

By Speed Post

No.1-42/2005-PC
Government of India
Ministry of Food Processing Industries
Panchsheel Bhavan, August Kranti Marg
New Delhi-110049

Dated: the, 18th June 2007

OFFICE MEMORANDUM

Subject: Minutes of the meeting held under the chairmanship of Shri Ajit Kumar, Joint Secretary, on 14th June 2007 with designated banks under the decentralized scheme for disposal of cases pending.

The undersigned is directed to forward herewith a copy of the minutes of the meeting held under the chairmanship of Shri Ajit Kumar, Joint Secretary, on 14th June 2007 with designated banks under the decentralized scheme for disposal of cases pending in respect of these banks for information and necessary action. In particular, banks are requested to send in their suggestions with reference to (i) para 6 of the minutes - venues for holding workshops, (ii) para 9 on time taken for transfer of money to the concerned branch and (iii) para 10 - name and other contact details of the nodal officer, if not already communicated.

Sd/..
(M. Jayaraman)
Under Secretary to the Govt. of India
Tel.No.26497637

To

As per list enclosed.

Note: For other correspondences/communications under decentralized scheme, please refer to Ministry's website: www.mofpi.nic.in

Ministry of Food Processing Industries

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Record Note of the meeting held with designated banks for disposal of cases pending with these banks taken by JS(AK) on 14.6.2007

JS(AK) took a meeting with designated nodal banks for disposal of proposals under the Scheme of Technology Upgradation/Establishment/Modernisation of FPIs pending in the Ministry for MFPI grant. 10 banks participated in the discussions. The list of participants is at Annexure.

2. List of cases along with complete address of the bank branches and the companies was circulated by sectoral officers to banks during the meeting. JS(AK) suggested to the banks that they should set time limit for disposing of these cases as quickly as possible.

3. In order to facilitate the understanding of the banks about the procedure of appraising the eligible items for MFPI grant, presentations were made by Director(AK), DS(SSC) and MO(JPD). Director(AK)'s presentation was applicable to all sectors highlighting the technical civil works and plant & machinery eligible and not eligible by giving sufficient illustrations. He also illustrated about the cases of meat/fisheries. The presentation of DS(SSC) focused on F&VP sector and MO(JPD)'s presentation focused on dairy sector.

4. JS(AK) informed the banks that the appraisal of the projects pending in the Ministry has already been done by the respective banks. Further, term loan and working capital have also been given by the banks to the FPI units.

5. As regards project viability, some banks informed that in appraising the projects they take into account Break Even Point(BEP) and Debt Service Coverage Ratio (DSCR). However, they do not look into the Internal Rate of Return (IRR). JS(AK) assured that they may proceed according to their appraisal system about viability of the project. In the matter of providing 25%/33% of MFPI grant on eligible technical civil works and plant & machinery they should follow the norms evolved by the Ministry as illustrated in the presentations made by officers of MFPI.

6. Banks wanted to have such workshops at different regions to sensitize the officers at branch level also. JS(AK) informed that wherever large number of cases are pending the workshops can be held in those States to clear doubts of the officers of nodal bank branches in association with SNAs.

7. Banks raised a query regarding companies having availed of term loan/working capital but in the meanwhile fallen sick or closed, as also their eligibility for MFPI grant;

JS(AK) clarified that the units which have gone bad or bank has come to a conclusion about NPA in respect of them, such companies should not be given MFPI grant.

8. During the meeting-cum-workshop, the NIC circulated a one page format for banks to log in with a password to enter essential details of the company. These details will be periodically updated by the bank branches concerned and will be available through web system to the NIC with a secret password.

9. JS(AK) asked the banks about the speed with which the money given to the nodal branch of the bank could be transferred to the bank branch which will ultimately release MFPI grant to the applicant unit. The banks wanted some time to respond to this aspect to speed up the release of the money. They were generally of the view that it may take 5-6 days in completing the procedure for transferring the amount.

10. At the end JS(AK) asked all the banks to communicate the name of the nodal branch, its address and designation and/or name of the nodal officer for facilitating communication in future.

Meeting ended with vote of tanks to the Chair.

List of Participants at the meeting held with Banks on 14.6.2007 to discuss issues relating to disposal of pending cases.

Sl.No.	Name & Designation	
1.	Shri Ajit Kumar, JS, MFPI	In chair
2.	Shri S.K. Lohani, Director, MFPI	
3.	Shri Awadesh Kumar, Director, MFPI.	
4.	Shri S.S. Chahal, Deputy Secretary, MFPI	
5.	Shri M. Jayaraman, Under Secretary, MFPI	
6.	Dr. J.P. Dongre, Marketing Officer, MFPI	
7.	Shri T. Nayal, NIC, MFPI	

Banks/FIs:

8. Shri Ram Nath, General Manager, SIDBI
 9. Shri R.V S.R.A. Kumar, Asstt.General Manager, SIDBI
 10. Shri Subhash C. Ahuja, DGM, Bank of Baroda
 11. Shri Raj Kumar, AGM, Canara Bank
 12. Shri B.K. Ram, Manager, Canara Bank
 13. Shri Robert H. Toithang, Marketing Manager, Canara Bank
 14. Shri V. Srinivasan, Dy.General Manager, SBI Corp.Cell, Mumbai
 15. Shri V.K. Sharma, AGM(DBD), SBI, New Delhi.
 16. Shri Suresh Vaish, Chief Manager, SBI Corp.Cell, Mumbai
 17. Shri M.V. Rao, AGM, Andhra Bank, New Delhi
 18. Dr.Madhukar Jadav, DGM, State Bank of Bikaner & Jaipur, Jaipur
 19. Shri R.K. Sharma, CM, UCO Bank
 20. Shri R.S. Verma, Chief Manager, Punjab National Bank
 21. Shri G.C. Tewari, General Manager, Bank of India
 22. Shri Kamal Arora, Sr.Manager, Bank of Baroda
 23. Shri Puneet Mathur, Relationship Manager, HDFC Bank, New Delhi.
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