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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 14249/2025**

JCL AGRO PRIVATE LIMITED

.....Petitioner

Through: Mr. Rakesh Talukdar and Mr. Ashray
Chopra, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: None.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **15.09.2025**

CM APPL.58440/2025 (Exemption)

1. Allowed, subject to all just exceptions.
2. The application stands disposed of.

W.P.(C) 14249/2025 & CM APPL.58439/2025 (seeking stay/ad-interim injunction)

3. The present petition has been filed by the petitioner challenging order dated 09.09.2025, passed by the Deputy Agricultural Marketing Advisor (SAG), Ministry of Food Processing Industries, Government of India, whereby the approval earlier granted to the petitioner for setting up Integrated Value Chain Development Project under “Operation Greens – Long Term Interventions” was cancelled. By the same order, the respondents also directed encashment of the Performance Bank Guarantee of ₹75,00,000 furnished by the petitioner, and declared the Project cancelled with effect from 09.09.2025. The relevant portion of the order is reproduced as under –



“Sir,

I am directed to refer the captioned subject & references (a to d) mentioned above.

Your attention is invited to:

a. Clause 10 of the Scheme Guidelines dated 08.06.2022 "the projects on being selected for financial assistance by the Ministry, shall submit refundable Bank Guarantee of 5% of eligible grant in aid as Performance Security"

b. Clause 15(b) of the Scheme Guidelines dated 08.06.2022 "the deadline for submitting documents for the release of the 1st instalment of grants in aid is 8 months and time for completion and operationalization of projects will be 24 months from the date of issue of approval letter for projects in General areas".

2. Further, the firm has not uploaded the required documents for release of the 1st instalment of grants in aid within stipulated timeline of 8 months from issue of approval letter dated 09.11.2022, leading to the issuance of a show cause notice (SCN) on 12.12.2023 & 13.06.2024. In response to Ministry's SCN dated 13.06.2024, PIA vide letter dated 17.06.2024 requested for extension of time for 60 days for uploading of documents for release of 1st instalment of GIA. However, PIA failed to implement the project as per implementation schedule. Further, PMA (Grant Thornton) vide its mail dated 07.05.2025 & 27.05.2025 has requested to the PIA for submitting the status of the project along with the financial progress. However, the same has not been furnished by PIA. A final Show Cause Notice has been issued on 30.06.2025 by the Ministry. However, PIA has not submitted any response to this Ministry.

3. Since PIA/ firm has failed to execute the project as per the approval letter issued by the Ministry and BG is submitted as performance security by firm.

4. In view of above, Ministry has taken the following decision: -

- a. Cancellation of the approval letter dated 09.11.2022 issued to JCL Agro Private Limited for setting up of integrated value chain development project under Operation Greens - Long Term Interventions;*
- b. Encashment of Performance Security (Bank Guarantee) of ₹75,00,000/- (Rupees Seventy Five Lakh only) by the Ministry; and*
- c. The project is treated as cancelled w.e.f. 09.09.2025.*

5. This issue with the approval of Competent authority of the MoFPI.”

4. The background of the matter is that in the Union Budget 2018-19,



the Central Government announced the launch of a new scheme “Operation Greens” on the lines of “Operation Flood,” with an allocation of ₹500 crores. The scheme was conceptualised to promote Farmer Producer Organisations (FPOs), agri-logistics, processing facilities, and professional management. The Scheme had two components: (i) Long Term Interventions through Integrated Value Chain Development Projects, and (ii) Short Term Interventions.

5. It is submitted that under the Scheme, the respondent formed a Project Approval Committee (PAC), which called for proposals by entities for Long Term Interventions, through an Expression of Interest (EoI) dated 21.06.2022.

6. Pursuant to an Expression of Interest (EoI) dated 21.06.2022, the petitioner submitted a proposal for setting up an Integrated Value Chain Development Project in Meerut District (U.P.), for crops such as Potato, Carrot, Ash Gourd, Bottle Gourd, Pointed Gourd, Cauliflower and claimed a grant-in aid of Rs. 15,00,00,000.

7. On 09.11.2022, the Ministry of Food Processing Industries granted approval to the petitioner as the Project Implementation Authority (PIA) for establishing the project. Letter dated 09.11.2022 is reproduced as under –



Subject: Approval to project proposal of JCL Agro Private Limited for establishment of Integrated Value Chain Development Project under the Scheme for Operation Greens-Long Term Interventions of the Ministry of Food Processing Industries, Government of India.

Reference:

- a) Proposal vide registration no. ROPGS98295 received against EOI dated 21.06.2022
- b) Project Approval Committee (PAC) Meeting held on 20.10.2022

Sir/Madam,

With reference to the above, the undersigned is directed to convey the approval of the Ministry to the Project Implementing Agency (PIA), **JCL Agro Private Limited**, for establishment of Integrated Value Chain Development Project for Potato in Meerut, Uttar Pradesh under the Scheme for Operation Greens-Long Term Interventions [hereinafter referred as "the Scheme"] of the Ministry of Food Processing Industries, Government of India [hereinafter referred as "the Ministry"] with the following facilities and locations:-

Sl. No	Component	Details
1	Formation of new FPOs in the cluster and/ or training/ workshop of existing farmers/ FPOs	300 farmers (Formation of new FPO)
2	Post-Harvest processing Facilities	Address: Survey No. 780, 787, 785M, Village Kharkhoda, Tehsil Meerut, District Meerut, Uttar Pradesh, PIN 245206

[Signature]

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2.1	Facilities and Capacities	Value addition - Processing Line for Vegetables like Bitter Guard, Okra; Green Peas and other vegetables – 5 MT/hr (1 No) - IGF – 5 MT/hr (1 No) - Frozen Cold Store – 4480 MT (1 Set) - Cold Store – 5520 MT (1 set) - Spiral Freezer – 250 Kg/hr (1 No) - French Fries Line – 1 MT/hr (1 No) Integrated Packhouse - Washing sorting grading line – 3 MT/hr (1No) - Pre-cooler – 6 MT/batch 9 (2 No) - Staging Cold Room – 30 MT (1 No) - Ripening Chambers – 20 MT (4 Nos) - Processing line – 2 MT/hr (1 No) - Aseptic Retort Packaging – 765 Pouches per batch
3	Agri-Logistics	Reefer Trucks – 8 MT x 1 No Reefer Vans – 6 MT x 2 No
4	Marketing Infrastructure	Address: Noida and Ghaziabad
4.1	Facilities and Capacities	Deep Freezer – 30 MT (2 Nos)

2. The above approval is accorded to the project with a total project cost of ₹4798.96 lakh, eligible project cost of ₹4409.40 lakh and grants-in-aid (GIA) of ₹1500.00 lakh (Detailed Grant Calculation Sheet is **Annexed**).

3. Out of approved total project cost of ₹4798.96 lakh, the head-wise approved cost is as under:-

Sl. No.	Component	Total Project Cost (₹ in lakh)	Eligible Project Cost (₹ in lakh)
1	Capacity Building of FPOs a. Cost of formation of new FPOs b. Training of existing farmers/ FPOs c. Other (pl specify)	32.50	32.50
2	Post-harvest processing facilities a. Civil Works -Technical civil works -Other civil works b. Plant & Machinery	1186.98 14.00 3432.42	795.30 0.00 3490.93

[Signature]

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3	Agri Logistics	71.59	50.67
4	Marketing Infrastructure	17.70	30.00
5	Pre-operative Expenses	26.08	0.00
6	Others	0.00	0.00
Total		4781.27*	4409.40

* As per CA Certificate

4. The Means of Finance is as under:

Sl. No.	Particulars	As per DPR/ Bank Appraisal (₹ in lakh)	Approved by Ministry (₹ in lakh)	% Share
1	Equity	1298.96	1298.96	27.07
2	Term Loan	1500.00	1500.00	31.25
3	Grants-in-aid *	1500.00	1500.00	31.25
4	Unsecured Loan	500.00	500.00	10.42
Total		4798.96	4798.96	100.00

* Any difference between the amount of 'GIA sought' and 'approved GIA' will be borne by PIA through additional equity/ unsecured loan / bridge loan.

5. This approval is subject to the following:

- Verification of detailed "Appraisal Note" from the Bank.
- Verification of in-principle/ final "Term Loan Sanction" from the Bank.
- Furnishing of "Acceptance Letter" and "Notarized Affidavit" as per Annexure-VIII and Annexure-IX respectively of the Scheme Guidelines.

Note: In verification as above, if it is found that above documents submitted are not proper and legal, the approval granted will automatically stand cancelled and further actions as per Scheme Guidelines would follow.

6. The implementation of the project by PIA shall be as per the provisions of the Scheme Guidelines dated 08.06.2022.

7. The PIA shall open three dedicated bank accounts with respect to (i) contribution by PIA, (ii) term loan from bank and (iii) grants-in-aid from the Ministry for implementation of the project. The PIA shall not make any cash transaction(s) for utilization of the grants-in-aid, term loan and equity and all the payments shall be only routed through these three dedicated bank accounts.

8. In case, in-principle term loan sanction letter has been submitted at the time of application, PIA shall submit final Term Loan sanction letter in line with Bank Appraisal Note and appraised DPR along with documents for release of 1st instalment of GIA.

9. In case of escalation of the total project cost for any reason whatsoever, PIA shall meet escalated cost of the project from its own resources.

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10. The PIA shall ensure completion of the project within the timelines prescribed in the Scheme Guidelines.

11. In the event of the PIA defaulting on submitting claims for release of any of the grant installments, deduction in grants-in-aid shall be as per the Scheme Guidelines.

12. The Ministry has the authority for recall of CIA along with interest as per provisions of the Scheme Guidelines, in case at any point of time, it comes to the notice that the grant has been availed by manipulating / concealment of information/ facts.

13. The Ministry may seek any clarification and/ or any document/ information at any stage of the implementation of the project.

14. For any modifications in the approved project, including change in location, shareholding of PIA, approved means of finance, project cost and components of the project, prior approval of the Ministry must be obtained by the PIA.

15. The PIA shall submit "ECS Mandate Form" as per Annexure-X of the Scheme Guidelines at the time of submission of documents for release of grants-in-aid for its registration on Public Financial Management System (PFMS). PIA shall mandatorily use Expenditure Advance & Transfer (EAT) module of PFMS for making payments / advances & transfers transactions out of grants-in-aid received from the Ministry for implementation of the project.

16. Pre and post inspection would also be undertaken by the Ministry as required (PMA may also be assigned inspection & monitoring work) to find out physical, financial and operational progress. It will be binding on the PIA to allow inspection/ physical verification of the project at any time by the representatives of Ministry or an authorized representative of the Ministry.

17. This is merely a letter of intent and in no way entitles the PIA for grants-in-aid without fulfilling criteria/ conditions set by the Ministry under the Scheme Guidelines.

Encl: Detailed Grant Calculation Sheet

Parvesh
(Parvesh Devi)

Deputy Director

Tel: 011-26406534

Email: parvesh.devi@gov.in

Copy to:

PMA of Operation Greens Scheme - M/s Grant Thornton Bharat LLP - for information and follow up regularly with PIA for ensuring speedy implementation of the project



8. Subsequently, it is submitted the petitioner duly conveyed acceptance on 05.12.2022, and furnished a Performance Bank Guarantee of ₹75,00,000 on 09.12.2022. It is submitted that the petitioner also executed a Memorandum of Understanding with the Government of Uttar Pradesh on 09.01.2023, wherein the State Government undertook to facilitate requisite permissions and approvals.

9. It is submitted that the project could not proceed as planned due to various factors. The petitioner applied for Change of Land Use (CLU) from agricultural to non-agricultural purposes on 26.04.2023, which was approved only on 20.01.2024 after a delay of nearly nine months. Thereafter, the petitioner applied for approval of the building plan, which was finally sanctioned by the Meerut Development Authority on 28.06.2024. In the meantime, the petitioner continued to make investments by constructing a boundary wall at the project site and finalising negotiations with machinery suppliers. It is submitted that the respondents were regularly apprised of these developments and requests were made for extension of time.

10. It is submitted that instead of issuing a formal extension to the petitioner, on 12.12.2023, the respondent issued a show-cause notice to the petitioner, seeking reasons as to the non-submission of documents for 1st stage grant-in aid. The petitioner responded on 16.12.2023.

11. It is further submitted that prior to the receipt of the approval for the building map, on 13.06.2024, the petitioner was issued a second show cause notice by the respondent, and directing it to upload the documents for the first stage grant-in aid.

12. The petitioner responded on 17.06.2024, highlighting the reasons for



the non-submission of documents till then.

13. It is submitted that instead of appreciating the difficulties of the petitioner, the respondents repeatedly issued show-cause notices regarding non-submission of documents for disbursement of the first instalment of grant-in-aid. It is submitted that despite the petitioner's replies explaining delays in land use approvals, NOCs, and building map sanctions, no formal extension was granted.

14. Subsequently, the respondents, issued a Final Show Cause Notice dated 26.06.2025 to the petitioner directing the petitioner to submit the documents for disbursement of Stage-1 grant-in aid immediately. The petitioner was directed to explain within a period of 15 days as to why his approval letter should not be cancelled. The final Show Cause Notice dated 26.06.2025 is reproduced as under –

“The undersigned is directed to refer to the above mentioned project and to invite your attention to letters/ Show Cause notice dated 12.12.2023, 13.06.2024 & 26.06.2024 regarding implementation of your project and submission of documents for release of 1st installment of grant.

2. Your attention is invited to para 15. (b) of the scheme guidelines dated 08.06.2022 for Operation Greens-Long Term Interventions, the due date for submission of documents for release of 1st instalment of grants in aid is 8 months and time for completion and operationalisation of projects will be 24 months from the date of issue of approval letter for projects in General areas. Thus the project implementation period has already ended on 08.11.2024. However, you failed to implement the project as per implementation schedule. Further, PMA (Grant Thornton) vide its mail dated 07.05.2025 & 27.05.2025 has requested to the PIA for submitting the status of the project along with the financial progress. However, the same has not been furnished by PIA

3. Your attention is further invited to clause 20 (d) of the scheme guidelines for Operation Greens - Long Term Interventions dated 08.06.2022 "The Ministry shall have the right to close a project at any stage, after recording reasons thereof, with or without directions as to refund of grants-in-aid released."



4. In view of above, you are directed to explain as to why approval granted to your project should not be cancelled and the Bank Guarantee submitted as performance security should be encashed by this Ministry. Your response in this regard should reach the undersigned within 15 days of issue of this notice, failing which approval letter issued to your project will be cancelled forthwith and Bank Guarantee will be encashed without any further notice.”

15. Ultimately, it is submitted that without granting a personal hearing, the respondents issued the impugned order dated 09.09.2025 cancelling the project and encashing the Performance Bank Guarantee (that too without disbursing Stage-1 grant-in aid to the petitioner).

16. Issue notice to the respondents, on necessary steps being taken by the petitioner through all permissible modes including electronically.

17. Let the notice indicate that reply be filed within a period of two weeks from the date of receipt of the notice.

18. List on 13.11.2025.

19. In the meantime, considering the aforesaid circumstances, the respondents are restrained from encashing the bank guarantee/s, till the next date of hearing, subject to the petitioner keeping the said bank guarantee/s alive and subsisting.

SACHIN DATTA, J

SEPTEMBER 15, 2025/