

Development of Food Parks in Madhya Pradesh

<u>Minutes of the Pre-Application Meeting and Responses to Queries from interested Private Entities</u>		
<u>April 27, 2010</u>	<u>1500 hours</u>	<u>Office of Madhya Pradesh State Agro Industries Development Corporation (MPSAIDC)</u>
<u>Chairman (MPSAIDC)</u>	M. Ashok Shah, IAS Managing Director (MPSAIDC)	
<u>Attendees (MPSAIDC)</u>	Mr. Dinesh Puranik Mr. Rakesh Mehra	
<u>Attendees (E&Y)</u>	Ms. Maneet Arora	
<u>Private entities present during the meeting</u>	<ol style="list-style-type: none"> 1. Vasundhara Infrastructure Development India Pvt Ltd - Soram Prabhakar 2. Ramky Infrastructure Ltd Hyderabad - R.P. Saxena 3. Narmada Valley - R.K. Verma, Rajeev Baheti 4. Nikhil Sugars Ltd - Bharat Kabra 5. Harji Engg Works - Hemanent 6. Jaypee Group - Sanjay Thakur 7. Unity Infra Pro - Avinash Singh 	
<u>Objective</u>	<ul style="list-style-type: none"> ▪ To provide clarifications to the private entities on provisions of the RFQ document 	
<p>Private entities sought clarifications on certain provisions of the RFQ document. The following section lists the queries of the private entities and corresponding responses of MPSAIDC.</p>		

QUERIES – REQUEST FOR QUALIFICATION (RFQ)

Sl.No.	Query	Response
1.	<ul style="list-style-type: none"> Clarification required on the cost of land for the three project sites and whether or not any reserve price has been fixed by MPSAIDC. Applicant is of the view that as per MP Food Processing Policy concession in the order of 25% of the prevalent premium has been announced. MPSAIDC to confirm applicability. 	<ul style="list-style-type: none"> Details regarding payments, reserve price etc shall be spelt out in the Request for Proposal (RFP) document to be issued in the next stage of bidding. Concession on land will be applicable to entrepreneur, wishing to set up Food Processing Industry in Food Park as per the prevailing guidelines.
2.	Whether or not any assistance on VAT and CST shall be provided with the regard to the Project	All exemptions and incentives covered under the MP Food Processing Policy shall be applicable to the entrepreneur wishes to set up food processing industry in Food Park.
3.	Whether or not any exemption in stamp duty and registration fees shall be provided for the Project.	Stamp Duty & Registration Charges have to be paid by the developer at prevalent rate.
4.	Applicant requests clarification on the nature of subsidy proposed for the Project with the relevant terms and conditions for disbursement of any such subsidy	Specific terms related to support by MPSAIDC for the subject project and other related disbursement terms (if any) shall be mentioned in the RFP document to be issued in the next stage of bidding.
5.	Applicant requests clarification on other incentives that would be offered by the state govt. (With a special reference to power and water)	Developer has to apply for the desired incentives to Apex Committee. On merit & keeping in view the resources of the state & requirement of the project, the said committee will decide the incentives.

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6.	Applicant requests clarification on suitability of project sites from logistics and supply chain point of view	Presence of 'Transport Nagar' in the vicinity of project site at Bhopal and a warehouse in the north of project site Further project site at Bhopal is at a distance of approximately 25 kms from the Bhopal airport. Ratlam makes them suitable from logistics and supply chain point of view. Applicants may also note that the site at Harda has close proximity to Narmada River near
7.	Whether the land for the proposed parks is in possession of State Govt./MPSAIDC or is a private property?	The Project sites are under the ownership of Department of Horticulture and Forestry, Government of Madhya Pradesh
8.	Whether any additional assistance in addition to land acquisition will be provided by State Govt.?	Assistance in accordance with MP Food Processing Policy shall be provided. However, any specific terms and conditions with reference to the probable structure with the potential developer shall be set out in the RFP document.
9.	Applicant states that Madhya Pradesh State Industrial Corporation (MPSIDC) in association with MOFPI has proposed 6 food parks at different places viz. Mandasaur, Nirmani, Piparia Babai, Boregaon, Malanpur and Maneri. In this regard, Applicant requests clarification on whether or not the incentives provided by MPSAIDC shall be similar to that provided by MPSIDC?	Madhya Pradesh State Industrial Corporation (MPSIDC) has set up 6 food parks under the assistance scheme of Govt of India , Ministry of Food Processing Industries during 10th plan scheme. The Ministry has provided 50 % assistance with upper ceiling of Rs. 400 lac. For food parks at Bhopal, Ratlam & Harda, developer has to apply incentive which will be approved by the department of Horticulture & Food Processing as per M.P.Food Processing Policy 2008.
10.	Whether or not any concession in terms of entry tax shall be provided (Benefits for new industries).	As per MP Food Processing Policy, applicable to entrepreneur setting food processing industry in food park.
11.	Whether or not any interest subsidy on term loans shall be provided	As per MP Food Processing Policy, applicable to entrepreneur setting food processing industry in food park.
12.	Whether or not Mandi tax exemptions for raw materials such as fruits and vegetables shall be provided for the project	As per MP Food Processing Policy, applicable to entrepreneur setting food processing industry in food park.
13.	Applicant seeks clarification on whether or not any reimbursement for expenses under technology transfer and for quality certifications shall be provided in the project	As per MP Food Processing Policy,

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14.	Applicant seeks information on the tenure of concession period for the project.	Terms of the project including project period shall be set out in the Request for Proposal document to be issued as the next stage of bidding process.
15.	Applicant seeks clarification on the components taken into consideration for the business development plan on which the estimated cost is workout Rs. 100 cr.	The key components include land cost, land development cost and miscellaneous costs and expenses. This cost is however indicative. The Applicants are required to undertake their own estimation of project cost in accordance with their respective business/development plans.
16.	Applicants have requested for site visit of Bhopal, Ratlam and Harda for qualified bidders before submission of RFP	Site visits for interested Applicants may be arranged. Applicants may co-ordinate with MPSAIDC for a common date for site visits. Point of contact in this regard shall be: Mr. Dinesh Puranik Phone No. 91 - 9302371459
17.	With reference to the RFQ document, the Applicants seek clarification on the the basis of highest bidder. Whether or not it is an annual fee/land premium which would be paid by the successful bidder annually in each financial year starting from the date of commercial operation.	Details of selection criteria and proposed methodology shall be set out in the RFP document.
18.	Applicants seek clarification on the proposed period of completion considered for the project construction activities.	Details on development milestones/timelines shall be set out in the Draft Concession Agreement to be issued to the Bidders as part of the RFP document in the next stage.
19.	Applicants request clarification on whether or not the available project site at Bhopal, Ratlam and Harda are free from all encroachments and will be handed over to the successful bidder without delay.	The Project sites at Bhopal, Ratlam and Harda are free from encroachments. The sites shall be handed over to the Successful Bidder/s in accordance with the terms of the RFP document and Concession Agreement.
20.	Applicants request clarification on whether or not there would be any registration charges payable by the successful bidder for taking over the project site	This will be clarified at RFP stage.

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21.	<p>Applicant requests clarification on whether or not there is any provision by State Government to provide interest free funds for Mobilization Advance or Machinery Advance for development of food processing units against unconditional Bank Guarantee. Applicant suggests that such advances may be recovered when the commercial activities start.</p>	<p>There is no such provision.</p>
22.	<p>Criteria for evaluation – Para 3.2.2, page no. 21 of RFQ <u>Provision in the RFQ document</u> (iii) Real estate or Infrastructure Projects shall mean projects in the nature of development of urban projects and/or development of infrastructure in the core sector</p> <ul style="list-style-type: none"> • Infrastructure projects shall include development in the core sector including highways, ports, rails, airports, etc. <p><u>Proposed modifications by Applicant</u> (iii) Real estate or Infrastructure Projects shall mean projects in the nature of development of urban projects and/or development of infrastructure in the core sector</p> <ul style="list-style-type: none"> • Infrastructure projects shall include development in the core sector including highways, ports, rails, airports, industrial plants for cement production, power generation, etc. 	<p>As procedure for setting up industrial plant such as cement production or power generation has to follow all the formalities which is required by food park therefore this would be considered in infrastructure project.</p>
23.	<p>Applicants are of the view that the Zoning Plan set out in the RFQ should not be binding on the Successful Bidder and the Successful Bidder should be permissible to develop the project in accordance with its business/development plan.</p>	<p>The methodology on Zoning plan and flexibility of using Zoning plan will be set out in the RFP.</p>