building. Presently, the same is being used for storage of packing material and packing of the product which is an integral part of factory operation. A small portion of the 1<sup>st</sup> floor is also temporarily being occupied for use of administrative office. However, a large area is still vacant to be used for manufacturing facility. Further, the promoter had also clarified that a project component, 'dry store', mentioned in submitted CE (civil) certificate is a 'vegetable store'. The promoter mentioned that the store is to be used for storing vegetables which are to be used for immediate consumption for further processing, such as potato, onion, cabbage etc. The email mentioned that APMC market is about 15 km and other agriculture field is about 5 km. It was also not possible to procure the vegetables daily; therefore, a stock of 2-3 days is required to be kept in dry form.

- g. IMAC also observed that as per the observation of the PMA, the latest submitted CE (civil) certificate (dated 30.09.2015) does not provide the cost of the factory building and cold storage separately even as approval letter had mentioned cost of factory building and cold storage separately and DPR had also mentioned approved constructed areas and rates separately. The CE (civil) certificate was also not in the prescribed format which should have details of category wise approved and actual project components. However, after seeking clarifications from the promoter's representative, PMA has categorized the cost of the components under factory building and cold storage separately.

#### Recalculation of Grant:

- h. IMAC took note that as per the conditions of approval letter the grant is re-calculated before release of 3<sup>rd</sup> and final installment of grant. The final eligible grant for the project was recalculated based on the norms followed by the Ministry to ascertain the final eligible grant amount based on the approved grant and actual expenditure incurred on approved components, whichever is lower. It may be mentioned that the grant of Rs. 750.00 lakh has already been released to the promoter as 1<sup>st</sup> and 2<sup>nd</sup> installments of grant based on the originally approved grant amount of Rs. 1000.00 lakh. Based on the submitted documents and revised CE (civil) certificate provided by the promoter, the total eligible grant to the promoter comes to **Rs 610.575** lakh instead of earlier sanctioned grant of **Rs 1000.00 lakh**. The details of grant re-calculation are given in the **Annexure-1**. Thus Rs. 139.425 lakh is required to be recovered from the promoter.
- i. The IMAC also noted that as per the conditions of the approval letter, a surety bond is submitted by the promoters of approved cold chain projects before release of 1<sup>st</sup> installment of grant. One of the clauses of surety bond mentions:

*"If a part of the grant-in-aid left unspent after the expiry of the period within which it is required to be spent, interest @ 10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over."*



In this case, the project has already been completed. Even though the total project expenses have increased, the reduction in eligible grant has been on the account of higher cost of civil construction and lower cost of plant and machinery than the amount approved for the project.

**Decision:**

In view of the above, IMAC approved recall of excess grant-in-aid of Rs. **139.425 lakh** from M/s Haldiram Foods International Pvt. Ltd along with an interest @ 10% per annum as per the scheme guidelines and the condition of Surety Bond furnished by the promoter along with documents of release of 1<sup>st</sup> instalment of grant. After discussing the subject in detail the IMAC further directed that the interest may be charged from the date of release of 2<sup>nd</sup> instalment of grant till the date of submission of request by the promoter for 3<sup>rd</sup> instalment of grant and thereafter from a reasonable period (15 days) after the date of issue of letter for the recall of excess grant till the date of refund by the promoter. Further, IMAC directed that the Division should put in place a system to avoid recurrence of such cases and to issue necessary instructions to promoters of on-going cold chain projects.



**5. Agenda Item No. 2: Soliciting decision of IMAC regarding recovery of the grant from M/s Amicus Healthcare Services and Solutions Ltd., West Bengal.**

- a. IMAC noted the project of M/s Amicus Healthcare Services and Solution Pvt. Ltd was approved on 25.07.2012 for setting up of integrated cold storage project at Village (Mouza), Ghanasyampur , P.O- Benipur, PS-Magrahat, District 24 Parganas (South) , West Bengal with financial assistance of Rs 593.83 lakh. The project was supposed to set up following cold chain and value addition infrastructure for fruits and vegetables: -
- i. Normal cold storage (2783 MT) with pre cooling ,
  - ii. Controlled atmosphere cold store (1857 MT) with ante room ,
  - iii. Cold room (300MT)
  - iv. IQF (15MT/day) with ante room and
  - v. Mobile pre cooling vans and reefer trucks – 2 nos.
- b. IMAC was informed that NHB is the Programme Management Implementing Agency (PMIA) in this case. The, 1<sup>st</sup> and 2<sup>nd</sup> installments of grant amounting to Rs 445.36 lakh (75% of the total grant of Rs 593.83 lakh ) were released on 04.01.2013 and 06.05.2013 respectively by NHB.
- c. IMAC noted that as per conditions of the approval letter, the project was supposed to be completed in 18 months i.e., on or before 24.01.2014. Subsequently, on request of the promoter, an extension was given to the project by Ministry till 24.07.2014. Despite repeated request of the NHB and the Ministry, the promoter did not submit the documents for release of 3<sup>rd</sup> and final installment grant. The lending bank of the project i.e., United Bank of India (UBI) had also informed the Ministry, that the promoter has expressed their inability to complete the project and would operate only multipurpose cold store. Subsequently the promoter was called for a review to seek an explanation for the delay and the status of implementation. However, the promoter did not attend the meeting. In view of this, the Ministry decided to conduct a joint physical verification by a team comprising of the representatives of MoFPI, NHB (PMIA for the project) and PMA [M/s IL&FS]. The joint inspection was held on 08.10.2015, to ascertain the status of implementation of the project. The representative of lending bank i.e., United Bank of India (UBI), and the promoters of the company were also present at the site.
- d. IMAC noted the following observations of the joint inspection team with regard to physical progress of the integrated cold chain project:-**
- The promoter has not set up CA Store, IQF facility and also has not purchased any reefer vans/mobile pre cooling vans.
  - Only cold storage facilities have been created. The Cold Storage building has been divided into three floors which can be reached through stairs from outside. The floors of the cold storage building are made up of wooden planks with gaps in between, so that standing on top floor one can have a look at the ground floor. Air cooling units were found installed in the first and second floor of the Cold Storage structure. The building housing Cold Storage facilities was found to be in semi finished condition. Approximately half of the building did not have any lighting arrangements. Therefore, the joint inspection team could not inspect each and every chamber of the building.



Some unused building material like steel poles, thermocole sheets, empty jute bags etc. were seen to be lying in the passage(ante rooms) leading to the various chambers. It appeared that some portions of the building housing cold storage were not being used at all.

- The cold storage facility was not functional at the time of visit and no commodity was found stored during inspection. The promoter has stated that the cold storage facility was used on rental basis for storing apple during last season ending July'15.
- Appraised project cost is Rs 1627.84 lakh. Total expenditure stated to have been incurred on the project implementation so far is Rs 1350.27 lakh [Term loan- Rs 470 lakh, Grant Component – Rs 445.36 lakh and the Promoter's Contribution of Rs 434.91 lakh]. However, the physical progress at the site does not appear to be commensurate with the expenditure incurred.

**IMAC was also intimated about the following outcomes of the meeting of the Joint Inspection Team with the Officers of the Lending Bank (United Bank of India):**

- The lending bank of the project is United Bank of India, Baruipur, Chowdhury Bazar Branch, 24 Parganas (South). After the conduct of physical verification of the project, the joint inspection team called on Shri Mukti Ranjan Ray, Deputy General Manager and Chief Regional Manager, 24 Parganas (South) Region. He informed that vide letter dated 01.10.2015, Head office of United Bank of India, Kolkata has conveyed to NHB Kolkata office that the account of M/S Amicus Health Care Services and Solutions Pvt. Ltd has turned NPA on 31.12.2014. Notice under Section 13(2) of SARFAESI Act 2002 was issued to the company on 12.05.2015. The bank has taken symbolic possession of the property on 25.07.2015. The bank has already received the permission of District Magistrate, 24 Parganas (South) for taking physical possession of the property of the company. The company has not submitted financial statements or business profile since Oct 2014.
  - Sri Ray further informed that the total outstanding liabilities against the company as on date (08.10.15) are Rs 473.77 lakh [Term loan – Rs. 421.98 lakh, Working Capital – Rs. 12.28 lakh, Notional interest on term loan – Rs. 37.81 lakh, and Notional Interest on Working Capital – Rs. 1.70 lakh].
  - At present the status of NPA is "**Substandard**". After 30.12.2015, the NPA would be declared "**Bad**". There is no collateral against the loan and the loan was taken against the project. Since the account has turned NPA, therefore, the property would be put on sale to recover the outstanding dues. Shri Ray also informed that in case the party deposits Rs 127 lakh on or before 25<sup>th</sup> October, 2015, the loan can be revived and regularized.
- e. IMAC also noted that the Ministry had issued a showcase notice to the promoter dated 27.10.2015, asking for reasons as to why the approval to the project should not be cancelled and the grant released to the promoter should not be recovered along with interest. The promoter had responded to the same citing reasons that due to cash crunch problems, the promoter could not infuse further capital for completing the project. The promoter has also stated that they are bringing in a new investor, who would also



make an equity contribution in the project and had also approached the State Government for equity participation through WB MSME venture capital fund. Promoter had also mentioned that with the infusion of new capital, it would be able to complete the project within 6 months. The promoter has not submitted any documentary proof of any commitment of new equity contribution from any investor. It has not submitted any satisfactory reason for the delay and also has not been able to submit any concrete plan for completion of the project. In view of this, the response of the promoter to the show cause notice may not be considered satisfactory.

- f. Ministry vide letter dated 27.10.2015 had requested NHB, PMIA to offer their comments in the matter to enable to take further necessary action. NHB vide letter dated 16.12.2015 has submitted their response stating that "since, M/s Amicus Healthcare Services and Solutions Pvt. Ltd., has not implemented the project as per terms & conditions of the approval of MoFPI and also defaulted as term loan account has also become NPA. It is a policy matter to be decided by MoFPI only in accordance with their guidelines and policy of the scheme for such defaulted cases and NHB as PMIA in this case has no comments to offer".
- g. The IMAC took note of the fact that as per the conditions of the approval letter, a surety bond is submitted by the promoters of approved cold chain projects before release of 1<sup>st</sup> installment of grant. One of the clauses of surety bond mentions "*That the obligers shall abide by any other conditions to comply specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the obligers individually and jointly will be liable to refund to the President of India, the entire amount of the grant –in-aid with an interest of 10% per annum thereon*".
- h. The IMAC observed that in this case, the project has not yet been completed even beyond 18 months and the reasons cited by the promoter are not satisfactory. Further the loan to the project has been declared NPA on 31.12.2014, by the lending bank and also a notice under the Section 13(2) of the SARFAESI Act 2002 was issued to the company on 31.12.2014.

**Decision:**

After considering all the facts and circumstances of the case, IMAC directed that grant-in-aid of **Rs 445.36 lakh** may be recalled from M/s Amicus Healthcare Services and Solution Pvt. Ltd along with an *interest @ 10% per annum as per the scheme guidelines and the condition of the surety bond. After deliberation, the IMAC further decided that as the promoter has not applied for 3<sup>rd</sup> instalment till date and has violated the conditions of the grant-in-aid, the interest may be charged from the date of release of grant till the date of refund of grant amount.*

The IMAC also discussed regarding the process of recovery of the grant amount since the project is now NPA. It was suggested that the first charge on recovery of outstanding dues vests with the Government of India(MoFPI) having the sovereign powers. After



detailed deliberation it was decided that the Cold Chain Division should immediately write a letter to the lending bank (United Bank of India) and the Registrar of the Court regarding the recovery of the grant from the promoter along with interest as per the conditions of the surety bond. IMAC also directed that the ministry may seek the opinion of the Law Ministry in this regard.

A handwritten signature in blue ink, appearing to read "S. K. Singh", is centered on the page. The signature is fluid and cursive, with a large initial 'S' and a long horizontal stroke at the end.

6. **Agenda item No. 3: Integrated Cold Chain project of M/s Bajpai Refrigeration & Bakers Co, Udham Singh Nagar, Uttarakhand - Reduction in Grant –reg.**

- a. IMAC noted that the proposal of M/s Bajpai Refrigeration & Bakers Co., Udham Singh Nagar, Uttarakhand was approved for grant of **Rs 966.526 lakh** on 20.09.2013 for setting up integrated cold chain project having following facilities at IDEB Industrial Estate, Phase-1, Plot no. 37,38, 39,40 Mahuwakhera Ganj, Aliganj Road, Kashipur, District Udham Singh Nagar (Uttarakhand):-
- IQF line: 2 MT/hr
  - Preparatory line: 2 MT/hr
  - Frozen store: 2000 MT
  - Multi-chambered multi product cold store: 4x 250 MT
  - Refrigerated transport: 2 no. x 7 MT
  - Pre-cooler: 1 no.
- b. It was noted that the grant was recalculated before release of 3<sup>rd</sup> installment at Rs. 870.15 lakh against the approved grant of Rs. 966.526 lakh which is less by an amount of Rs. 96.376 lakh. The promoter has been released truncated third and final installment of grant in concurrence with IFD The promoter vide letter dated 30.11.2015 had represented against reduction in grant after release of 3<sup>rd</sup> installment. The representation was forwarded to PMA for scrutiny. The PMA vide letter dated 31.12.2015 has forwarded their comments. PMA has commented that based on the report of joint inspection, the final eligible grant was determined at Rs. 870.15 lakh against approved grant of Rs. 966.52 lakh. The IMAC observed that the reduction in grant was mainly due to reduction in eligible project cost from Rs. 1288.71 lakh to Rs. 1160.21 lakh, due to reduction of the cost against some eligible TCW components like PEB, civil work and foundation for central facility and against some eligible P&M components like DG set, Electrical fitting, IQF Freezer, Preparatory Line and Weighbridge.
- c. IMAC was intimated that as per the approval letter, total eligible cost for the PEB for central facility and for Civil work and Foundation for central facility was Rs. 196.30 lakh and Rs. 66.93 lakh respectively. While calculating the final eligible grant amount, PMA had compared the approved area for civil work i.e., 5400 sqm. as per submitted CE (civil) certificate dated 14.12.2013, with the actual constructed area of 3528.24 sqm. Thus, the eligible cost was calculated on pro-rata basis. Similarly for PEB, the final cost has been calculated on pro rata basis considering actual constructed area of 3528.24 sq. metres against the approved area of 5400 sqm. Thus, there was a reduction of Rs. 91.24 lakh (Rs. 263.23 lakh –Rs. 171.99 lakh) in respect of Technical Civil Works (TCW) i.e, Civil work & Foundation for central facility and PEB.
- d. IMAC further observed that, approval was accorded for only one DG Set (500 KVA) and the actual basic cost of Rs. 26,90,000/- (without taxes) has been considered for arriving at the grant eligibility against three DG set found at site during physical verification. It was also noticed that there was some minor mismatch between the actual cost as certified by CE (Mech) and Billed amount pertaining to items like Electrical fitting, IQF Freezer, Preparatory Line and Weighbridge. In these cases basic cost as per the invoices have been considered while arriving at final grant. Therefore, in order to arrive at the final eligible cost, PMA had considered the lower of the actual cost and the approved cost as per the practice followed by the Ministry in all such cases and final eligible grant was determined at Rs. 870.15 lakh.



- e. IMAC also noted that while calculating the final grant, the Ministry considers only the lower of the approved and actual expenditure component wise, even though final expenditure on the project may be more than the approved expenditure (The details of the calculation of eligible project cost and grant is given at **Annexure-2**).
- f. The IMAC took note of revised eligible grant from Rs. 966.526 lakh to Rs. 870.15 and noted the release of Rs. 1,45,26,750/- as 3<sup>rd</sup> and final installment of the grant on 16.10.2015 to M/s Bajpai Refrigeration & Bakers Co.



7. Agenda item No. 4: M/s Cheema Frozen Foods - Reduction in approved grant-in-aid –reg.

- a. IMAC noted that the project of M/s Cheema Frozen Foods, Udham Singh Nagar , Uttarakhand was approved for financial assistance of Rs.10 crore on 20.9.2013 for setting up integrated cold chain project for frozen fruits & vegetables with following facilities :
- IQF (2MT/hr) along with grading, sorting, pre-preparation line for F&V
  - Frozen Cold Storage (3000 MT)
  - Grading, Sorting Facility (7 MT/hr)
  - Reefer Vans (2 no. x 18 MT)
  - Weigh Bridge (150 MT)
  - Farm Level Infrastructure comprising of Grading, Sorting Facility (7 MT/hr) and Cold Store (1000 MT) at Village Shivalpur Dallu, Tehsil Kashipur, Dist. Udham Singh Nagar (Uttarakhand)
  - Collection Centers (2 Nos.) at Village Sandkhra, Tehsil: Kashipur & Village Bhainsia, Gurcharan Farm, Tehsil Bazpur (Dist. Udham Singh Nagar) with facilities such as Shed & platform for aggregation, Weighing machine (150 kg) and Reefer Vans (2 no. x 6.5 MT) at each location.
- b. 1<sup>st</sup> and 2<sup>nd</sup> installments of grant of Rs 250.00 lakh and Rs. 500.00 lakh have been released to the project on 08.05.2014 and 01.09.2014 respectively. The promoter had also been released 3<sup>rd</sup> & final installment of grant-in-aid of Rs. 1,19,17,275/- with the concurrence of IFD on 14.12.2015. While concurring in the proposal, IFD had mentioned that "SMD may apprise IMAC of the reduced amount of grant in the next meeting of IMAC as decided in the AC meeting held on 10.01.2012".
- c. IMAC took note of the fact that as per the condition of approval letter, before release of 3<sup>rd</sup> & final installment of grant-in-aid, eligible grant-in-aid for the project is re-calculated based on the cost given in the DPR/appraised by the bank /actual cost incurred, whichever is less, of the items/components approved by Ministry for the project. Based on the documents submitted, physical verification by Joint Inspection Team and information provided by the promoter, the eligible grant for the project has been re-calculated as Rs. 869.17275 lakh, which is less than the approved grant of Rs 1000.00 lakh. The reduction in eligible grant is mainly on account of not setting up of farm level infrastructure facility at Village Shivalpur dallu Tehsil Kashipur, Dist. Udham Singh Nagar (Uttarakhand) and purchase of only three reefer vehicles instead of 4 nos. approved. (The detailed grant calculation sheet is attached as Annexure-3)
- d. IMAC took note of revised eligible grant from Rs. 1000 lakh to Rs. 869.17275 and noted, release of Rs. 1,19,17,275/- as 3<sup>rd</sup> and final installment of the grant on 14.12.2015 to M/s Cheema Frozen Foods.



**8. Agenda Item No. S1: Recall of grant in case of cold chain project of M/s Alchemist Foods Limited, Ropar, Punjab.**

- a. IMAC noted that the approval of project was granted to **M/s Alchemist Foods Limited** vide approval letter dated 27.02.2012 for a grant of Rs 406.405 lakh for setting up of integrated cold chain project having main facility at Ropar (Punjab), 3 reefer vans, 90 DELI outlets and 10 DINER outlets in different locations such as Delhi, Gurgaon, Faridabad, Chandigarh, Panchkula, Mohali etc. having following facility:-

S. No.	Components	Capacity/ Specification	No.
<b>1</b>	<b>DINER</b>		
	Deep Freezer	CHF-220 (0.2 KV)	10
	Walk in Room	LGZ 028 LET 065	10
	Combo Room	RUAH0612KP	20
	Refrigerator with Sink and Overhead Shelf		10
	Refrigerator with Overhead Shelf		20
	Teppnayaki Cold Counter		10
	Refrigerator Display	Imported Sight-125	20
	Refrigerator Display	Imported Sight-187	10
	Vacuum Packing Machine	Imported RE-V-300 A	10
<b>2</b>	<b>DELI</b>		
	Deep Freezer	Model CHF-425	90
	Deep Freezer	Model CHF-220	90
	Refrigerator Display	Imported NEPAL 2000A	90
	Vacuum Packing Machine	Imported RE-V-300 A	90
<b>3</b>	<b>FURTHER PROCESSING</b>		
	Cold Room	2 Chambers (180 MT+140 MT)	1
	Blast Freezer	4MT/Batch	1
		1.5MT/Batch	1
	Refrigerated Van	2 MT	1
	Refrigerated Van	8 MT	1
	Refrigerated Van	12.5 MT	1
	Semi Automatic Cup Sealar	Imported	
	Coding Machine on Pouches	Imported	
	Meat Chopper	Imported	
	Cutter with Blade	Imported	
	Plate for Garlic Peeling	Imported	
	Packing Lines	Imported	
	Smoke Chamber	Imported	

- b. IMAC also noted that the grant amount originally sought by M/s Alchemist Limited was Rs. 1000 lakh. M/s Alchemist Limited subsequently requested the Ministry to consider facilities mentioned under "restaurant equipments" for Deli and Diner outlets and all the

facilities under "further processing" as eligible component for grant under the scheme. In response to the request, the Ministry invited M/s Alchemist Limited for the meeting to make a presentation clearly indicating various components involved in the project along with their cost. The representatives of M/s Alchemist Limited explained the project and requested the Ministry to consider facilities mentioned under "restaurant equipments" for Deli and Diner outlets and all the facilities under "further processing" as eligible component for grant under the scheme. The representatives of M/s Alchemist Ltd. also explained the proposed cold chain process, the associated components and their functions in the cold chain and value addition along with estimated costs.

- c. IMAC was intimated that the project proposes to set up a primary processing, packaging, preservation and value addition centre for chicken at district Ropar in Punjab. The processed and value added chicken products are then transported by refrigerated trucks/vans to outlets named DELI (90 No.s) and DINER (10 Nos.) in several locations, which will have facilities such as deep freezers and refrigerators. These outlets have two wheelers with refrigerated boxes for home delivery to the customers. Representatives of M/s Alchemist Ltd. also clarified that the 400 vertical freezers for 400 outlets as mentioned in the DPR is not included in the project and the estimated project cost does not include the cost of these vertical freezers.
- d. IMAC was informed that based on the submission/explanation and the subsequent discussion, it was decided that the Ministry, with assistance from PMA, will re-calculate the eligible grant amount. However, cold chain related components and the costs as mentioned in the original proposal will only be considered. Any component which is not mentioned in the original proposal will not be considered for grant. Based on the decision, the grant was recalculated at Rs. 406.405 lakh.
- e. IMAC noted that as per the original proposal, the proposed civil work of the outlets (DELIs and DINERS) included components such as flooring, tiling, cladding, panelling, glazing, furniture, air conditioning, etc. as technical civil work. PMA was of the opinion that the civil work for the outlets may not be considered as technical civil work as these outlets are restaurants and take away type facilities with cold chain facilities (deep freezers/refrigerators) being a small component. Therefore, although the P&M for these cold chain facilities may be considered eligible for grant but the civil work may not be considered.
- f. IMAC was also informed that, considering the new and special nature of facilities proposed by the project, the Ministry decided that the Technical Committee (TC) and Approval Committee (AC) would decide whether the civil work for the outlets should be considered as technical civil work and hence eligible for grant in aid. In this regard, during the re-calculation of eligible grant, both the options (i.e. eligible grant with and without civil work) was calculated and presented to TC and AC for decision making. The recalculated grant amount was considered in the TC & AC meetings held on 12.09.2011 and 16.09.2011 respectively. The AC recommended a grant of Rs 406.405 lakh. It may be noted that the 1<sup>st</sup> and 2<sup>nd</sup> installments of grant of Rs. 101.60 lakh and Rs. 203.20 lakh were released to the project on 25.09.2012 and 01.01.2014 respectively.
- g. IMAC was intimated that based on the request for release of 3<sup>rd</sup> installment of grant along with requisite documents submitted by promoter, the joint inspection was conducted by the officials of Ministry, APEDA and IL&FS Clusters (PMA) on 11-12 April, 2015.
- h. IMAC noted that as per the observations of joint inspection team and the documents submitted by the promoter, there have been major changes in the scope of the project. The promoter vide letter dated 22.04.2015 requested the Ministry for ex-post facto approval for change in the project components. The letter mentioned that two DINERS were set up as part of the project. However, owing to the commercial non-viability after running them for three years, both the DINERS had to be closed and the promoter



decided to do away with the remaining DINERs as well. The PMA has considered the cost of two DINERs eligible for grant calculation. However, since these DINERs are permanently closed, therefore, the cost of two DINERs may not be considered eligible for grant-in-aid. The promoter further mentioned that in lieu of DINERs, 20 additional DELIs were opened. As per the promoter, except for a couple of equipments, the remaining equipments are common to both DINERs and DELIs and 295 freezers have been placed with general trade retailers. PMA vide email dated 27.05.2015 requested the promoter to submit the revised CE (mech.) certificate providing the cost wise break up of expenditure made on P&M, RC details of reefer vans, renewed copy of Consent to Operate from Pollution Control Board, location wise details of the components, amount spent on the components and the list of DELIs, where the common components from DINERs have been installed.

- i. IMAC was informed that in response, the promoter vide letter dated 02.07.2015 mentioned that the items such as walk-in-room, combo room were removed and dismantled from DINERs and shifted to main plant at Banmajra for their possible reuse, partially or fully. The other items removed from DINERs are at company's warehouse at Nebsarai, Delhi and none of the equipments have been shifted from DINERs to any of the 120 DELIs and might be installed in new DELIs or general trade retailer shops in future as the expansion would be a continuous process. This indicates that the additional 30 DELIs have been set up by the promoter instead of 20 DELIs as mentioned in the previous letter dated 22.04.2015.
- j. IMAC was informed that PMA has again advised the promoter to submit revised CE (mech.) certificate duly providing the cost wise break up of expenditure in form of basic cost and taxes, freight, installations etc. as per the components mentioned in the approval letter. Subsequently, the promoter submitted the revised CE (mech.) certificate dated 30.06.2015. It was noted that the promoter consolidated the expenditure for both approved components and the components for which ex-post facto approval has been sought. Thus, it was not possible to recalculate the grant for the components approved for the project. The promoter was again asked through email dated 25.08.2015 by PMA to submit the following:
  - Location wise details of the components installed in DELIs along with the cost wise breakup of the expenditure (in form of basic cost, taxes, freight, installation, insurance etc.) separately for approved 90 DELIs (for which the lease agreements have been submitted to Ministry) and separately for additional 30 DELIs set up by the promoter.
  - Clarification since when these reefer vans have been operational along with documentary evidence, if any. The promoter was also requested to provide the detailed cost breakup for the reefer vans.
- k. The IMAC was informed that the promoter has submitted additional documents dated 28.10.2015. The promoter submitted the list of 90 approved DELIs and additional 30 DELIs separately along with the component wise quantities installed and expenditure incurred on each location. It may be noted that the promoter had submitted lease agreements for setting up of DELIs for 61 locations at the time of 2<sup>nd</sup> installment of grant. Subsequently, the promoter submitted lease agreements for 34 locations. Thus, total 95 lease agreements were submitted for DELIs (as against the 90 outlets). On scrutinizing the CE (mech.) certificate dated 20.10.2015, it has been noted that the lease agreements for 23 locations out of 90 DELIs mentioned in the CE (mech.) certificate have not been submitted. It was also observed that there are four locations mentioned in the list of additional 30 DELIs for which the lease agreements have already been



submitted. Thus, for the purpose of grant recalculation, a total of 71 DELIs (67+4) have been considered **(Details as per Annexure –II)**

- i. AC also noted that the project was approved for three reefer vans (2 MT, 8 MT and 12.5 MT). As per the joint inspection report, the promoter has purchased four reefer vans (3 no. x 8 MT, 1 no. x 2 MT). Thus, the total capacity of purchased reefer vans is 26 MT (as against the approved capacity of 22.5 MT). However, as per the RC details submitted by the promoter, three reefer vans were registered in year 2009 and one reefer van in 2012. With regard to the operational status of reefer vans, the promoter mentioned that three reefer vans of 8 MT each were purchased after receipt of 1<sup>st</sup> installment of term loan from Punjab National Bank. The letter further mentioned that the reefer vehicles acquired were run on trials so as to get acquainted with the hygiene and temperature requirements for raw poultry meat and for poultry meat products. As has been done in other cases such as M/s Aalishan International Pvt. Ltd., M/s Zoram Fish Seeds Production Centre, the IMAC has approved such changes in the number and capacity of reefer vans. In this case also, IMAC decided to approve the same.
- m. It was noted that at the time of joint site inspection, no vacuum packing machine was installed at any of the DELIs while the same were verified during site visits conducted at the time of 2<sup>nd</sup> instalment of grant. The promoter vide letter dated 04.09.2015 mentioned that one vacuum packing machine was put in place in Chandigarh DELI and remaining 14 machines in DELIs of NCR region. However, as the products thereafter were being supplied vacuum packed to DELIs from the main plant itself, the machines were removed from those DELIs except the one at Chandigarh. The machines have been kept in company's warehouse in Delhi. The other reason mentioned in the letter is paucity of the space in outlets. The promoter also mentioned that, if need be, Ministry can physically verify the same. Accordingly, the IMAC decided that the cost of only one vacuum packing machine may be considered eligible for grant calculation.

**Recalculation of Grant**

- n. The final eligible grant for the project has been recalculated based on the norms followed by the Ministry based on the approved grant and actual expenditure incurred on approved components, whichever is lower.
- o. IMAC noted that based on the approved grant amount of Rs. 406.405 lakh, 1<sup>st</sup> and 2<sup>nd</sup> instalments of total Rs. 3,04,80,375/- have already been released to the promoter. As per the submitted documents and revised CE (mech.) certificate and the joint inspection report, PMA has recalculated the eligible grant for the approved components for the project at Rs 223.57 lakh. **However, the IMAC further noted that the Division is of the view that the cost of following components may not be considered eligible for grant-in-aid:**

S. No.	Name of Component	Cost considered eligible by PMA (Rs. in lakh)	Reason of ineligibility
1	2 DINERs	22.78	The DINERs have been permanently closed
2	Vertical refrigerator display	98.32	The item was not originally approved under the project.
3	Vacuum packing machine (14 nos.) approved for DELI	5.6	The machines have not been installed in DELI outlets.



Based on the above, the IMAC noted that the Division recalculated the total eligible grant to be Rs. 170.935 lakh instead of earlier sanctioned grant of Rs 406.405 lakh. (The details of revised grant re-calculation is given at Annexure-I)

- p. During the course of discussions in IMAC, the PMA mentioned that the “vertical refrigerated display units” may be considered same as “refrigerated display units” for the purpose of grant calculation and the type whether vertical or not is not relevant. However, it may be mentioned that the Ministry had approved 90 Nos. of Refrigerated display with specification as “Imported NEPAL 2000A”. Against this item the promoter has purchased 50 nos. of Refrigerated display of same specification i.e., Imported NEPAL 2000A and the same has been considered eligible for grant calculation by PMA and division also. In addition the promoter has also purchased 155 nos. of vertical refrigerator display of various models viz. Imported KBC 330L, EFG 370, ELAN PRO, NF 210 DL, EF 309, etc. which were not originally approved by Ministry. In the grant calculation sheet the PMA has also mentioned approved number and cost of Vertical refrigerated display as ZERO. However, while re-calculating eligible cost of project the actual cost of 155 Vertical Refrigerated display amounting to Rs. 98.32 lakh has been taken into consideration as eligible cost which is not in line with the policy followed in other cases. Hence, the division while carrying out due diligence regarding recalculation of grant has taken the view that vertical refrigerated display was not approved under the project and these are the subsequent additions in the project by the promoter. IMAC after deliberation directed that the eligible cost and the grant amount may be reviewed and recalculated on file.

#### **Surety Bond Provisions:**

- q. IMAC further noted that as per the conditions of the approval letter, a surety bond is submitted by the promoters of approved cold chain projects before release of 1<sup>st</sup> installment of grant. One of the clauses of surety bond mentions:

*“ If a part of the grant-in-aid left unspent after the expiry of the period within which it is required to be spent, interest @ 10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over.”*

- r. In view of the above, IMAC decided that after recalculating the grant , M/s Alchemist Foods Limited may be directed to refund the excess amount of grant to the Ministry along with an *interest @ 10% per annum as per the scheme guidelines and the clauses of Surety Bond. After deliberation, the IMAC further decided that the interest may be charged from the date of release of 2<sup>nd</sup> instalment of grant till the date of submission of request by the promoter for 3<sup>rd</sup> instalment of grant and thereafter from a reasonable period (15 days) after the date of issue of the letter for recall of the grant till the date of refund of the amount.*



Annexure-I: Details of Grant Recalculation

Component wise Details of Grant Recalculation								
S. No	Components	Approved Units	Approved Cost (Rs. lakh)	Per Unit Approved Cost (Rs.)=X	Actual Numbers Installed=Y	Actual Cost (in Rs. lakh)=A	Actual Cost Based on Per Unit Approved Cost (Rs. lakh) B=X *Y	Final Eligible Cost (Rs. Lakh)= Minimum of A and B
<b>I.</b>	<b>DINER (10 no.)*</b>							
1	Deep Freezer (CHF-220)	10	1.50	0.15	2	0.30	0.30	0
2	Walk-in-room	30	112.50	3.75	2	10.19	7.50	0
3	Combo room							
4	Refrigerator with sink and overhead shelf	10	6.80	0.68	2	1.24	1.36	0
5	Refrigerator with overhead shelf	20	27.00	1.35	2	2.41	2.70	0
6	Teppnayaki cold counter	10	28.10	2.81	2	5.00	5.62	0
7	Refrigerator display (Imported sight-125)	20	52.00	2.60	4	2.03	10.40	0
8	Refrigerator display (Imported sight-187)	10	33.00	3.30	2	3.63	6.60	0
9	Vacuum packing machine	10	4.00	0.40	3	0.67	1.20	0
	<i>Total</i>		264.90					0
<b>II.</b>	<b>DELI (90 no.)**</b>							
1	Deep freezer (CHF-425)	90	17.10	0.19	57	7.15	10.83	7.15
2	Deep freezer (CHF-220)	90	12.60	0.14	77	16.09	10.64	10.64
3	Refrigerator display (Imported Nepal 2000A) for 90 numbers	90	283.50	3.15	50	134.59	154.35	134.59
4	Vacuum packing	90	36.00	0.40	15	6.00	6.00	0.40



	machine \$							
5	Vertical refrigerator display^	0	0.00		155	98.32		0
6	Sealing machine^	0	0.00		68	1.35		0
	<i>Total</i>		349.20					<b>152.78</b>
<b>III.</b>	<b>Further processing</b>							
1	Cold room & blast freezer		50.00			165.52		50.00
2	Refrigerated van (2 MT)	3	8.00	19.33	4	68.39	77.32	51.29***
3	Refrigerated van (8 MT)		20.00					
4	Refrigerated van (12.5 MT)		30.00					
5	Semi automatic cup sealer		0.75			8.35		0.75
6	Coding machine on pouches		3.22			2.19		2.19
7	Meat chopper		11.87			25.24		11.87
8	Cutter with blade		3.09			1.21		1.21
9	Plate for garlic processing		0.28			1.84		0.28
10	Packing lines		40.00			96.07		40.00
11	Smoke chamber		31.50			38.44		31.50
	<i>Total</i>							<b>189.09</b>
<b>IV.</b>	<b>General Trade Retailers</b>							
	Deep freezer (Glass top)		0.00		152	46.47		0.00
	Vertical refrigerator display		0.00		92	33.52		0.00
	<i>Total</i>							0.00
	<b>Total eligible cost</b>		<b>812.81</b>					<b>341.87</b>
	<b>Grant @50% of total eligible cost</b>		<b>406.405</b>					<b>170.935</b>

\*: As per Joint inspection report none of the DINER outlets is currently in operation as informed by the promoter's representative. These have been closed permanently due to non-viability. Therefore, the same has not been considered for eligible grant-in-aid.

\*\* : Actual numbers installed for DELIs have been considered for 71 locations for which the lease agreements were submitted to the Ministry. The numbers of components installed in DELIs (given in the CE certificate) were verified with the report of joint site visit.

\*\*\* : Per unit consolidated cost of reefer vans is Rs. 19.33 lakh as per the approved cost of Rs. 58.00 lakh for three no. of reefer vans. The actual basic expenditure per reefer van is Rs. 17.09 lakh. Thus, the lower per unit cost has been considered for calculation. (i.e. Rs. 17.09 lakh x 3 no.)

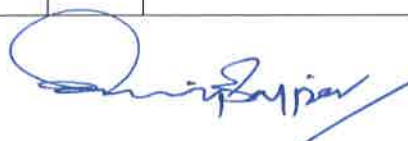
^ : As mentioned above, vertical refrigerated display and sealing machines have not been considered eligible for the project as they were not approved under the project.

\$ One vacuum packing machine installed at DELI outlet located at Chandigarh, thus cost of only one machine has been considered eligible.



**Annexure-II: List of DELI outlets for which the Expenditures Have Been Submitted and the Lease Agreements Have Been Submitted to Ministry**

S.no.	Locations	S. no.	Locations	S. no.	Locations
1	Masjid Moth, Delhi	26	Sec 15, Faridabad	51	Sec 20 D, Chandigarh
2	Alaknanda, Delhi	27	Sec 25, Noida	52	Jangpura, Delhi
3	West Punjabi Bagh, Delhi	28	Indirapuram, Ghaziabad	53	Rajindernagar
4	Rani Bagh, Delhi	29	Sec 62, Noida	54	Nariana, Delhi
5	Malviya Nagar, Delhi	30	Vaishali, Sec -3	55	Rajouri Garden, Delhi
6	CR Park, Delhi	31	Southern Avenue Kolkata	56	Dilshad Garden, Delhi
7	Shakti Nagar, Delhi	32	Lake Town, Kolkata	57	Palam Vihar, Gurgaon
8	Bali Nagar, Delhi	33	Salt Lake Kolkata	58	DLF City, Gurgaon
9	Mayur Vihar, Delhi	34	Santoshpur Avenue, Kolkata	59	Rajnagar, Ghaziabad
10	East Patel Nagar, Delhi	35	Broad Street, Kolkata	60	Sanjauli, Shimla
11	MC Market, Delhi	36	Sec 8B, Chandigarh	61	Panchkula Sec 15
12	Saket, Delhi	37	Phase V, Mohali	62	Gandhi Nagar, J&K
13	Sec. 7 Dwarka, Delhi	38	Sector 7, Panchkula	63	Maniktala, Kolkata
14	Vasant Kunj, Delhi	39	Sec 35B, Chandigarh	64	Court Road, Amritsar
15	Pitampura, Delhi	40	Sec 20, Panchkula	65	Ekram Car Bazar Bhatinda
16	Paschim Vihar, Delhi	41	Sec 15, Chandigarh	66	Mall Road, Hoshiarpur
17	Model Town, Delhi	42	Dugri Road, Ludhiana	67	Model Town, Jalandhar
18	Janakpuri, Delhi	43	choti baradari jalandhar	68	Hargovind Nagar, Phagwara, Punjab
19	IP extension, Delhi	44	Shop no. 1 Hoshiarpur	69	Shop No. 523, Model Town, Ludhiana
20	Mayur Vihar-2, Delhi	45	Ranjit Avenue, Amritsar	70	Sec. 21, Faridabad
21	Vikasपुरi, Delhi	46	Sarabha Nagar, Ludhiana	71	Block C-Zirakpur
22	25, Nehru Place,	47	Bansal Niwas,		

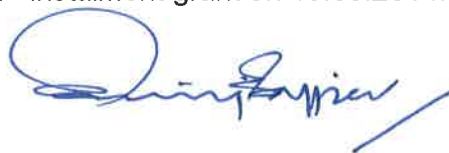


	Delhi		Kapurthala		
23	Super Mart 1, Gurgaon	48	Sandhu Cottage, Nawasahar		
24	Sec 37, Faridabad	49	Phase 10 Mohali		
25	Sec.14, Gurgaon	50	Sec 44 D Chandigarh		



9. Agenda Item No. S2 : M/s Satec Envir Engineering (I) Pvt. Ltd – extension of time for implementation of cold chain project.

- a. IMAC noted that the proposal of M/s Satec Envir Engineering (I) Pvt. Ltd was approved on 23.08.2013 for setting-up of Integrated Cold Chain Project at Gat no. 133, Tal Dindori, District Nashik (Maharashtra). Approval letter to the project was issued on 20.09.2013 for grant-in-aid of Rs 740.795 lakh for setting up the following facilities:-
- Multi chamber cold storage (6000 MT)
  - Reefer truck (3 no.)
  - IQF (1 MT/hr)
  - Ripening chambers (4 no. x 10 MT each)
  - Pre-cooling chambers (3 no. x 6 MT each)
  - Sorting, grading, weighing facilities at Collection centres (10 locations).
- b. IMAC was informed that the promoter was required to submit the documents for release of 1<sup>st</sup> installment within 9 months from the date of issue of approval letter i.e., on or before 19.06.2014. The documents for release of 1<sup>st</sup> installment were submitted on 17.06.2014. During the course of examination of documents, it was observed that most of the expenditure was in the form of advance. Accordingly, the promoter was issued a show cause notice on 28.08.2014 to explain the position. In response, the promoter vide letter dated 02.09.2014 inter alia explained that since the bulk order was given to the supplier for supply of necessary material required for civil work viz. sand, steel, dubber etc. and they have delivered the minimum required quantity at the site but have not yet submitted the bills/invoices. Therefore, though the expenditure of Rs. 244.35 lakh is incurred towards the civil construction at the site, due to non-issuance of the bill, the payment made to the suppliers is shown as advance. The promoter further explained that, in addition, as of now (02.09.2014) the machinery material viz. Puf panels etc is already arrived at the site against which a payment of Rs. 50 lakh and Rs. 32 lakh is given and shown as advance.
- c. IMAC noted that after satisfying various queries of PMA and rectifying the deficiencies in documentation, the site verification was carried out by the PMA on 08.04.2015. During the course of physical verification, it was observed that civil work for multi-chamber cold storage has been completed up to the plinth level and steel structure has been erected. The installation of puff panel was also under progress. The recommendation for release of 1<sup>st</sup> installment of grant by PMA was submitted to the Ministry on 23.06.2015. Accordingly, the case was processed for release of 1<sup>st</sup> installment to the project in June 2015. Subsequently, clarification was sought from the promoter in pursuance of observation of IF Wing. The IMAC was informed that the promoter was requested to furnish the details of expenditure on the project duly certified by CA along with latest site photographs. As per CA certificate dated 08.12.2015, an expenditure of Rs. 1286.82 lakh has been incurred against the total bank appraised cost of Rs. 2262.22 lakh. This expenditure comprise of Rs. 481.82 lakh from promoter's equity of Rs. 571.42 lakh and Rs. 805 lakh out of term loan of Rs. 950 lakh.
- IMAC took note of the fact that the proposal was again referred to IFD on 29.12.2015 for concurrence for release of 1<sup>st</sup> instalment of grant. IFD had returned the proposal to SMD with the remarks that funds are not available under concerned object head.
- d. IMAC was intimated that the project is being setup in General area. Thus total implementation period for the project is 24 months which has expired on 29.09.2015. The promoter vide letter dated 08.1.2016, had mentioned that they have submitted the documents for release of 1<sup>st</sup> instalment grant on 19.06.2014. The major delay in submission



of the documents was due to delay in permission from the relevant authorities for project erection and power connection for the project. The promoter has further intimated that they have already utilised 100% of the promoter's contribution towards the project but have not yet received their 1<sup>st</sup> instalment grant, which has delayed the process of application for 2<sup>nd</sup> and 3<sup>rd</sup> instalment. The IMAC observed that the promoter has further ensured that they are quite serious in implementation of the project and the Bank has also considered the project to be viable and has released the term loan of Rs 805.00 lakh to the project. The promoter has also tied up with many local farmers for procurement of raw material for the project. IMAC was informed that the promoter has now requested an extension of **nine months** for completion of the project i.e., till **19<sup>th</sup> June 2016** and also release of 1<sup>st</sup> instalment grant sanctioned to the project.

- e. IMAC noted that the last site visit conducted by PMA was in April, 2015 during the scrutiny for release of 1<sup>st</sup> instalment of grant. IMAC directed the PMA to conduct another site visit to assess the physical progress of the project.

**Decision:**

After considering all facts and circumstances of the case, IMAC directed that PMA should carry out site inspection of the project to ascertain the status of implementation of the project at ground level. IMAC further directed that the promoter should give an implementation schedule with monthly milestones for completion of the project. After that the case may be placed before IMAC for consideration.



10. Agenda item No. S3: M/s Panchmahal District Co-Operative Milk Producers' Union Ltd. – extension of time for implementation of project till 30<sup>th</sup> June, 2016

- a. IMAC noted that the proposal of M/s Panchmahal District Co-Operative Milk Producers' Union Ltd. was approved by AC in the meeting held on 27.09.2013 to set up integrated cold chain facilities for milk and milk products at Village Dhanol, Taluka Godhra, District Panchmahal (Gujarat) for grant of Rs. 1000.00 lakh. The approval letter was issued to the promoter vide letter dated 04.10.2013 for grant-in-aid of Rs 1000.00 lakh for setting up of integrated cold chain project at Village Dhanol, Taluka Godhra, District Panchmahal (Gujarat) for facilities such as:
- Integrated Milk Processing Plant: 4 lakh litres per day (LLPD) along with specialized cold storage (4 LLPD) and deep freezer (300 MT)
  - Chilling centre
  - Insulated Milk Tankers (3 No.s X 10 KL)
- b. IMAC was informed that the 1<sup>st</sup> instalment of grant (Rs. 250.00 lakh) was released to the promoter vide letter dated 11.08.2015. It may be noted that initially, the term loan was not proposed for the project. The Ministry vide letter dated 09.10.2013 advised the promoter to avail term loan for at least 10% of the project cost as per the conditions of approval letter. The promoter submitted letter from National Dairy Development Board (NDDB) dated 22.01.2012 for loan amount of Rs. 3975.08 lakh (more than approved project cost of Rs. 2880.01 lakh) for expansion of M/s Panchmahal Dairy from four lakh litre per day (LLPD) to eight LLPD. The Ministry vide letter dated 12.02.2014 had advised the promoter to clarify whether NDDB is registered financial institution with RBI and as to why term loan is more than the approved project cost.
- c. The IMAC was informed that the promoter vide letter dated 06.03.2014 mentioned that the after submitting the proposal to Ministry, it had applied to NDDB for various other developments including cold chain project. Thus, term loan of Rs. 3975.08 lakh was sanctioned by NDDB and out of this, Rs. 397.51 lakh was utilized for cold chain project. A letter from NDDB dated 16.04.2014 was submitted by promoter certifying that out of total sanctioned term loan of Rs. 3975.08 lakh, Rs. 553.10 lakh was sanctioned for installation of a two way/three way pneumatically operated valve and fittings of cold chain project. The promoter submitted a CA certificate (CA Bhupendra R. Shah, dated 10.03.2014) certifying that Rs. 397.51 lakh has been utilized towards purchase of approved components. However, it was noted that the term loan sanctioned by NDDB was for expansion of Panchmrat Dairy and not for the instant case.
- d. IMAC was intimated that the Ministry vide its letter dated 13.10.2014 asked the promoter to clarify the same. The promoter in a letter dated 15.12.2014 to Hon'ble Minister (FPI) expressed the inability to set separate term loan for sanctioned project and requested to consider the term loan availed from NDDB for sanctioned project. The Ministry in letter dated 09.01.2015 requested the promoter to submit term loan sanction letter for at least 10% of project cost from bank/ FI specifically for the project sanctioned by Ministry as per the conditions of approval letter.
- e. IMAC also noted that the promoter vide letter dated 17.03.2015 has submitted a term loan sanction letter from IndusInd Bank for a term loan of Rs. 400.00 lakh (for reimbursement for capital expenditure). Thus, the approved term loan of Rs. 400.00 lakh is about 13.88% of total project cost of Rs. 2880.01 lakh. In response to Ministry's letter dated 28.04.2015,



IndusInd Bank vide letter dated 12.05.2015 confirmed the sanction of fresh term loan to the promoter for purpose of integrated cold chain project to be set up by the promoter. Thereafter, 1<sup>st</sup> installment of grant (Rs. 250.00 lakh) was released to the promoter vide sanction letter dated 11.08.2015. The promoter has also applied for release of 2<sup>nd</sup> installment of grant vide letter dated 16.09.2015 which is under scrutiny by PMA.

- f. IMAC was informed that the promoter vide letter dated 07.01.2016, had intimated that the project is complete and the commercial production of the project has already started. The promoter had not availed the term loan from NDDDB since the Ministry has not considered the term loan of NDDDB. So the promoter had availed the loan from Bank which had further delayed the release of 1<sup>st</sup> installment grant. Earlier, the promoter had submitted the documents for the release of 1<sup>st</sup> installment of grant on 07.01.2014 but due to term loan issue, release of 1<sup>st</sup> installment was delayed. Now almost 24 months have completed on 03.10.2015, from the date of issue of approved letter i.e., 04.10.2013, and the project is also almost complete. The promoter has further intimated that the 3<sup>rd</sup> installment of grant would be submitted within 20 days of the release of 2<sup>nd</sup> installment grant.
- g. Regarding the extension of timeline for implementation of project, IMAC noted that *the IMAC in its meeting held on 20.08.2015 had already decided that the promoters should complete the projects and submit the requests for release of 3<sup>rd</sup> 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.*

*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.*

- h. IMAC also observed that it seems that the reasons for delay are beyond the control of promoter. IMAC also noted that the Ministry has earlier also 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. on case to case basis. In this case, the project is completed and the, 1<sup>st</sup> instalments of grant have already been released to the promoter, 2<sup>nd</sup> installment release is under process which will be released in April, 2016 after allocation of BE 2016-17.

**Decision:**

In view of the above, IMAC approved the extension of time period of the cold chain project of M/s Panchmahal Dairy till 30.06.2016.



**11. Agenda Item No. S4:-M/s Swaraj India Industries Ltd, Maharashtra – Extension of time for completion of implementation of cold chain project.**

- a. IMAC observed that the proposal of M/s Swaraj India Industries Ltd was approved on 27.09.2013 to set up integrated cold chain facilities for milk storage and processing. Approval letter to the project was issued on 20.11.2013 for non-recurring grant-in-aid of Rs.1000 lakh for setting up of following cold chain facilities:-

Main location: - [Village -Nimbhore, Tahsil-Phalton, Dist. Satara, Maharashtra]	Chilling Centers: 3 Nos. [Penur, Shivane & Kurdu in Dist. Solapur]	Bulk Milk Chillers: 11 No.s [5 in Ahmad Nagar, 3 in Pune, 2 in Solapur and 1 in Sangli]
a. Milk Processing Plant along with 450 MT of cold storage and 50 deep freezers b. Refrigerated vehicles (4 No.s x 10 MT) c. Insulated Tankers (6 No.s)	Chilling Capacity of 50000 LPD of each chilling center.	a. 2000 Litres x5 no. b. 3000 Litres x5 no. c. 15000 Litres x1 No.

- b. IMAC also noted that the Promoter vide letter dated 10.06.2014 had submitted request for release of the 1<sup>st</sup> instalment. First installment of grant of Rs. 250.00 lakh was released to the project on 26.06.2015.
- c. IMAC was intimated that the promoter had submitted claim for 2<sup>nd</sup> installment vide letter dated 23.07.2015. After series of clarifications sought by the PMA to rectify the deficiency and response thereon, the PMA has submitted the final recommendation for release of 2<sup>nd</sup> installment to Ministry vide letter 18.12.2015. However, the case for release of second installment could not be processed by the division due to non-availability of funds.
- d. IMAC also noted that the promoter vide letter dated 18.12.2015, had submitted request for extension of time for implementation of project without mentioning the date up to which extension is sought. However, it has been mentioned in the said letter that the project is complete as per the proposal submitted to Ministry & promoter is awaiting release of the second installment of grant. IMAC further noted that subsequently, vide letter dated 18.01.2016, the promoter has sought extension of time upto 30.04.2016.
- e. IMAC also observed that regarding the extension of timeline for implementation of project, IMAC 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 IMAC 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 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."*
- f. IMAC also observed that the time of 24 months to complete the project was up to 19.11.2015 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 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.



- g. IMAC noted that in the instant case, 24 months timeline for completion of the project has expired on 19.11.2015. The project had started trial runs in April, 2015 and has commenced commercial production in Nov, 2015. The 1<sup>st</sup> instalment of grant had already been released to the project. The case for release of second installment is pending in the Ministry due to non availability of funds. 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 view of above, IMAC may consider the request of promoter for extension of timeline till 30.04.2016.

**Decision:**

In view of the above, IMAC approved the extension of time period for completion of the cold chain project of M/s Swaraj Industries Ltd. till 30.04.2016.

A handwritten signature in blue ink, appearing to be 'Swaraj Industries Ltd.', with a diagonal line extending from the bottom right of the signature.

**12. Agenda item No. S5:- M/s VaishVik Foods Pvt. Ltd, Maharashtra – Extension of time for completion of implementation of cold chain project.**

- a. IMAC was informed that the proposal of M/s VaishVik Foods Pvt. Ltd was approved by Approval Committee (AC) in the meeting held on 27.09.2013 for setting-up of Integrated Cold Chain Project. Approval letter to the project was issued on 04.10.2013 for grant-in-aid of **Rs.793.30 lakh** and which was further revised to **Rs.985.01 lakh** vide revised approval letter dated 14.11.2014. The project has proposed to set up following integrated cold chain facilities for processing, preservation and value addition of fruits and vegetables:-

<p><b>Main location:-</b> [Taluka – Khandala, Distt. Satara, Maharashtra]</p>	<p><b>Collection Centers: 5 Nos.at:-</b> Lonand (Tal. Faltan), Panchgani (Tal. Mahabaleshwar), Medha (Tal. Medha) in district Satara, Aaragh, Tal. Miraj, Distt. Sangli and Junnar, Tal. Junnar</p>
<p>i. IQF (2.5 MT/Hr) ii. Cold Store with 0 to +9 degree C (1500 MT) iii. Frozen Store: MA/ Cold Store with -25 degree C temp. (5000 MT) iv. Sorting/Batching/Packing line / Washing (2.8 MT/Hr) v. Ante Chamber of 1800 Sq. Ft. vi. Laser Color Sortex (2 Nos. x 1.5 MT/Hr)</p>	<ul style="list-style-type: none"> <li>• Refer van – 4 MT (5 Nos, 1 at each Collection centre)</li> <li>• Pre-cooling chambers– 4 MT (5 Nos., 1 at each Collection centre)</li> </ul>

- b. IMAC noted that the 1<sup>st</sup> instalment of Rs 2,46,25,250/- and 2<sup>nd</sup> instalment of Rs 4,92,50,500 of grant was released to the project on 29.06.2015 and 27.10.2015 respectively.
- c. IMAC noted that the promoter vide letter dated 05.01.2016, had mentioned that the project is in advanced stage of implementation and the main facility is nearing completion. At the main facility, 2 chambers of cold store are under implementation and would be completed by the end of March 2016. All other facilities have been completed and are operational. Moreover, all the approved 5 collection centres, are also under implementation and would be completed by end of May, 2016. The promoter has already spent 100% of promoter's contribution, 100% of the term loan and also majority part of the 2<sup>nd</sup> instalment of grant. The expenditure incurred by the promoter on the project as on 05.01.2016 is Rs.3272.68 lakh against the approved cost of Rs.2652.64 lakh. The promoter has now intimated that they would be submitting the request for 3<sup>rd</sup> and final instalment of grant by 30.06.2016 (18 months from the date of revised approval letter).
- d. IMAC observed that the promoter has now cited that the reasons of the delay is due to discrepancies in the earlier approval letter dated 04.10.2013, due to which the release of the 1<sup>st</sup> instalment of grant was delayed. Further, the Ministry had issued a revised approval letter dated 14.11.2014, i.e after one year of approval to the project. Accordingly, the date of approval of the project may be considered as 14.11.2014 instead of 04.10.2013.
- e. IMAC further observed that the promoter has intimated that the 1<sup>st</sup> instalment of grant was released to the project on 29.06.2015 i.e after 18 months from the date of submission of



request for release of 1<sup>st</sup> instalment grant. This has delayed the further implementation of the project and the delay is beyond the control of promoter.

- f. IMAC noted that regarding the extension of timeline for implementation of project, the IMAC 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 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."*
- g. IMAC noted that in instant case the time of 24 months to complete the project was up to 03.10.2015, 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 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.
- h. IMAC noted that in this instant case, it seems that the reasons for delay are beyond the control of promoter. 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 this case, the main facility of project is near completion and 1<sup>st</sup> and 2<sup>nd</sup> installments of grant have already been released to the promoter.

**Decision:**

In view of the above, IMAC approved the extension of time period for completion of the cold chain project of M/s VaishVik Foods Pvt. Ltd, till 30.06.2016.



**13. Agenda Item No. S6: Revision of project component, lending bank, project cost (total and eligible) and means of finance of M/s Aveena Milk Products, Haridwar, Uttarakhand.**

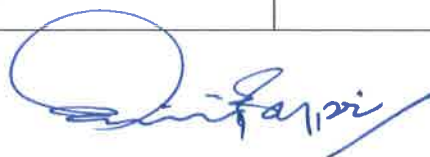
- a. IMAC was informed regarding request of the promoter for revision of project component, lending bank, project cost (total and eligible) and means of finance of M/s Aveena Milk Products, Haridwar, Uttarakhand.
- b. The IMAC was appraised that the Promoter vide letter dated 28.07.2015 and 09.10.2015 has intimated regarding increase in the Project Cost on account of additional civil work and plant & machinery due to increase in capacity of certain components. The promoter has stated that "there is no change in the scope of the project and the project is still for processing of Milk as Pasteurized Poly Pack Milk, Cream, Butter, Ghee, Paneer, Dahi & Lassi". The promoter has intimated that some of the approved components are removed and requested for inclusion of some components which were not considered as eligible.
- c. The earlier approved and revised means of finance are as follows:-

S. No.	Particulars	Appraised by Ministry (Rs. Lakh)	Appraised by Corporation Bank for Sanctioned Cold Chain Project (Rs. Lakh)
1	Promoters Contribution	472.00	155.90
2	Bank Term Loan	400.00	500.00
3	Unsecured Loans	-	542.37
4	Grant from MOFPI	1,000.00	1,000.00
	<b>TOTAL</b>	<b>1,872.0</b>	<b>2,198.27</b>

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

- (i) Change in lending Bank from Oriental Bank of Commerce to **Corporation Bank**;  
(ii) Deletion of components as detailed below:

S.No	Component wise plant and machinery	Amount (Rs.)
1	Electronic milk weigher with milk bowl	350,000
2	SS dump tank	86,000
3	Duplex inline filter	55,000
4	Can id washing tough	30,000
5	Can scrubber	150,000
6	Can steaming block	44,000
7	Can dip saver	25,000
8	Can tipping bar	20,000
9	Instrumentation and control panel	200,000
10	SS pipes, manual valves and all necessary fittings	250,000
11	Ghee transfer pump	55,000
12	Ghee transfer pump	55,000
13	Curd Milk Transfer Pump	55,000
14	Other Assets	500,000



S.No	Component wise plant and machinery	Amount (Rs.)
	Total (Rs. Lakh)	18.75 lakh

(iii) Addition of component as detailed below:

S. No.	Name of Components	Capacity	Cost (Rs. Lakh)
A	<b>Milk Reconstitution &amp; Polypack section</b>		
1	Overhead Tank	5 KL	8.00
2	Soft water heating for reconstitution of Milk	5 KLPH	2.36
3	Milk reconstitution system	5 KLPH	9.95
4	Milk transfer Pump	5 KLPH	0.55
B	<b>Curd &amp; Lassi Section</b>	500 L	95.20
C	<b>Paneer Section</b>	0-100 L/H	47.70
D	<b>Utility Section</b>	500 LPH	52.70
<b>TOTAL</b>			<b>216.46</b>

(iv) Revised project cost from Rs. 1872 lakh to Rs. 2198.27 lakh with following breakup:

S. No.	Particulars	Earlier Approved (Rs. Lakh)	Revised Approved (Rs. Lakh)
1	Land	77.00	331.00
2	Land- 14 Collection Centres	2.80	2.80
3	Building Processing Unit	261.80	300.20
4	Plant & Machinery	1,374.52	1,476.48
5	Other Assets	5.00	5.00
6	Preliminary and Pre-Operative	65.00	25.00
7	Contingencies	25.00	5.00
8	Margin money for Working Capital	61.08	52.79
	<b>TOTAL</b>	<b>1,872.20</b>	<b>2,198.27</b>

(v) Eligible project cost from Rs. 1346.62 lakh to Rs. 1544.33 and eligible grant from Rs. 1009.97 lakh (restricted to Rs. 1000 lakh) to Rs. 1158.25 lakh (restricted to Rs. 1000 lakh).

(vi) The request of the promoter to swap the promoter's contribution with the unsecured loan was not approved and the Promoters Contribution of Rs. 472 lakh as earlier approved will remain unchanged.



**14. Agenda Item No.S7: Revision of project component, project cost (total and eligible) and means of finance of M/s Boxco Logistics India Pvt. Ltd., Distt. Sonapat, Haryana**

- a. IMAC was informed regarding request of the promoter for deletion of minimal processing center as one of the project component and reduction in no. and capacities of reefer transport in respect of M/s Boxco Logistics India Pvt. Ltd., Distt. Sonapat, Haryana.
- b. The proposal of M/s Boxco Logistics Pvt. Ltd. was approved on 24.03.2015 for setting up integrated cold chain project in Sonapat, Haryana. The approval letter to the project was issued on 22.05.2015 for financial assistance of Rs. 10 crore for setting up following facilities:-

**Distribution Hub:**

- Multi Commodity Cold Storage : 3320 MT
- Deep Freezer : 4980 MT

**Minimal Processing Centre:**

- Multi Commodity Cold Storage : 500 MT

**Reefer Vans** : 10 nos. (of varying capacities ranging from 1.25 MT to 13.5 MT)

- c. The total project cost of the project is Rs. 3306.76 lakh as reconsidered and approved by the IMAC in its meeting held on 02.07.2015. Subsequently, the promoter vide letter dated 06.07.2015 had 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 expenditure of approx. Rs. 337.58 lakh proposed to be incurred on setting up MPC and purchase of 5 reefer vans is now no more required. The Promoter had 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.
- d. The matter was placed before the IMAC held on 09.11.2015. After considering all facts of the case, the IMAC directed 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 were approved. The IMAC also instructed the PMA to confirm the total capacity proposed to be created by the Promoter.
- e. **Site Visit by the PMA:** The Inspection of the site was carried out by PMA on 03.12.2015. It was observed that the location of the proposed MPC is approximately 2 KMs away from the Distribution Hub. Therefore, due to such close proximity of the Distribution Hub and MPC, even if the infrastructure proposed at MPC is set up at Distribution Hub there would be no adverse impact on the project with respect to Farm to Fork objective or proximity to the consumption centre.

During the site visit PMA was informed by the representatives of M/s Boxco Logistics, that the capacity of Cold Storage to be constructed would be approximately 8800 MT on a total plot size of 2 Acres. The revised combined capacity comprises of Multi Commodity Cold Storage of 3820 MT (3320 MT + 500 MT) and Deep Freezer of 4980 MT. This is also



supported by the revised bank appraisal note dated 21.12.2012 of Indusind Bank submitted by the Promoter.

- f. **Project Cost & Means of Finance:** The proportion of promoter's equity and term loan has now been increased from Rs. 768.71 lakh and Rs. 1538.05 lakh respectively to Rs. 792.28 lakh and Rs. 1550 lakh respectively. The revised means of finance are as follows:

S No.	Source of Finance	Approved by the Ministry (Rs. Lakh)	Revised Bank Appraisal (Rs. Lakh)
1.	Promoter's Contribution	768.71	792.28
2.	Term Loan	1538.05	1550.00
3.	Sanctioned Grant-in-aid	1000.00	1000.00
	<b>Total</b>	<b>3306.76</b>	<b>3342.28</b>

The details of revised project cost are as follows:-

S No.	Particulars	Approved by the Ministry (Rs. Lakh)	Revised Bank Appraisal (Rs. Lakh)
1.	Land	-	-
2.	Civil Works	86.95	54.02
3.	Technical Building	1024.08	909.22
4.	Plant & Machinery	1834.63	1770.45
5.	Misc. Fixed Assets	150.20	97.45
6.	Working Capital Margin	40.40	40.00
7.	Pre-operative Expenses including contingencies, IDC	170.50	471.14
	<b>Total</b>	<b>3306.76</b>	<b>3342.28</b>

- g. **Reefer Capacity:** The Promoter vide letter dated 08.12.2015 & 30.12.2015 has sought confirmation from the Ministry regarding the investment and capacity of the reefer transport for the Integrated Cold Chain Project of M/s Boxco Logistics India Pvt. Ltd. Table-1& 2 below provides the details of the Reefer Transportation Approved by the Ministry and Table-3 provides the details of the new proposed reefer transportation at the Distribution Hub:

TABLE – 1							
Detailed cost break-up of refrigerated Vehicle for <u>Distribution Hub</u>							
Model	Capacity (kg)	Vehicle cost	Insulation	Ref. Plant	Total/ vehicle	Nos	Total Cost (Lakh)
Eicher 11.10 CBC	8,016	1,212,805	507,388	790,050	2,510,243	1	25.10
Tata LPT 2518/48	13,450	1,808,720	600,000	850,000	3,258,720	4	130.35
<b>Total</b>	<b>21,466</b>					<b>5</b>	<b>155.45</b>

TABLE – 2

Detailed cost break-up of refrigerated Vehicle at MPC

Model	Capacity (kg)	Vehicle cost	Insulation	Ref. Plant	Total/ vehicle	Nos	Total Cost (Lakh)
Small Pick Up	1,250	604,771	208,159	309,150	1,122,080	1	11.22
Eicher 10.50	2,550	630,000	383,794	309,150	1,322,944	1	13.23
Eicher 10.59xpl	4,250	829,694	383,794	309,150	1,522,638	1	15.23
Eicher 10.94 H	6,346	1,049,248	455,348	790,050	2,294,646	1	22.95
Eicher 11.10 CBC	8,016	1,212,805	507,388	790,050	2,510,243	1	25.10
<b>Total</b>	<b>22,412</b>					<b>5</b>	<b>87.73</b>
<b>Grand Total (Main Hub + Collection Centre)</b>							<b>243.18</b>

TABLE – 3

New Proposed Configuration of Reefer Vehicles at Distribution Hub

Model	To be Purchased from (Company Name)	Qty (No of Reefer Trucks)	Capacity (tonnes)	Vehicle Chassis + Generator/ unit (cost in Lakh) to be purchased before 1st installment	Reefer Box/ unit (cost in Lakh) be purchased before 3rd installment	Total Cost / Reefer Truck (cost in Lakh)	Grand Total - (For 3 Complete Reefer Trucks (cost in Lakh)
4923	Ashok Leyland	3	30 tons	30	22	52	156

As indicated in Table 1 & 2 above the total investment in Reefer Transportation at the Distribution Hub and MPC was proposed at Rs. 155.45 lakh and Rs. 87.73 lakh respectively with a reefer capacity of 21.46 MT and 22.41 MT respectively. As per table 3 the total reefer capacity proposed to be now created for the project is 30 MT (3 Reefer Vans of 10 MT each) with a total investment of Rs. 156 lakh.

The Promoter vide letter dated 08.12.2015 & 30.12.2015 has sought a confirmation from the Ministry for the revised reefer capacity at the Distribution Hub and has proposed to purchase the Vehicle Chassis and generator unit for the three reefer vehicles amounting to Rs. 30 lakh each and to purchase the Reefer Box/Unit of Rs. 22 lakhs each separately before the submitting documents for the 3<sup>rd</sup> Installment.

- h. The PMA has opined that the promoter needs to purchase all the components constituting a reefer vehicle such as chasis, generator and reefer box for the purpose of claiming grant-in-aid with reference to the reefer transport. The PMA has also suggested that the applicant may be advised to purchase reefer vans duly commissioned and any cost escalation over and above the sanctioned eligible grant amount of Rs. 124.36 lakh will be borne by the promoter.
- i. After deletion of the MPC component and 5 reefer transport as detailed in preceding paras, the revised eligible project cost & grant-in-aid are as follows:-

(Rs. Lakh)

S No.	Particulars	Sanctioned by IMAC dated 24.03.2015	Revised
<b>Eligible Technical Civil Works</b>			
1.	Distribution Hub	794.84	794.84
2.	MPC	114.86	-
<b>Eligible Plant &amp; Machinery</b>			
3.	Distribution Hub	1226.12	1226.12
4.	MPC	114.93	-
<b>Eligible Reefer Cost</b>			
5.	Distribution Hub*	124.36	124.36
6.	MPC*	70.176	-
	<b>Total Eligible Cost</b>	<b>2445.30</b>	<b>2145.32</b>
	<b>Total Eligible Grant @ 50% of the Total Eligible Cost</b>	<b>1222.65</b>	<b>1072.66</b>
	<b>Maximum Grant as per the Scheme Guidelines</b>	<b>1000.00</b>	<b>1000.00</b>

\*After excluding taxes

**Decision:**

IMAC after considering all facts and circumstances of the case directed the PMA to re evaluate the score as per evaluation criteria laid down in the scheme guidelines since, MPC is proposed to be removed by the promoter as approved project component. IMAC also directed the PMA to ascertain backward linkage for the project and as to whether deletion of MPC and change in number and capacity of refer vans would adversely impact the seamless backward integration of cold chain facilities from farm to fork. IMAC directed to place the matter in next IMAC meeting after due compliance.



15. **Agenda Item No.S8: Change in location of collection centre in respect of M/s K.F. Milkfoods Pvt. Ltd., Jalandhar, Punjab**

- a. IMAC was informed regarding request of the promoter for change in location of one of the collection centre in respect of M/s K.F. Milkfoods Pvt. Ltd. Jalandhar, Punjab.
- b. IMAC was apprised that the promoter vide letter dated 28.10.2015 had requested for change in location of one of the collection centers from Village Rashiana, District Tarantaran to Village ShekChak, District Tarantaran, The promoter had furnished a copy of the lease agreement for the new location at ShekChak. The same has also been attested by Executive Magistrate, Jalandhar (Tehsildar).
- c. The PMA has opined that change in location of one of the collection centers would not adversely impact the viability of the project.

**Decision:**

IMAC after considering all the facts of the case approved the change in location of one of the collection centers from Village Rashiana, P.O. Lalpur, Tehsil Khadoor Sahib, District Tarantaran, Punjab to **Village ShekChak, P.O. Lalpur, Near BST School Tehsil Khadoor Sahib, District Tarantaran, Punjab.**



## OTHER DECISIONS

- a. IMAC decided that wherever the promoters of integrated cold chain projects request for extension of timeline in implementing the project, they should be directed to submit implementation schedule with monthly milestones and thereafter report monthly physical and financial progress report along with site photographs to the Ministry for effective monitoring.
- b. Hon'ble Minister directed that a review meeting of newly approved cold chain projects may be organised to ascertain the status of implementation of the projects. It was also decided that the promoters be informed that extension of timeline may not be considered for submitting documents for release of installments of grant. In case of delay in submission of documents for release of instalments, Cut may be applied.
- c. Hon'ble Minister also directed that based on the learning experience, the guidelines may be revised, if required.

The meeting concluded with a vote of thanks to the Chair.

A handwritten signature in blue ink, appearing to read "Shri. S. S. Srinivas", with a diagonal line drawn through the bottom right of the signature.

Meeting of Inter-Ministerial Approval Committee (IMAC) constituted under Scheme for Cold Chain, Value Addition and Preservation Infrastructure held on 21.01.2016.

**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. Shri Ravi Ranjan Mishra, IL&FS CDI
10. Shri P. Chattopadhyay, IL&FS CDI
11. Shri S. Chaudhari, IL&FS CDI
12. Ms. Kiran Khandelwal, IL&FS CDI
13. Shri Akshay Sahrawat, Grant Thornton India LLP
14. Shri Arjun Jetley, Grant Thornton India LLP

