

Date: 13.01.2011

Clarifications on various issues raised by the participants during the pre-bid meeting held on 11.01.2011 pertaining to EOI for establishment of 5 new Mega Food Parks

1. What should be the distance between the CPC and PPC / CC in the Hub and Spoke Model of the Mega Food Park?

There is no fixed distance prescribed between CPC and PPC. The location of PPC and distance thereof depends upon the Business Model and cluster of raw materials.

2. Is the cost of land a part of project cost for calculation of admissible grant?

As per the prescribed guidelines, the admissible grant of 50% of the project cost in general areas and 75% of the same in difficult area is calculated taking into account various components other than the cost of the land. However, development of land is a part of the component for the project cost.

3. Is captive power plant is a permissible component under the scheme?

As per the Mega Food Park Scheme Guidelines the CPC and PPC will have enabling basic infrastructure which will include road, drainage, water supply, electricity supply including captive power plant, effluente treatment etc.

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4. Whether incorporation of SPV is necessary at the time of submission of EOI?

The incorporation of SPV is not a pre condition for submission of EOI. However, a shareholding agreement needs to be arrived at with the respective partners stating the percentage of shareholding. Incorporation of SPV is a mandatory condition before final approval is accorded.

5. Is there any special fiscal incentive available under the scheme as are available under SEZ?

Although no special fiscal incentives are available under the scheme, various fiscal benefits which are applicable to food processing sector are available for the Mega Food Parks also.

6. What precautions are necessary at the time of acquisition of land?

The SPV should acquire atleast 50 acres of contiguous land which should not be hazardous for development of food processing units. While acquiring the land it should be ensured that the state authority permits subleasing parts thereof to the industrial units to come up in the park.

7. Can the raw materials be procured from the adjoining states for the Mega Food Park project?

There is no bar in procuring agri produce from the neighbouring states. However, economic viability and sustainability may be looked into by the SPV for running the project successfully.

8. Whether the individual units which would come up in the CPC would also be entitled to benefits available in other schemes?

The individual units would be treated as separate entity and are entitled to the benefits available to them under different scheme of this Ministry or the benefits of the schemes available under other Ministries of Central Government or any benefit available under the State Scheme.

9. Whether the PMC will be an inhouse functionary of the SPV or it should an outside agency?

The PMC should be an independent agency who has various statutory roles to play. Various tender documents and bills need to be countersigned by the PMCs for the purpose of release of funds to the SPV. The PMC is also supposed to upload progress status online from time to time for the perusal of the Ministry.

For further clarifications, SPVs may contact at the following telephone/Email Address:

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