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**Guidance on Ministry of Food Processing Industries (MOFPI)'s
Creation/ Expansion of Food Processing & Preservation Capacities
under Pradhan Mantri Kisan SAMPADA Yojana.**

***Food & Agribusiness Strategic Advisory & Research
(FASAR)***

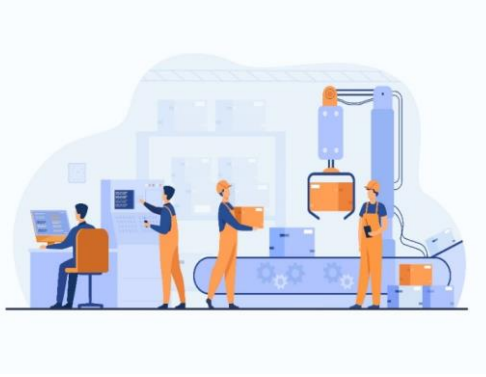


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An overview of Ministry of Food Processing Industries (MoFPI)' s Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC) Scheme

This presentation is indicative representation of the CEFPPC scheme based on MOFPI's operational guidelines dated 22.01.2025 and EOI dated 27.01.2025. Please refer to the operational guidelines and updates on MoFPI website for comprehensive details.



Prepared by

FASAR- Food & Agribusiness Strategic Advisory and Research



January 2025

Scope of presentation

- ✓ Overview & pattern of assistance of the scheme
- ✓ Eligible entities and segments
- ✓ Processing activities and project components eligible for incentive
- ✓ Eligibility criteria to apply for the scheme
- ✓ Documents to be submitted
- ✓ Evaluation criterion
- ✓ Application and selection process
- ✓ Implementation schedule and grant disbursement process
- ✓ YES BANK's - Knowledge Banking proposition for Food & Agribusiness sectors
- ✓ Disclaimer

Overview & pattern of assistance of the scheme

Objective

Help in increasing the level of processing and value addition resulting in reduction of food loss and enhanced farmer income through

- ✓ **Creation** of food processing and preservation capacities
- ✓ **Expansion** of existing food processing units

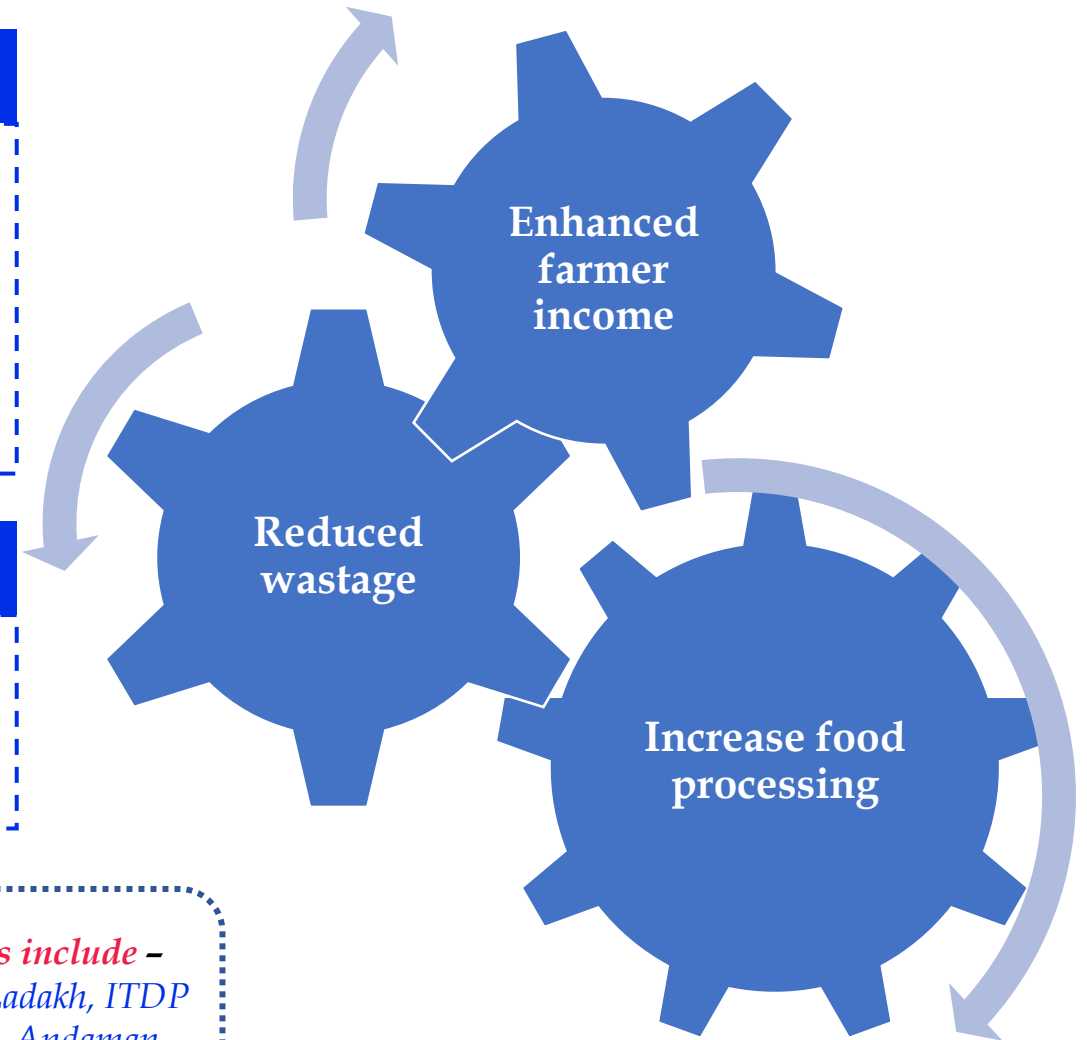
Pattern of Assistance

- ✓ **35% of eligible project cost** in General areas and North-East
- ✓ **50% of eligible project cost** in difficult areas*, FPOs, SHGs
- ✓ **Maximum grant of INR 5 Crore / Project**

Note:

- ✓ Entities where SC/ST hold minimum **51% stake**, will be treated as SC/ST Proposals.
- ✓ Applications received from SC/ST categories or North-East Region will be considered as per the criteria mentioned for General Category applicants

***Difficult areas include** – UK, HP, J&K, Ladakh, ITDP Areas & Islands, Andaman & Nicobar, Lakshadweep



Eligible entities and segments

Eligible entities

- ✓ Any individual/ Central and state PSU/Joint Venture/NGO/Cooperative/SHG/FPO/FPC/Public and Private Sector Companies/LLP/Partnership Firm/Proprietorship Firm engaged in or plans to engage in creation/expansion/modernization of food processing and preservation capacities
- ✓ Applicants who have availed financial assistance under the CEFPPC scheme will be **eligible to apply again** subject to terms & conditions as per the guidelines

Eligible segments

- ✓ F&V processing, milk, meat/poultry/fish processing & Fruits/Honey-based wines
- ✓ RTE/RTC food products/breakfast cereals/ snacks / bakery & other food products incl. nutritional health foods
- ✓ Food grains/pulses, oil seed milling & processing based on modern technology
- ✓ Other agri-horti products (like spices and condiments, mushroom processing, honey processing, etc.)
- ✓ Animal feed manufacturing unit (s), setup in MFP or APC approved by Ministry from time to time.
- ✓ Food flavours, food additives/ food extracts & colors, oleoresins, guar gum, cocoa products
- ✓ Manufacturing jaggery from sugarcane and value-added products from jaggery (as raw material) except sugar mills
- ✓ Any other Food products (from other sector as well) fit for human consumption
- ✓ Carbonated drinks/beverages containing fruit juice/**pulp >5%** in case of lime/lemon & **>10%** in case of other fruits. **Max of 2 units in an MFP and 1 unit in APC** can be sanctioned under this category.

Ineligible segments

- ✓ Aerated water (other than that covered in point 9 above)
- ✓ Packaged drinking water
- ✓ Farming activities like Dairy, Poultry, Mushroom, hatcheries etc.

Processing activities & project components eligible for incentives

Eligible processing activities

- ✓ *Sorting, grading, washing, peeling, cutting, sizing*
- ✓ *Blanching, crushing, extraction, pulping*
- ✓ *Drying, de-husking, de-hulling, splitting, depodding, deseeding, colour sorting, pulverization, extrusion, freeze drying / dehydration, frying*
- ✓ *Pasteurization, homogenization, evaporation, concentration*
- ✓ *Packaging line for approved processing units*
- ✓ *Chemical preservation, pickling, fermentation or any other specialized facility required for preservation activities*
- ✓ *Individual Quick Freezing (IQF), blast freezing, plate freezing, spiral quick freezing*
- ✓ *Controlled temperature transport like coolers and refrigerated/insulated/ventilated transport.*
- ✓ *Other processing/preservation/transport/storage facilities adjunct to value addition and shelf-life enhancement of food products*
- ✓ *Fire fighting equipment*
- *The above list is only illustrative and not exhaustive*
- *Standalone activities like temp-controlled transportation/storage facilities will not be considered for financial assistance*

Ineligible processing activities

- ✓ *Aerated water (other than that covered in point 9 above)*
- ✓ *Packaged drinking water*
- ✓ *Farming activities like Dairy, Poultry, Mushroom, hatcheries etc.*

Eligible project components

- ✓ *Cost of technical civil work and plant & machinery*
- ✓ *Utilities essential for the plant such as DG set, Transformer, Boiler, Solid waste treatment plant, ETP, RO, control panel, weighbridge, forklift, pallets, solar panel/equipment etc.*

Ineligible items for calculation of grant-in-aid

- ✓ *Compound Wall, Approach Road/internal roads*
- ✓ *Cost of land and site development*
- ✓ *Administrative office building, Canteen*
- ✓ *Labour rest room and quarters for workers, Security guard room or enclosure*
- ✓ *Non-technical civil works, painting of machinery, P&Ms not directly related*
- ✓ *Fuel, consumables, spares and stores, Stationery Items*
- ✓ *Transport vehicles other than controlled temperature vehicles like coolers and refrigerated/insulated/ventilated transport*
- ✓ *Fly catchers, hand washer, laundry*
- ✓ *Margin money, working capital and contingencies,*
- ✓ *Pre-operative expenses*
- ✓ *Consultancy fees, taxes etc. on P&Ms*
- ✓ *Service charges, carriage and freight charges or other such charges/fees*
- ✓ *Reconditioned/refurbished/ second-hand/old P&Ms, Ac ducting, furniture, computers and allied office items, CCTV Camera and security related equipment*

This list is only indicative. PAC will be the final authority to decide on ineligibility or otherwise of items for purpose of grants-in-aid

Cost norms applicable on civil and P&M. Taxes are ineligible.

Eligibility criteria to apply for the scheme

Project cost

- ✓ **Minimum eligible project cost is INR 3 Cr** in general areas & NE, **INR 1 Cr** in difficult areas

Net-worth of Applicant

- ✓ **Combined net-worth**
 - **>=1.5 times of grant sought** for general areas & NE
 - **>=grant sought** for difficult areas/ FPOs/ SHGs.
(Sum of net worth of SC/ST member(s) shall **be >=10%** of the combined net worth of entity.
 - **No net-worth criteria** for PIAs from Central and State governments and their entities

Means of Finance

- ✓ **Infusion of equity of >=20%** of the total project cost in general areas, NE & **>=10%** in difficult areas/ FPOs/ SHGs
 - Value of land in registered sale/lease deed shall not be considered as part of total project cost.
 - Unsecured loan will not be treated as part of equity
- ✓ **TL from bank for >=20%** of total project cost for general areas, NE & **>=10%** for difficult areas/FPOs/SHGs

Bank documents

- ✓ **Final Term Loan sanction letter (inter alia, indicating whether proposal is for expansion or a fresh proposal)** from a scheduled commercial bank/NABARD/SIDBI/NEDFi
 - The date of sanction of term loan **should not be before the date of issue of EOI**
- ✓ **Detailed Appraisal Note** specific to the proposal from a scheduled commercial bank/NABARD/SIDBI/NEDFi

Number of applications per applicant

- ✓ **Only 1 application** will be accepted from an entity.
- ✓ **Expansion of existing facility(ies)** is eligible under the scheme
- ✓ Entities or promoter(s) who have availed financial assistance under this or any other scheme of PMKSY will be eligible **only after two years** from the date of commercial operation of previous project up till the date of closure of EOI
- ✓ An entity or promoter(s) of an entity **shall not be eligible for grant for more than 2 projects during a period of 10 years under any sub-components of PMKSY scheme**

Documents to be submitted with application

Applicant details

- ✓ Annual Reports, Audited financial statements and Income Tax Returns filed, for the last two years (if applicable)
- ✓ IEM registration/ entrepreneur's memorandum/Udyog Aadhaar registration
- ✓ Biodata / Background / experience of entity and its promoters relevant to the scheme
- ✓ Certificate of incorporation/registration, MOA & AOA, bye laws of society/partnership deed, PAN, TAN, SC/ST Caste certificate (as applicable)

Project details

- ✓ Detailed Project Report
- ✓ Land documents (Owned/Leased). In case of lease, registered lease deed shall be for a period of at least 15 years in the name of the applicant firm from the date of application.
- ✓ CA/Statutory auditor certificate on letterhead of CA along with membership / registration number capturing project cost and means of finance(Appendix II)
- ✓ Quotations from original equipment manufacturer (or authorized dealers / suppliers) in respect of P&M and equipment of the proposed project
- ✓ Item wise cost wise (Basic and GST/taxes separately) details of technical civil work envisaged for the project duly certified by Chartered Civil Engineer (on letterhead of Chartered Civil Engineer along with membership / registration number). BOQ shall not be accepted
- ✓ Item and cost-wise details of P&M envisaged duly certified by Chartered Mechanical Engineer (on letterhead of Chartered Mechanical Engineer along with membership / registration number)

Net worth details

- ✓ CA/Statutory Auditor Certificate for Net Worth (meeting conditions as mentioned in Appendix 1 – Calculation of Net worth) - on letterhead of CA along with membership / registration number along with other documentary proofs as applicable

From Bank

- ✓ **Final term loan sanction** from scheduled commercial bank/NABARD/SIDBI/NEDFi
- ✓ **Detailed Appraisal Note** specific to the scheme from scheduled commercial bank/NABARD/SIDBI/NEDFi

Undertakings & Other documents

- ✓ Proof of submission of requisite fee
- ✓ Undertaking by PIA (Appendix III – declaring authorized signatory, not incurring expenditure before Approval Letter etc)
- ✓ Expenditure incurred on the project before the date of online submission to be furnished in Appendix IV format (CA certificate)
- ✓ Correspondences (emails/letters) for possible forward or backward linkage

- All pages of all documents submitted online must be self attested by applicant or their authorized signatory
- Supporting document for such authorization of authorized signatory to be furnished
- When original documents are in regional language, they shall be accompanied by self certified English / Hindi translation
- All pages to be numbered. Proposal should contain an index at first page indicating various documents submitted along with page number.

Evaluation criteria

1. Priority Sector		25	Required Documents
a.	For manufacturing products using predominant perishable raw material (Fruits & Veg, Meat & Poultry, Milk & Aqua/marine Products)	25	DPR/Bank appraisal and IEM
b.	Any processing segment other than at 1 (a) and <ol style="list-style-type: none"> i. Jaggery and jaggery based products, ii. Any products from food grains, pulses, oil seeds, iii. Honey and beverages as per eligible segments of guidelines, Animal feed 	20	
2. Possession of Appropriate Land		15	Required Documents
a.	Complete land title - sale deed/registered lease deed/possession letter/allotment letter from State Govt. Agencies/ MFP/ APC in the name of PIA along with CLU	15	CLU & land ownership documents
b.	Complete land title - sale deed/registered lease deed/possession letter/allotment letter from State Gov Agencies/ MFP/ APC in the name of PIA along without CLU	10	Land Ownership documents
c.	Agreement to Sale/Purchase of Land in the name of PIA	5	Copy of Agreement
3. Net worth of the applicant		15	Required Documents
a.	More than 2 times of proposed equity	15	Balance Sheet/CA
b.	>1.5 to 2 times of proposed equity	10	Certificate/Supporting Documents and ascertained by Ministry as per scrutiny
c.	>1 and up to 2 times of proposed equity in case of SC/ST applicant	10	
4. Debt Service Coverage Ratio (DSCR) based on Bank appraisal		15	Required Documents
a.	3.0 and above	15	Bank Appraisal Report
b.	Between 2.5 but less than 3.0	12	
c.	Between 1.5 but less than 2.5	10	

Note: 15 marks will be given to entities under Central Government/State/UTs Governments not claiming Bank Loan

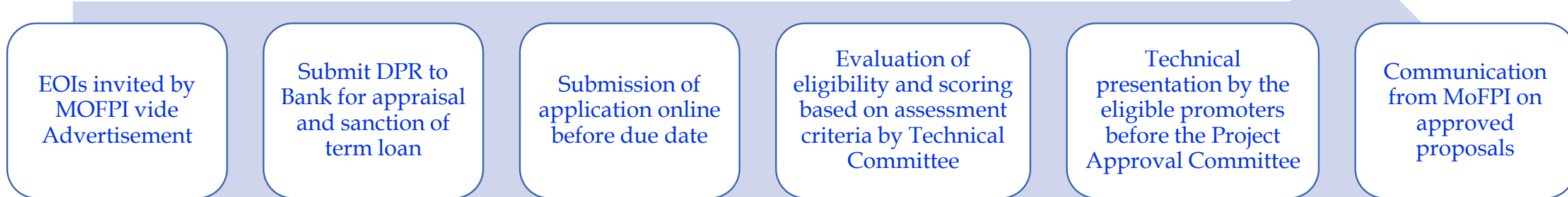
Evaluation criteria

5. Project Strength- The promoter(s) having professional / special training in food processing/ food technology	5	Required Documents
a. B.Tech/B.Sc./B. Voc. in Agri/Horti/fisheries / Food Processing / Technology/ Dairy Science/ Technolog	5	Copy of Degree/Diploma/ Certificate
b. Diploma in Agri/Horti/Fisheries/ Food Processing / Technology/ Dairy Science/ Technology	3	
6. Projects availing benefits of renewable/alternate energy technologies (solar, bio-mass, wind etc.) for the project.	5	Certified by CE- Mech
Note: Minimum 10% of the total sanctioned power load is required for obtaining marks.		
7. Projects from Aspirational Districts as notified by NITI Aayog	5	List from NITI Aayog
Sub-Total		85
ELIGIBILITY OF THE APPLICANT		
For the general/SC/ST - minimum 60% of the sub-total i.e. 51 Marks		
8. Technical presentation by the eligible promoters before the Project Approval Committee (PAC)	15	
Total		100

Note: In case of multiple products of different priority sector has been proposed, marks shall be awarded as per the lower category proposed.

Application & selection process

- *EOI Advertisement released by MOFPI on 27/01/2025*
- *Last date for submission of EOI: 28/03/2025*



- Submission of proposal along with INR 20,000 as non-refundable amount

- Competitive selection - the proposals with highest marks will be selected.
- Technical committee will scrutinize applications with respect to prima facie eligibility
- Eligible proposals - scoring a minimum of 60% (out of 85 marks)
- In case of eligible proposals having equal marks, preference will be given to the proposal with **higher eligible project cost.**

- Eligible proposals will be placed before Project Approval Committee
- The selected eligible promoters shall make a **technical presentation** regarding its proposal to **Project Approval Committee**

- Upon selection, submit within 30 days of approval:
 - **Bank guarantee** as performance security for **5% of eligible grant, valid for 30 months**
 - Acceptance letter, notarized Affidavit, countersigned copy of approval letter

Disbursement process – key documents required

Time for completion and operationalization of projects will be 18 months from the date of issue of approval letter

1st Installment - 50% of eligible grant
(9 months from the date of issue of approval letter)

- ✓ Details of 3 bank accounts & ECS mandate form
- ✓ CA & CE certificates
- ✓ CLU certificate
- ✓ Notarized surety bond on non judicial stamp paper of not less than Rs 100/-
- ✓ COE / NOC from Pollution Control Board
- ✓ Bank certificate regarding release of TL along with quantum
- ✓ Approved building plan & Land documents
- ✓ Self-attested English/Hindi version of land document in support of land title in the name of PIA

2nd Installment - 50% of eligible grant
(18 months from the date of issue of approval letter)

- ✓ Utilization certificate by PFMS for grants released as 1st installment
- ✓ CA & CE Certificates
- ✓ Proof of 100% Term loan disbursement from bank
- ✓ Bank Certificate confirming commencement of commercial production
- ✓ CTO / NOC from Pollution Control Board
- ✓ Valid copy of License issued under FSS Act, 2006
- ✓ Proof of prominent display on front of the project/sides of vehicles stating that “Project is assisted by MOFPI, GOI”, supported by photographs

Note:

- Geo-tagged photos of project from various angles and locations for release of every installment is required
- Grant release subject to availability of funds

Monitoring & Evaluation

- **Pre & Post inspection** would also be undertaken by the Ministry as required to find out the physical, financial and operational progress. It will be binding on the entity to allow inspection of unit at any time by representative of Ministry or an authorized representative.
- **Before release of every installment of subsidy**, the Ministry will get the project visited and verified by **PMA and Term Loan Lending Bank**

Non-implementation / delayed implementation

In case of non-adherence to the timelines (i.e. 18 months for project completion), the approved grants shall be deducted as below (except for reasons of force majeure):

Sl. No.	Delay	Reduction in grants-in-aid
1	Up to 3 months	Nil
2	More than 3 months and up to 4 months	1.0%
3	More than 4 months and up to 5 months	2.0%
4	More than 5 months and up to 6 months	3.0%
5	More than 6 months and up to 7 months	4.0%
6	More than 7 months and up to 8 months	5.0%
7	More than 8 months and up to 9 months	6.0%
8	More than 9 months and up to 10 months	7.0%
9	More than 10 months and up to 11 months	8.0%
10	More than 11 months and up to 12 months	9.0%
11	More than 12 months	10.0%

- In case of proposals requesting for **dropping of any of the approved components**, the proportionate grant approved for that particular component shall be deducted from the approved grants
- If it comes to notice of the ministry that grant has been availed by **manipulation** of information/facts, such grants shall be refunded along with interest @10% per annum.
- If the PIA withdraws from project execution, the **released grants (along with interest @10% p.a.)** to be returned to the Ministry within 30 days of communication for refund of such grant. **Bank guarantee submitted (as performance security) shall be forfeited)**
- In case of failure PIA to refund the grants-in-aid as directed by MOFPI, the due amount will be recovered as an arrear of land revenue as per the relevant laws in force.

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Food & Agribusiness Strategic Advisory & Research Team



Unique
knowledge
banking
proposition



Team of sector
specialists with
relevant industry
experience



5 locations
(New Delhi, Mumbai,
Chennai, Bangalore &
Hyderabad)



Strong relationship with
a number of
stakeholders in food and
agribusiness domain

Focus areas



Strategic Advisory

- Market Entry
- Diversification
- Growth & Expansion Plan
- Business Opportunity Evaluation



Project Advisory

- Feasibility Studies
- Detailed Project Reports
- Addressing Government schemes



Policy Advisory

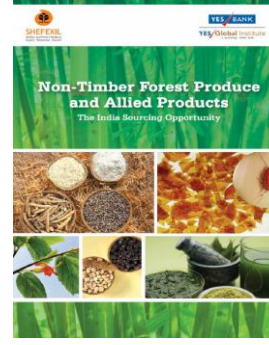
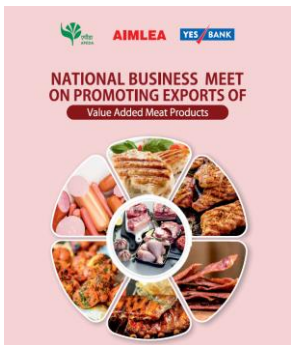
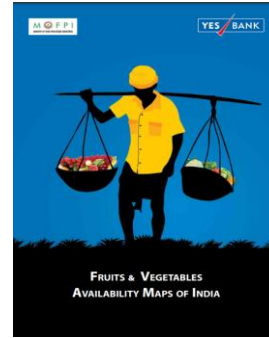
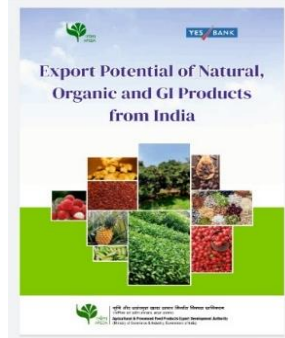
- Sectoral Growth & Development
- Policy Research
- Programme Design & Impact evaluation
- Investment promotion



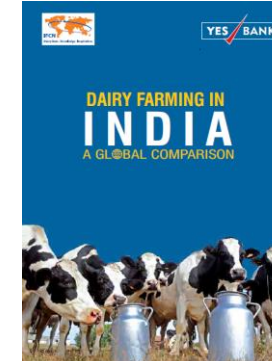
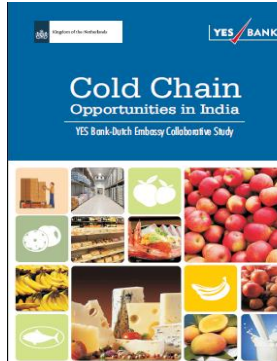
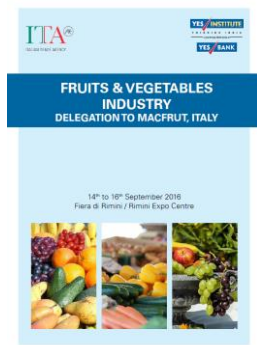
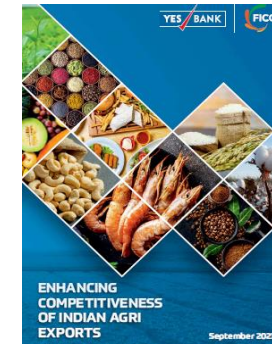
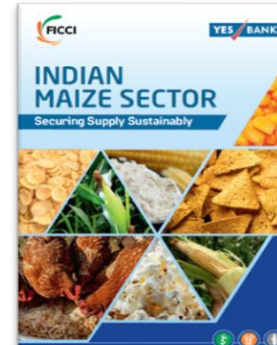
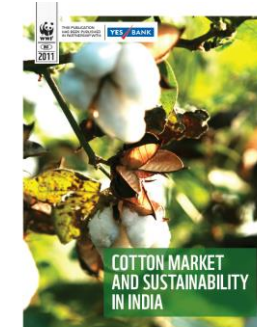
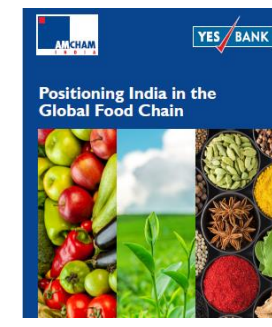
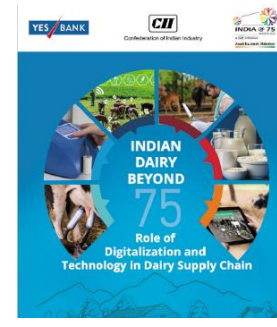
Thought Leadership

- Subsector focused research, knowledge reports and events
- Strategic initiatives focused on building Food & Agri eco-system

With Government



With Associations/Embassies



[Link to reports](#)

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Thank you

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