

F. No. CE-13016/11/2018-CEFPPC
भारत सरकार/Government of India
खाद्य प्रसंस्करण उद्योग मंत्रालय
Ministry Food Processing Industries
पंचशील भवन, अगस्त क्रांति मार्ग
Panchasheel Bhawan, August Kranti Marg
नई दिल्ली/New Delhi-110049

Dated: 15.07.2019

Subject: Further modified operational guidelines for the Scheme for Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC) of Pradhan Mantri Kisan Sampada Yojana (PMKSY).

Ministry of Food Processing Industries (MoFPI) is implementing a Central Sector Scheme for Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC) of Pradhan Mantri Kisan Sampada Yojana (PMKSY) for the period upto 2019-20. The proposals under the scheme are invited online through Expression of Interest (EOI) issued by the Ministry from time to time.

2. Based on the experience gained during the implementation of the scheme, the operational guidelines of the Scheme for Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC) have been further modified to make the scheme more investor friendly.

3. The modified operational guidelines for the Scheme for Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC) are hereby notified for the information of all the stakeholders and public at large.



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MINISTRY OF FOOD PROCESSING INDUSTRIES

Revised Operational Guidelines for implementation of Scheme for Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC)

1. Objectives:

The main objective of the Scheme is creation of processing and preservation capacities and modernization /expansion of existing food processing units which will help in increasing the level of processing, value addition and thereby lead to reduction of wastage and enhancement of farmers' income.

2. Eligible sectors:

Food processing sectors eligible under the Scheme includes –

(i). Fruits & vegetables processing,

(ii). Milk Processing

(iii). Meat/poultry/fish processing,

(iv). Ready to Eat / Ready to Cook Food Products/ Breakfast cereals/ Snacks / bakery and other food products including nutritional health foods.

(v). Grains/pulses, oil seed milling and processing based on modern technology.

(vi). Modern Rice milling.

(vii). Other agri-horti products including spices, coconut, soybean, mushroom processing, honey processing, etc.

(viii). Fruits/ Honey based wines.

(ix). Natural Food flavors, food additives/ food extracts & colours, oleoresins, guar gum, cocoa products etc.

(x). Manufacturing jaggery from sugarcane and value added products from jaggery (as raw material) except sugar mills.

(xi). Any other sector that makes food products fit for human consumption.

(xii). Animal feed manufacturing unit to be set up in Mega Food Parks and Agro Processing Clusters approved by the Ministry from time to time.

- The activities related to manufacture of aerated water, packaged drinking water and carbonated drinks will not be considered for financial assistance under the Scheme.
- Farming activities such as dairy farming, poultry farming, mushroom farming, hatcheries etc. are not eligible sector under the scheme.

3. Indicative list of eligible processing activities:

The processing units undertake a wide range of processing activities which result in value addition, enhancing shelf life of the products and reduction of wastage. An indicative list of processing activities as integral part of the main processing units is given below.

(i). Sorting, grading, washing, peeling, cutting, sizing;

(ii). Blanching, crushing, extraction, pulping;

(iii). Drying, de-husking, de-hulling, splitting, depodding, deseeding, colour sorting, pulverization, extrusion, freeze drying / dehydration, frying, etc.;

(iv). Pasteurization, homogenization, evaporation, concentration, etc.

(v). Packaging facilities like canning, aseptic packaging, vacuum packaging, bottling, edible packaging, labelling, any other specialized packaging etc.

(vi). Chemical preservation, pickling, fermentation or any other specialized facility required for preservation activities etc.

(vii). Individual Quick Freezing (IQF), blast freezing, plate freezing, spiral quick freezing etc.

(viii). Controlled temperature transport like coolers / refrigerated / insulated / ventilated transport.

(ix). All other processing / preservation/ transport / storage facilities etc. adjunct to value addition and shelf life enhancement of food products would be eligible. Standalone activities like temperature controlled transportation/ storage facilities etc. will not be considered under this scheme. The project should include and result in creation/ increase in processing capacity.

Note: The above list is only illustrative and not exhaustive. Food Processing Industry is fast growing industry and several innovative processing technologies are being developed day by day which can also be considered under this Scheme if deemed fit.

4. Eligible organizations:

(i). Organizations such as Central and State PSUs / Joint Ventures / Farmer Producer Organizations (FPOs)/ NGOs / Cooperatives / SHGs / Public and Pvt. Ltd. Companies / Limited Liability Partnerships/Corporate Entity/ Proprietorship Firms/ Partnership Firms engaged or propose to engage in creation/ expansion/ modernization of food processing and preservation capacities would be eligible for financial assistance under the Scheme. For the purpose of these guidelines, the above mentioned entities shall be treated as 'Implementation Agency/ Applicant organization'.

(ii). Proposals received from Scheduled Caste (SC)/ Scheduled Tribe (ST) promoters holding 100% stake in the implementation Agency/ applicant organization, will be treated as SC/ST proposals. Such implementation agency/ applicant organization will be treated at par with the difficult areas for the purpose of extending benefits under the scheme. For any change in the

constitution/ composition of such implementation agencies/ applicant organization, prior permission of Ministry shall be required.

5. The proposals for creation/ expansion/ modernization of food processing & preservation units will be considered in Mega Food Parks (MFPs), Agro-processing Clusters assisted by the Ministry and in designated food parks notified by the Ministry from time to time. However, in State/UTs having no Mega Food Park, Agro Processing cluster or designated food park, units may be considered anywhere.

6. Pattern of assistance:

The scheme envisages financial assistance to food processing units in the form of grant-in-aid as under:

- (i). 35% of the eligible project cost subject to a maximum of Rs. 5.00 crore in General Areas;
- (ii). 50% of the eligible project cost subject to a maximum of Rs. 5.00 crore in North Eastern States including Sikkim and Difficult areas i.e. Himalayan States (Himachal Pradesh, J&K & Uttarakhand), State Notified ITDP areas and Islands (Union Territories of Andaman& Nicobar and Lakshadweep).

7. Project Management Agency (PMA):

- (i). MOFPI has engaged professional agencies as PMAs to assist in implementation of the scheme.
- (ii). Project Management Agencies will assist Ministry in examination, evaluation and monitoring of the proposals. Roles and responsibilities of the PMA are given in **Appendix -L**.

8. Ineligible components: The following items will not be considered eligible for calculation of the grant for the unit:

- (i). Compound wall, Administrative Office Building, Labour quarters for employees/ workers and any other civil work not directly related to the production and processing.
- (ii). Cost of land for the project.
- (iii). Fuel, consumables, spares and stores.
- (iv). Computers, AC with ducting and allied office furniture.
- (v). Personal Transport vehicles.
- (vi). Second hand/ old machines / refurbished machinery.
- (vii). Expenditure on painting of machinery.
- (viii). Stationery items.
- (ix). Pre-operative expenses, consultancy Fee, Margin Money, working capital, contingencies and the expenditure made by the applicant on the eligible project cost before the date of issue of sanction / approval letter by the Ministry shall not be considered as part of eligible project cost.

This is only an illustrative list and not exhaustive list of ineligible items. The Inter Ministerial Approval Committee (IMAC) will be the final authority to decide on the admissibility of the grant and the eligibility or otherwise of the items for this purpose.

8.2 Eligible Project Cost:

Includes the cost of plant & Machinery and Technical civil work including applicable taxes except for ineligible items as mentioned in para 8 above. Cost of 'Utilities' essential for the plant i.e. Water pipeline, DG set, Transformer, Solar panels, Boiler, Solid waste treatment plant, ETP, etc. will be considered under eligible project cost subject to restriction of above cost being maximum 25% of the total project cost.

8.3 The cost norms notified by MIDH/ NHB/ MoFPI, wherever available, shall be applied while calculating the eligible project cost and grants-in-aid for the proposals received under the scheme.

9. Eligibility Criteria:

(i). The promoter's capital/ equity investment on the project should not be less than 20% of the total project cost (excluding land cost) in case of general areas and 10% of the total project cost (excluding land cost) in case of NER , difficult areas, SC , ST and islands

(ii). Availing term loan from the bank/ Financial Institution minimum *20% of the total project cost (except for proposals submitted by Central/State Government)*

(iii). Only those proposals shall be eligible in which final sanction of term loan has been accorded by the *Banks/Financial Institutions after the date of advertisement of EoI of this Scheme*. Further, disbursement of term loan and its utilization shall be only after the date of issue of sanction / approval letter by the Ministry.

(iv). Proposals (in Mega Food Parks (MFPs), Agro-processing Clusters assisted by the Ministry and in designated food parks notified by the Ministry) should have minimum eligible project cost of Rs. 3 (three) crore in general areas and Rs. 1 (one) crore in case of North Eastern States including Sikkim and Difficult areas i.e. Himalayan States (Himachal Pradesh, J&K & Uttarakhand), State Notified ITDP areas and Islands. However, in State/UTs having no Mega Food Park, Agro Processing cluster or designated food park, units may be considered anywhere with minimum eligible project cost.

(v). Special provision for SC / ST entrepreneurs having 100% stake in the applicant firm:

- a. Proposals having eligible project cost of Rs. 1 (one) crore or more will be considered in Mega Food Parks (MFPs), Agro-processing Clusters assisted by the Ministry and in designated food parks notified by the Ministry subject to meeting other terms & conditions of the scheme guidelines.
- b. The proposals having eligible project cost of Rs. 3 (three) crore or more will be considered anywhere subject to meeting other terms & conditions of the scheme guidelines
- c. Applicants/ Promoters who have availed assistance under this scheme, can apply again only after one year of successful completion of the Project (to be reckoned from the date of release of final installment of grant). However, the Promoter(s) of Mega Food Parks and Agro processing clusters approved by the Ministry who are desirous to set up units in their respective Mega Food Park & Agro Processing Cluster will be eligible for availing financial assistance for more than one unit(s) under the scheme at any point of time.

10. Submission of application:

The procedure for submission of applications is as follows:

(i). Applications under the scheme will be submitted online against Expression of Interest (EoI) issued from time to time for inviting proposals. The proposals have to meet the following basic eligibility criteria to be considered under the scheme:

(ii). Applicants fulfilling the above eligibility criteria under the scheme are required to submit online application in the prescribed format (**Appendix-A**) attaching therewith complete documents as prescribed in the guidelines at para 13.

(iii). On successful submission of the completed application on Ministry's portal, an acknowledgement number of the application will be sent on registered email IDs to the applicant for future reference.

(iv). The applications received in response to the EoI would be clubbed and evaluated together at the end of each month and sanctioned subject to fulfilling eligibility criteria and meeting the minimum qualifying assessment criteria as per **Appendix-I** of the guidelines. The proposals would be sanctioned based on their merit order.

(v). Ministry does not hold any responsibility for any proposal pending/ delayed at any level including online application portal which could not be submitted to Ministry within the prescribed time limit of EOI. Such proposals shall not be considered.

(vi). Applicant shall thoroughly examine and ensure all the documents to be uploaded/ forwarded with the application are in conformity with the scheme guidelines. Incomplete information, deficient documents, irrelevant documents etc. submitted/ uploaded by the applicant along with application will lead to rejection of proposals.

(vii). Whenever required the applicant would submit the original documents to MoFPI for further processing of the application.

(viii). Mere submission of application with required documents against the EOI does not confer any right on the applicant for claim of grant in aid under the scheme. The grant in aid will be sanctioned based on merit, preference criteria and evaluation of the proposal as per the assessment criteria laid down in the guidelines of the scheme. Grant will be released subject to availability of funds under scheme to the approved projects as per merit order and preference as laid down herein.

11. Procedure for approval of applications / project proposals for financial assistance:

(i). The proposals will be evaluated by PMAs as per the assessment criteria at **Appendix -I** of these guidelines.

(ii). The proposals evaluated by the PMA will be further scrutinized / appraised by the Technical Committee (TC) for making its recommendations to Inter Ministerial Approval Committee (IMAC).

(iii). The proposals recommended by the Technical committee will be placed before the Inter

Ministerial Approval Committee (IMAC) for consideration and decision. Details of composition of TC and IMAC is at **Appendix-J**.

(iv). As per the decision of the IMAC, approval/ rejection/ modification/ revision in proposal or project components, if any, will be communicated to the Applicant with suitable instructions.

12. Procedure for Disbursement of grant:

Grant will be disbursed through bank that has sanctioned term loan for the project. Grant will be credit linked but not back ended and will be released in two instalments each @50% of grant in the following manner:

12.1 Release of 1st installment:

The first installment of grant would be released after the firm has incurred 50% expenditure proportionately each from term loan and promoter's contribution / equity of eligible project cost and on production of the following documents by the applicant. The expenditure incurred on eligible project cost shall be commensurate to physical progress of the project. In case of advance payment made for plant & machinery, there shall be at least 50% physical progress in technical civil works:

(i). **Duly notarized Surety Bond** – To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs. 100/- (**Appendix-E**).

(ii). **Bank Certificate** certifying that they have released 50% of term loan and the required expenditure has been made on the project. (**Appendix-C**).

(iii). **CA certificate** –for actual expenditure incurred on the project as per the means of finances. (**Appendix-G**).

(iv). **Joint inspection report of PMA & Bank** –Inspection report verifying the actual physical progress made by the project on the ground, matching the expenditure claimed in CA certificate. (**Appendix-B**).

(v). **NOC from Pollution Control Board** (consent to establish)

(vi). **PFMS Registration** – Controller General of Accounts (CGA) registration of firm under agency type “private sector companies” and under the scheme name “Pradhan Mantri Kisan Sampada Yojana-Creation/Expansion of Food Processing & Preservation Capacities [3609]”.

(vii). The applicant needs to open three dedicated escrow / current bank accounts with respect to the promoter(s) contribution, term loan and grants-in-aid separately for implementation of the project. Details of the bank account dedicated to grants-in-aid is to be provided in the ECS mandate form as provided in **Appendix-K** so as to transfer the grant in same account.

(viii). The expenditure made by the applicant on the eligible project cost after the date of issue of sanction / approval letter by the Ministry will only be considered as eligible expenditure for release of grants-in-aid. Such expenditure shall be verifiable from the bank account statement of

the applicant firm and also with bills / invoices generated to meet the expenditure as per the scheme guidelines.

(ix). **Compliance of any other Terms & conditions** mentioned in the approval letter of the grant in aid issued by the Ministry.

12.2 Release of 2nd Installment:

The second installment of the grant would be released only after confirming the commencement of commercial production through joint physical verification by the PMA & bank and submission of documents specified below regarding utilization of 1st instalment of grant and 100% of Term Loan as well as 100% of Promoter's contribution as per the approved means of finances.

(i). **Chartered Accountant Certificate** – Actual expenditure incurred on the project as per the approved means of finance and 100% utilization of Promoters contribution and 100% of Term loan **(Appendix-G)**.

(ii). **Bank Certificate** – certifying that they have released 100% of term loan and Bridge loan if any and 1st installment released has been credited in dedicated account and request to conduct joint inspection **(Appendix-D)**.

(iii). **Statement of Expenditure/ utilization of funds released:** Indicating the details of the payments made towards implementation of the project. **(Appendix-H)**

(iv). **Chartered Engineer Certificates** – certifying the Item wise and cost wise details of Technical civil works completed duly certified by Chartered Engineer (Civil) and Item wise and cost wise details of Plant & Machinery installed duly certified by Chartered Engineer (Mechanical).

(v). **NOC of Pollution Control Board** - (Consent to operate)

(vi). Valid copy of License issued under **FSS Act, 2006**.

(vii). **Joint inspection report of MoFPI, PMA and Bank** – Inspection report verifying the actual physical progress of the project at the ground including commercial production. **(Appendix- M)**.

(viii). **Compliance of any other Terms & conditions** mentioned in the approval letter of the grant in aid issued by the Ministry.

(ix). **Before release of 2nd (final) installment of grant in aid**, eligible grant in aid for the project will be recalculated based on the appraised/ actual cost, whichever is less, for the already approved items and grant will be released accordingly.

12.3 Other conditions:

(i). Notwithstanding the conditions of the guidelines, Ministry shall have the discretion to modify/ amend these guidelines whenever required in the interest of fruitful and effective implementation of the scheme.

(ii). The decision of the Ministry in all matters relating to eligibility, acceptance or rejection of the applications, mode of selection, grant approved and imposition of penalty shall be final and binding on the applicant.

(iii). In case the Banks/ FIs utilize the amount released, in contravention of the scheme guidelines,

the Bank/FIs shall be liable to refund such amount to the Government along with interest at PLR of the said bank.

13. Documents required to be submitted at the time of submitting the application by applicant: (application required to be submitted **online** and following documents need to be uploaded with application in pdf format)

(i). Application in the prescribed format (**Appendix-A**). (*application template will be available in online platform of the Ministry*)

(ii). Detailed Project Report (DPR) (indicating financial and technical profile of the promoter (s), domain expertise available with firm, raw material availability in the area, arrangements for raw material procurement, marketing strategy of proposed products, process flow diagram of proposed products with production capacity per day, technology proposed for the various activities in process line, financial estimates with key financial parameters, P&L statement, employment generation (Direct, Indirect) , number of farmers to be benefitted & farmer linkages etc.)

(iii). Bank appraisal indicating techno-economic viability parameters of the project. (*The copy of DPR stamped by the bank will not be acceptable as bank appraisal*)

(iv). Sanction letter of term loan from bank / financial institutions including Non-Banking Financial Companies (NBFCs) registered with Reserve Bank of India (RBI). (Clearly indicating the amount of term loan approved and sanctioned for the project)

(v). Certificate of incorporation/registration of the organization, Memorandum and Articles of Association and Bye laws of the society (if applicable)/ partnership deed etc.

(vi). Latest Annual Report and Audited Statement of Accounts, in case of expansion / modernization proposals/cases. This will not be applicable for new entrepreneur.

(vii). Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).

(viii). Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).

(ix). An undertaking to be furnished by the applicant as per **Appendix-F**. The expenditure made/incurred on the project before the date of submission of online application shall be furnished as per **Appendix-G**.

(x). Registered land allotment/ ownership document in the name of applicant firm along with notarized English version of land allotment/ ownership document in case it is in any of the regional languages. In case of lease deed of the land, the registered lease deed for a period of at least 15 years in the name of the applicant firm is required to be submitted. In case, land for the project has been taken on lease from State Govt. / its entities, the policy of State Govt. in this regard will be followed.

(xi). IEM registration/ Entrepreneur's Memorandum/ Udyog Aadhar registration etc.

(xii). Caste Certificate issued by competent authority in case of SC/ST promote(s) of implementation Agency/ applicant organization.

14. Implementation and monitoring of the projects sanctioned:

(i). The implementation schedule for the projects would be 18 months from the date of issue of approval letter. In exceptional circumstances, for the reasons beyond the control of the promoter (s), the implementation period may be extended with approval of IMAC.

(ii). In case of non-adherence of time lines, a penalty of 1% of the quantum of instalment amount due for release for that instalment, will be imposed for each month's delay beyond the stipulated timeline. The maximum amount of penalty, however, shall not exceed 10% of the instalment to be released to the project.

(iii). Ministry will periodically review the progress of the projects under the Scheme.

(iv). Pre and post inspection would also be undertaken by the Ministry officials, PMA and State Govt. to find out the physical, financial and operational progress as and when required. It will also be binding on the applicant to allow inspection/ physical verification of the unit at any time by representatives of Ministry.

(v). The decision of the IMAC shall be final and binding on all concerned parties on the interpretation of the provisions of these guidelines and the matters related / incidental thereto.

(vi). Promoter would be required to prominently display on the front of the project building/ vehicles stating that the **"Unit assisted by the Ministry of Food Processing Industries, Government of India under CEFPPC Scheme"**.

15. Recall of Grant:

The Ministry will have the authority to recall the grant –

(i). If the project is not completed in time within the approved project period including extension if any, then the grant-in-aid released to the applicant, will have to be refunded to the Ministry of Food Processing Industries forthwith but not later than 30 days after a notice is given by MOFPI in this regard.

(ii). If the assisted project stops its commercial operations within three (3) years from the date of commencement of commercial production of the project.

(iii). If during such period, it comes to the notice of the Ministry that the grant has been availed by manipulating / concealment of information / facts or that the grant has been utilized for purposes other than those for which it was sanctioned.

16. Jurisdiction of Court:

Any dispute arising out of any conditions stipulated in the guidelines, selection of proposals and implementation of approved project under this scheme will be subject to Courts/ Tribunals having jurisdiction over Delhi.

**Application Format for Scheme for Creation/ Expansion of Food Processing & Preservation Capacities.
(this is an indicative format, online fillable form will be available on portal)**

S.No.	Particulars	Details
1. State/UT:		
2. Whether the unit is proposed to be set up in a MFP in a state and name of MFP (enclose documents in proof of the same):		
A. Promoters		
1	Name & Address of the Promoter including telephone, fax, e-mail etc. Aadhaar No, PAN /TIN/TAN Number	
2.	Whether the Promoter of Applicant company belongs to SC/ST category (<i>if yes, cast certificate issued by the District Magistrate etc. to be submitted</i>) refer para 4 (ii) & 9 (v)	
3.	Type of organisation like Govt. Institution /organisation, Pvt. Ltd. Co, FPO, NGO, Co-operative, Proprietorship, Partnership Co. etc.	
4.	Background/credentials of applicant organisation	
5.	Financial Status (Net worth of Promoters/company, details of existing company etc to be enclosed separately alongwith details)	
6.	Existing Industry if any	
B. Project Description		
7.	Name of the Project	
8.	Location/Area of the project	
9.	Products/By Products	
10.	Process with complete flow chart	
11.	Technology (Indigenous/ imported)	
12.	Capacity of the Plant/Unit	
13.	In case of expansion/modernisation of existing facilities/unit (details of existing capacity and proposed capacity after expansion, alongwith capacity utilisation)	
C. Project Cost		
14.	Capital Investment (Fixed Capital) i. Land Area Cost ii. Building iii. Civil Works iv. Technical Civil Works	
15.	Pre-operative expenses	
16.	Working Capital	
17.	Raw Material/Packaging (Source/Quantity/Cost)	
18.	Labour (Quantity/Cost)	
19.	Effluent Disposal (Method/Machinery/Cost)	
20.	Any other items (Please specify)	

D. Means of Finance (indicating proposed & appraised means of finance, separately)		
21.	Means of Financing a) Equity (Promoter/Foreign/Other) b) Loan (Term/working capital) c) Grant in aid d) other sources (Venture capital etc)	TOTAL
22.	Financial Benchmarks a) Cash Flow b) Break Even Point c) Internal Rate of Return d) Debt Equity Ratio e) Debt Service Coverage Ratio	
23.	In case of expansion/modernisation all the above benchmarks to be given separately- existing as well as projected	
24.	In case of expansion/modernisation proposals Audited Balance sheet of last three years to be enclosed.	
E. Implementation Schedule		
25.	Item of work	Date of implementation (Bar charts/ Milestone Charts may be enclosed)
F. Employment Generation- Direct/Indirect		
26.	a) Direct b) Indirect	

**Inspection Format for PMAs to submit their reports for release of 1st instalment of grants-in-aid under
CEFPPC Scheme**

1. General Information

Sl. No.	Particulars	Details
1.	Name of the firm / company	
2.	Location of the project	
3.	Whether the project is located in Mega Food Parks, Agro Processing Clusters, Designated Food Parks, if so details thereof	
4.	Date of approval	
5.	Total Approved Project Cost (Rs. in Crore)	
6.	Total Eligible Project Cost (Rs. in Crore) (i) Eligible TCW (ii) Eligible P&M	
7.	Nature of the project (i) New setting up (green field) (ii) Modernization / Expansion (brown filed)	
8.	Capacity of the project (MT Per annum)	
9.	Name of the PMA	
10.	Name, designation, organisation and contact details of member of the inspection team	
11.	Date of inspection	

2. Means of Finance

Sl. No.	Source of Fund	Approved Means of Finance (Rs. in Crore)	Funds Mobilized as on _____ (Rs. in Crore)	Actual expenditure as per CA certificate (Rs. in Crore)	Actual expenditure assessed by PMA (Rs. in Crore)
1	Promoter's Contribution				
2	Grant from MFPI				
3	Term Loan				
4	Unsecured loan / bridge loan				
	Total				

3. Details of expenditure on components of the Project Cost

Sl. No.	Components	Approved Cost (Rs. in Crore)	Actual expenditure Incurred as per CA certificate (Rs. in Crore)	Actual expenditure assessed by PMA (Rs. in Crore)	Remarks on physical progress
1					
2					
3					
4					
5					
	Total				

4. Employment generation

- (i) Direct employment:
- (ii) Indirect employment:

5. No. of farmers benefitted:

6. Details of documents submitted by the firm / company for release of 1st / 2nd instalment in compliance of the scheme guidelines

7. Comments of inspection team, if any:

8. Recommendations of inspection team: -

<p>(Signature)</p> <p>(Name, designation & organization of Member of Inspection team)</p>	<p>(Signature)</p> <p>(Name, designation & organization of Member of Inspection team)</p>
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**(Recommendation of Bank for release of 1stinstallment of grant)
[REFER PARA 12.1 (ii)]**

To
The Director
Ministry of Food Processing Industries
Panchsheel Bhawan
August Kranti Marg
New Delhi- 110049

**Subject: Recommendation for release of 1stinstallment of financial assistance in respect of project of M/s
..... (Name & Address of project) -reg.**

Sir,

With reference to Ministry's approval letter no. dated, it is hereby recommended that Ministry may consider release of 1stinstallment i.e. 50% of approved grant amount in respect of project of M/s (address of project location) VillageDistrictState Till now our bank has released..... % of term loan to this project. Following is certified for consideration of release of grant:-

It is certified that:-

- i.** The promoter has utilized 50% of promoter's contribution and 50% of term loan of the approved project cost on the implementation of the project.
- ii.** The term loan in the project is not sanctioned for one or few components but for the entire project as appraised.
- iii.** Activity and component considered in the project for loan are new. No old plant & machinery or component is recommended for consideration of grant.
- iv.** The grant so released by the Ministry to the bank shall be credited in TRA/Escrow Account Number..... .
- v.** In the event of bank recovering its loan liabilities from the promoter in case of default and/ or contravention of the scheme guidelines by the promoter, the Banks shall refund to the Government the grant amount in proportion to its own dues as finally recovered from the defaulter.

(Signature of the Bank Officer with Seal)

Name: _____
Name of the Bank: _____
Address: _____
Phone/ Fax/ Mobile No. _____
Email: _____
Place: _____
Date: _____

**(Forwarding letter of Bank for recommending conduct of Joint Inspection before release of 2nd and Final Installment of grant)
[REFER Para12.2]**

To
The Under Secretary
Ministry of Food Processing Industries
Panchsheel Bhawan
August Kranti Marg
New Delhi- 110049

Subject: Request for conduct of Joint Inspection in respect of project of M/s (Name & Address of project) -reg.

Sir,
The Ministry of Food Processing Industries has released Rs..... as 1stInstallment of grant in respect of project of M/s (address of project location) Village..... District.....State..... vide sanction letter no..... dated The grant amount of 1stInstallment released to the project has been credited in TRA/ Escrow account no. of the bank and utilized for the project. Now project is complete and has commenced commercial operations on (DD/MM/YYYY). The bank has also disbursed full term loan sanctioned for the above mentioned project. Following documents required for Joint Inspection are submitted with the request to conduct Joint Inspection of the project in connection with release of 2nd and final installment of grant:-

S.No.	Particulars	Yes/No
1.	Details of date-wise release of term loan	
2.	Completion of the project and start of commercial operation by the unit	
3.	Statement of <i>eligible components used for assessing component wise cost</i> and eligible project cost.	
4.	Chartered Engineer Certificates for completed TCW & Installed P/M	
5.	Statement of TRA/ Escrow account of bank in which 1 st Installment of grant has been credited	
6.	C.A. Certificate as per Appendix G	
7.	Copy of consent to Operate from Central/State Pollution Control Board	
8.	Copy of License under Food Safety and Standards Act, 2006	

It is certified that:-

- i.** The promoter has spent 100% of promoter's contribution and 100% of term loan of the approved project cost on the implementation of the project.

(Signature of the Bank Officer with Seal)

Name: _____

Name of the Bank: _____

Address: _____

Phone/ Fax/ Mobile No._____

Email: _____

Place: _____

Date: _____

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____, a _____ (Type of organization) incorporated / registered under the _____ (Name of the Act) and having its registered office at _____ (hereinafter called the "Obligors") are held fully and firmly bound to the President of India (hereinafter called the "Government") for the sum of Rs. _____ (Rupees _____ only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the _____ day of _____ in the year Two Thousand _____.

WHEREAS on the Obligors' request, the Government as per Sanction Order No. _____ Dated _____ (hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and a copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligors grants-in-aids-in-aid of Rs. _____ (Rupees _____ only) for the purpose of _____ (description of the project) at _____ out of which the sum of Rs. _____ (Rupees _____ only) have been paid to the Obligors (the receipt of which the Obligors do hereby admit and acknowledge) on condition of the Obligors executing a bond in the terms and manner contained hereinafter which the Obligors have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligors duly fulfill and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligors will abide by the terms & conditions of the grants-in-aid by the target dates, if any specified therein.

THAT the Obligors shall not divert the grants-in-aids and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligors shall abide by the clauses indicated in the scheme guidelines under which the above grant has been sanctioned and any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the guidelines/ bond, the Obligors individually and jointly will be liable to refund to the President of India, the entire amount of the grants-in-aid with interest of 10% per annum thereon. If a part of the grants-in-aid is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged upto the date of its refund to the Government, unless it is agreed to be carried over.

The Obligors agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property) buildings created / acquired constructed largely from out of the grants-in-aid sanctioned by the Government of India, or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligors.

AND THESE PRESENTS ALSO WITNESS THAT the decision of the Secretary to the Government of India on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligors and;

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligors the day herein above written in pursuance of the Resolution No. _____ Dated _____ passed by the governing body of the Obligors, a copy whereof is annexed hereto as Annexure-II and by _____ for and on behalf of the President of India _____ on the date appearing below:-

Signature of the AUTHORISED SIGNATORY
Signed for and on behalf of
(Name of the Obliger in block letters)
(Seal / Stamp of Organization)

1. Signature of witness
Name & Address

2. Signature of witness
Name & Address

TO BE FILLED UP BY THE MINISTRY OF FOOD PROCESSING INDUSTRIES
(ACCEPTED)
For and on behalf of the PRESIDENT OF INDIA

Name: _____
Designation: _____
Dated: _____

Notary Seal & Signature

UNDERTAKING
[REFER PARA 13 (ix)]

I..... (Name of the Lead Promoter/Director) Son of Mr.....(father's name) resident of(residential address) do hereby solemnly affirm and declare/undertake as under:

1. That I am promoter/ director/ partner/ proprietor of M/s..... (name of the applicant firm) having its Registration no.Registered Office at (office address of the applicant firm).
2. I hereby make application and I am duly authorized in my own right/by management vide its resolution no.dated.....to apply and sign all required documents including this undertaking on behalf of company/partnership firm/cooperative society etc. named as; and am fully aware of the facts relating to the setting up of food processing unit at Survey No....., Village....., Tehsil....., District....., State..... (location of the main facility) for.....(activities to be undertaken by project) and application is being made to the Ministry of Food Processing Industries (MoFPI) under the Central Sector Scheme for Creation/ Expansion of Food Processing & Preservation Capacities.
3. That the term and conditions of the above scheme of the MoFPI under which an application is made by the applicant have been properly read and understood by me and I affirm that the project/ proposal comply with all the terms and conditions of the approval letter and provisions enshrined in the scheme guidelines.
4. That the proposed activities to be undertaken by the project/proposal are covered under the above scheme of MoFPI and no part of the scheme/infrastructure of the project is designed or assigned to be used for any activity other than the activities specified in the application at present or in the near future.
5. It is certified that _____ (name of the applicant firm) has not obtained or applied for grants for the same project, component, purpose or activity from any other Ministry or Department of the Government of India or State Government or their agencies.
6. It is certified that the organization's subsidiary company (s)/ related company / group company as well as the applicant company itself availed / not availed financial assistance for a food processing project in the past from the Ministry of Food Processing Industries (MoFPI) or from State Government (Name of the State), if availed, the details thereof shall be furnished.
7. It is to certify that _____ (name of the applicant firm) has / has not (whichever applicable) incurred an expenditure on the project before the date of submission of online application. If yes, the details of expenditure incurred on the project shall be furnished / uploaded on the online portal as per **Annexure-G**.
8. It is to certify that disbursement of term loan sanctioned by bank for the project and its utilisation will be taken up only after the date of issue of sanction / approval letter by the Ministry.

9. I also solemnly affirm/undertake that the proposed project components in the application are a completely new activity and not a pre-existing activity or any component thereof.
10. In case of concealment of any facts in this regard, the MoFPI would have right to reject my application out right at any stage.
11. I will meet any shortfall in means of finance due to less admissibility of grant or any future reduction in grant-in-aid or any escalation caused in the cost of the project.
12. I shall not dispose-off or encumber or utilize the assets created wholly or substantially out of government grant for purpose other than those for which they have been sanctioned, without obtaining the prior approval of the sanctioning authority of grant-in- aid.
13. After submission of application for grant under above scheme, I shall not change the ownership of the project, location of project, Name of the company, promoters of the company, Bank /FI without explicit written permission from the Ministry.
14. In case of non-implementation/ delayed implementation of the project the Ministry will have absolute right in cancelling the approval granted and also recall the grant released, if any, along with interest as per the scheme guidelines.
15. I also undertake that all the information furnished in the application and the DPR with respect to the eligibility conditions, etc. are true and correct to the best of my knowledge and belief and nothing material has been concealed therefrom.

Date: _____

Place: _____

Signature of the Applicant/Lead Promoter

(Letter Head of the CA)

CA certificate (With membership No. of CA) in the following format:-

(i) Project Cost:

(Rs. in lakh)

Sl No.	Name of the Component/Item	Project Cost	Cost appraised by the Bank	Actual Cost incurred as on _____ (date)
1.	Land			
2.	Building / Civil Works			
3.	Plant & Machinery			
4.	Misc. Fixed Assets			
5.	Others			
	Total			

(ii) Means of Finance:

(Rs. in lakh)

Sl. No.	Item	Project Cost	As per appraisal report	Actual Cost
1.	Promoter's Equity			
2.	Term Loan			
3.	Unsecured Loan			
4.	MoFPI Grant			
5.	Others			
	Total			

Details of unsecured loans, if any, duly certified by CA.

Signature and Seal of C.A.

Statement of expenditure/ utilization of the funds released

Certified that Rs. _____ of grant-in-aid sanctioned by the Ministry of Food Processing Industries towards first/ second instalment of grant in favour of _____ (name & address of the project) has been utilized for the purpose for which it was sanctioned. A statement of accounts showing the expenditure/ utilization of funds released duly signed by the undersigned and counter signed by the Chartered Accountant is enclosed as an **Annexure**.

Signature of Promoter/ Authorized signatory of Company

With Seal

Date._____

Counter signature of Chartered Accountant
With CA membership No.

Annexure

Statement of expenditure/ utilization of the funds released

SL No	Name of the party	Components	Voucher/ Bill No	Date of Voucher/ Bill	Basic Cost (only for P&M)	Taxes, Freight, installations, Insurance	Total Cost	Date of Payment as per Bank	Mode of Payment

Signature of Promoter/ Authorized signatory of Company

With Seal

Date._____

Counter signature of Chartered Accountant
With CA membership No.

Criteria for Evaluation of proposals under Scheme for creation of food Processing & Preservation capacities

[REFER PARA 10 (iv)]

The proposals found *prima facie* eligible based on conditions stipulated in the guidelines will be evaluated as per the following assessment criteria: (A proposal would have to obtain a minimum of 60 marks in order to become eligible for consideration of grant-in-aid.)

S.No	Criteria for Evaluation of the proposal	Marks	Max marks	Reference documents to be reviewed
1	Priority Sector			
	a. For Perishable Products (<i>Fruits & Veg, Meat & Poultry, Milk & Aqua Products etc.</i>)	20	20	DPR/ Bank appraisal and IEM
	b. For Consumer products (<i>Bakery/Snacks/Breakfast cereals/RTE products etc.</i>)	10		
	b. For Non- Perishable Products (<i>Grain/Pulse/Oil milling etc.</i>)	05		
2	Leveraging of Investment in the project			
	For General areas			
	a. Proposed private investment including equity and unsecured loan \geq 1.5 times of grant sought	15	15	DPR/ Bank appraisal
	b. Proposed private investment including equity and unsecured loan $<$ 1.5 times of grant sought	10		
	For SC/ST, NER/ Himalayan States, Island areas& ITDP areas.			
	a. Proposed private investment including equity and unsecured loan \geq grant sought	15		
b. Proposed private investment including equity and unsecured loan $<$ grant sought	10			
3	Investment on Eligible Project cost			
	a. More than Rs.15 crore	12	12	DPR/ CE Certificate.
	b. More than Rs 9 crore to 15 crore	08		
	c. Between Rs. 3 crore to 9 crore	06		
	d. Below Rs. 3 crore (in case of SC/ST, NER/Himalayan States/ITDP/Island)	04		
4	Economic Viability of project based on Bank appraisal (key financial parameters viz. IRR, DSCR)			
4a	Internal Rate of Return (IRR)			
	a. 20% and above	12	12	Bank Appraisal Report
	b. Between 17% but less than 20%	08		
	c. Between 14% but less than 17%	04		
	d. Less than 14%	00		
4b	Debt Service Coverage Ratio (DSCR)			
	a. 3.0 and above	12	12	Bank Appraisal Report
	b. Between 2.5 but less than 3.0	09		
	c. Between 2.0 but less than 2.5	06		
	d. Between 1.5 but less than 2.0	03		
	e. Less than 1.5	00		
5	Project Strength			

	a.	The promoter(s) having professional/special training in food processing/technology	05	05	Entrepreneurs having Diploma / B.Tech / M.Tech / Ph.D. in Food Processing / Technology
6	Experience of applicant firm / promoter(s) in Food Processing:				
	a.	Food processing business having annual turnover of ₹3 crore and above during previous year	10	10	Balance sheet, FSSAI license etc.
	b.	Food processing business having annual turnover of ₹2 crore but less than ₹3 crore above during previous year	7		
	c.	Food processing business having annual turnover of ₹1 crore but less than ₹2 crore during previous year	5		
d.	Food processing business having annual turnover of less than ₹1 crore during the previous year	3			
7	Introduction of innovative technology / processing in the project		05	05	Relevant documents
8	Days of operations of the core processing facility				
	a.	300 days and above	04	04	Crop seasonality matrix and data on marketable surplus of the focused crops in the catchment area around the unit.
	b.	250 days to 299 days	03		
c.	Upto 249 days	02			
9	Location of the units				
	a.	Mega Food Parks (MFPs) / Agro Processing Clusters (APCs) approved by MoFPI	05	05	List notified by MoFPI from time to time
	b.	Designated Food Parks (DFPs) notified by MoFPI excluding MFPs / APCs	03		
c.	Outside DFPs / MFPs / APCs	02			
		Total		100	

INTER-MINISTERIAL APPROVAL COMMITTEE (IMAC)

- | | | |
|--|---|---------------------|
| 1. Hon'ble Minister, Food Processing Industries. | - | Chairperson |
| 2. Hon'ble Minister of States, FPI | - | Co-Chairperson |
| 3. Secretary, FPI, Ministry of Food Processing Industries | - | Member |
| 4. Additional Secretary/ Jt. Secretary & Financial Adviser, MoFPI | - | Member |
| 5. Joint Secretary, MIDH, Department of Agriculture & Co-operation,
Ministry of Agriculture & FW | - | Member |
| 6. Joint Development Commissioner, O/o Development Commissioner
(MSME), Ministry of Micro, Small and Medium Enterprises | - | Member |
| 7. Chief Executive Officer (CEO), NITI Aayog | - | Member |
| 8. Representative of NABARD | - | Member |
| 9. <i>State Government representative</i> | - | Member |
| 10. Joint Secretary, (Dealing with scheme), Ministry of Food Processing Industries | - | Member
Secretary |

TECHNICAL COMMITTEE (TC)

- | | | |
|--|---|---------------------|
| 1. Additional/Joint Secretary, (Dealing with scheme), Ministry of Food Processing Industries | - | Chairperson |
| 2. Representative of AS&FA, Ministry of Food Processing Industries | - | Member |
| 3. Economic Adviser, MoFPI | - | Member |
| 4. Director, APEDA, Ministry of Commerce & Industries | - | Member |
| 5. Director/DS, MIDH, Ministry of Agriculture & FW | - | Member |
| 6. Managing Director, National Horticulture Board | - | Member |
| 7. HOD, Food Process Engineering, IICPT, Thanjavur | - | Member |
| 8. HOD, Department of Food Engineering & Technology, NIFTEM | - | Member |
| 9. Representative of NABARD | - | Member |
| 10. <i>State Government representative</i> | - | Member |
| 11. Subject matter specialist (as and when required) | - | Special
Invitee |
| 12. Director / DS (Dealing with scheme), Ministry of Food Processing Industries | - | Member
Secretary |

**Mandate Form
[REFER PARA 12.1(vii)]**

**ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) /REAL TIME GROSS SETTLEMENT (RTGS)
FACILITY FOR RECEIVING PAYMENTS**

DETAILS OF ACCOUNT HOLDER:

NAME OF ACCOUNT HOLDER	
COMPLETE CONTACT ADDRESS	
TELEPHONE NUMBER/FAX/EMAIL	
PAN/TIN/TAN Number	

BANK ACCOUNT DETAILS:-

BANK NAME	
BRANCH NAME WITH COMPLETE ADDRESS TELEPHONE NUMBER AND EMAIL	
BRANCH'S IFSC CODE	
TYPE OF BANK ACCOUNT (SB/CURRENT/CASH CREDIT)	
COMPLETE BANK ACCOUNT NUMBER (LATEST) DEDICATED TO GRANTS-IN-AID	
MICR CODE OF BANK	

DATE OF EFFECT:-

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incomplete or incorrect information I would not hold the Ministry of Food Processing Industries responsible.

Date

Signature of Customer

Certified that the particulars furnished above are correct as per our records.

(Signature and Seal of Bank)

(Note: Please attach a self-attested photocopy of cheque along with the verification obtained from the bank)

ROLE AND RESPONSIBILITIES OF PROGRAMME MANAGEMENT AGENCY

[REFER PARA 7]

- (i)** Scrutiny of the Proposals received against the EOI/advertisement and assist the Ministry in selection of eligible proposals.
- (ii)** Appraisal of the DPR/projects indicating financial viability, commercial sustainability and socio-economic impact and presentation of the appraisal to the Ministry for approval.
- (iii)** Assist the Ministry in issue of approval letters to the selected projects.
- (iv)** Assist/advise the Ministry in release of the grant to the approved projects. Scrutiny of the proposals for release of grant as per the scheme guidelines. Undertake site inspections to assess the actual physical progress and verify the claims/documents submitted by the applicant for release of grant and make recommendations to the Ministry. In addition to carrying out mandatory site inspections before release of 1st and 2nd installment of grant, the PMA will also carry out quarterly site inspections and additional site inspections as and when requested by the Ministry to ascertain the status of implementation of a particular project.
- (v)** Monitoring and reporting the progress of the projects to the Ministry periodically (Yearly for five year) on the basis of defined milestones or as directed by the Ministry.
- (vi)** Updating the data regularly in the online dashboard monitoring system for monitoring the progress of the assisted projects. The portal will have to be kept updated at all times.
- (vii)** Provide suitable technical inputs on any aspect of the processing/ preservation activities of the project and related matter as and when required by the Ministry.
- (viii)** Assist in formulating, analysis and evaluation of the scheme guidelines.
- (ix)** Provide inputs for preparing reports, templates, forms and check lists related to the effective implementation of the scheme.
- (x)** Provide inputs for preparation of the agenda notes and minutes of the Technical Committee and Inter-Ministerial Approval Committee (IMAC) for the scheme.
- (xi)** Assist the Ministry in analysis of nation wise, state wise and cluster wise requirements of the creation/ expansion of processing/ preservation capacities.
- (xii)** Checking the authenticity of the documents submitted by the applicants.
- (xiii)** Any other duty and responsibility assigned by the Ministry from time to time.

Joint Inspection Report for final installment

Date: _____

To,

The Jt. Secretary,
Ministry of Food Processing Industries
Panchsheel Bhavan, August Kranti Marg
New Delhi -110049

Subject : Inspection & Physical verification of M/s _____ (Name of the firm with address of project location) for consideration of the release of grant-in-aid under the Scheme for Creation/ Expansion of Food Processing & Preservation Capacities.

The details of the implementation of the project:

S.No.	Particulars	Details	
A	Project Details		
1.	Name of the Project		
2.	Location/Area of the project/ Name of State/UT.		
3.	Whether the project is in MFP, name and plot no.		
4.	Products/By Products to be manufactured (list of products)		
5.	Capacity of the project (MT/ annum)		
6.	In case of expansion/modernisation of existing facilities/unit (details of existing capacity and proposed capacity after expansion & alongwith capacity utilisation)		
B	Project Cost	(Amount in Crores)	
		As appraised by the bank	Actual as on _____
	i. Land /Plot area Cost		
	ii. Civil Works		
	iii. Cost of Plant & Machinery		
	iv. Others		
	Total cost		
C	Means of Finance (appraised means of finance)		
	i. Equity (Promoter/Foreign/Other)		
	ii. Loan (Term)		
	iii. Grant in aid		
	iv. other sources		
	TOTAL		
D	Estimated Grant in aid		
1.	Eligible cost of Technical Civil work Actual or appraised whichever is less		
2.	Eligible cost of Plant & Machinery Actual or appraised whichever is less		
3.	Total of the Eligible cost		
4.	Estimated grant in aid worked out (@35%/ 50%)		

E. Implementation Schedule (Actual dates)	
	(a) Date of completion of building (d) Date of installation/erection of plant & machinery (f) Date of trial production and (g) Date of start of commercial production.
F. Employment Generation- Actual	
	a) Direct b) Indirect
G.	Validity period of FSSAI license.
H.	Validity of PCB certificate (consent to operate)
I.	Photographs of the units to be attached.
J.	Other remarks, if any

The above information is indicated as per the physical verification of the documents for above project. The proposal is recommended for consideration of release of 2nd instalment of grant in aid as per the guidelines of Scheme for Creation/ Expansion of Food Processing & Preservation Capacities.

(Signature of the Bank Officer with Seal)

Name: _____

Name of the Bank: _____

Address: _____

Phone/ Fax/ Mobile No._____

Email: _____

Place: _____

Date: _____

(Signature of the PMA)

Name: _____

Address: _____

Phone/ Fax/ Mobile No._____

Email: _____

Place: _____

Date: _____