

## FREQUENTLY ASKED QUESTIONS (FAQs)

ON

### PRADHAN MANTRI KISAN SAMPADAYA YOJANA- SCHEME FOR CREATION/ EXPANSION OF FOOD PROCESSING AND PRESERVATION CAPACITIES (CEFPPC)

**Q.1 – As per the modified guidelines new units will be allocated in Mega Food Parks assisted by the Ministry, whether the new units to be set up in Agro Food parks, Agro Clusters or Agro industrial areas of the States also will be considered on the same line under the scheme?**

**Ans.-** The new units from the proposals to be received against the EoI will be approved in the Mega Food Parks assisted by MoFPI; only, except for the States that do not have Mega Food Parks.

**Q.2 – My company is taking a land on lease for setting up a food processing unit, what should be the minimum lease period acceptable to avail the grant under CEFPPC scheme?**

**Ans.-** Minimum lease of 15 years is required and registered lease deed on the name of applicant company need to be submitted with application.

**Q.3 – The land taken for the project has ownership on the name of one of the Director/ Partner of the company, is it required to be transferred on the name of Applicant Company?**

**Ans.-** Yes, if the land is owned by one of the Director or partner of the company, then such a land need to be leased out on the name of the applicant firm for minimum of 15 years.

**Q. 4– The Mega Food Park Promoter has given me the provisional allotment letter for the plot where I intend to set up my Food processing Unit, whether I will be eligible for availing preference for my project?**

**Ans.-** To avail preference for the project to be set up in Mega Food Park, Possession letter of the respective plot need to be submitted at time of application under the CEFPPC scheme.

**Q.5– Since there is no 100% surety for sanction of grant to our projects because grant will be sanctioned as per the merit of the markings and also preference will be given to units in Mega Food Parks, in such a situation, whether the grant component to be indicated in means of finances or same can be shown in Term loan.**

**Ans.-** The grant component required to be shown in the means of finances. Which can be shown as Unsecured loan in lieu of MoFPI grant or Bridge loan from bank in lieu of MoFPI Grant or Bank should clearly indicate in TL sanction order about Term loan component and Loan approved in lieu of MoFPI grant if sanctioned.

**Q. 6– As per guidelines it is mandatory to bring 20% promoters equity in case of General areas and 10% Promoter equity in case of NER & difficult areas, whether the cost of land will be considered under the promoters equity?**

**Ans.-** No, the 20% or 10% promoter equity as the case may be required to be brought in the project excluding the land cost .

**Q. 7- Do I have to submit Techno Economic Viability (TEV) report alongwith Bank appraisal report?**

**Ans.-** If the Bank appraisal report has not indicated the financial benchmarks (i.e. IRR, DSCR, BEP, DER etc), SWOT analysis etc. in the Bank appraisal report then TEV report need to be submitted duly authenticated by the respective bank.

**Q. 8- As sanction of proposals takes time from bank, Ministry may consider in-principle sanction in place of final term loan sanction order.**

**Ans.-** As per the scheme guidelines applicant require to submit final term loan sanction order.

**Q. 9- Whether the term loan can be availed from Cooperative banks?**

**Ans.-** Term loan can be availed from any scheduled bank or financial institutions having core banking facilities. If the term loan sanctioning Bank/FI does not have core banking facility, in such a case an Escrow account need to be opened in the Bank having core banking facility and all the transactions for the applicant project need to be done through such Escrow account.

**Q. 10- Whether the 15% allocation for grain milling sector is out of State wise quota allocated to the respective State?**

**Ans.-** The 15% allocation is nothing to do with the State wise projects allocated to respective States. For the grain milling sector, the 15% of the total allocated budget *may* be utilized each year for release of grant (Ref. para 2)

**Q. 11- Loan sanctioned to the firm after EOI date but some of the expenditure already incurred on the project from the promoters equity, whether such expenditure will be considered under eligible project cost?**

**Ans.-** The expenditure incurred on the project before sanction of term loan will not be considered under the eligible project cost. However only, advances paid for plant and machinery and final billing/ invoices paid after sanction of the term loan then such total expenditure will be considered under eligible project cost.

**Q. 12- Whether electricity supply transformer, solar panel etc. are the eligible components under project cost?**

**Ans.-** The cost of transformer, solar panel etc. will be considered eligible component under 'Utilities' (para. 8.3 of guidelines).

**Q. 13- Whether the temperature controlled transports, cold storages for storage of raw material or finished products storage are allowed under the scheme?**

**Ans.-** The cold storages required for the storage of raw material or finished products of the core processing unit are eligible under the scheme but standalone cold storages/ ware houses are not eligible under the CEFPPC scheme. Further the expenditure proposed for cold storages or

temperature controlled transports for existing units also will be considered eligible viz-a-viz processing capacity of the existing unit.

**Q. 14- Whether the stand alone irradiation projects are allowed under the scheme for preservation of products?**

**Ans.-** The stand alone irradiation projects will not be eligible. Standalone irradiation facility is covered under the Scheme of Cold Chain, Value Addition and Preservation Infrastructure.

**Q.15 - Whether the integrated projects of Mushroom, Honey are eligible under the scheme?**

**Ans.-** Under the integrated projects, only processing infrastructure will be considered under the scheme. For example, infrastructure facility required for Mushroom canning, mushroom powder etc. will be considered under the scheme but infrastructure for mushroom cultivation, mushroom pawn culture etc will not be considered under the scheme. Honey processing facilities including packaging etc will be considered under the scheme but facilities created for bee keeping etc. will not be considered under the CEFPPC scheme.

**Q. 16- Dairy Farming, Poultry farming and hatcheries are eligible sector under the scheme?**

**Ans.-** No, farming activities are not under the mandate of MoFPI, hence farming activities cannot be considered under the CEFPPC scheme.

**Q.17 - Whether the Sugar/ Jaggery industry is eligible sector under the scheme ?**

**Ans.-** Sugar Mills etc are not eligible under the scheme, however value added sugar products like Sugar cubes, Syrups, flavoured jaggery cubes, jaggery powder etc. will be considered under the scheme of CEFPPC.

**Q. 18- The cost of Plant & machinery including GST will be considered under eligible project cost ?**

**Ans.-** For consideration of eligible project cost as per Para. 8.3, the basic cost of Plant and machinery will be considered. Any other charges/taxes/duties paid to the Central/ State Government Agencies such as GST, Customs duty, Import duty etc. will not be considered under the eligible project cost.

**Q. 19- Whether the cost of refurbished/ reconditioned/ second hand imported Plant & machinery will be considered under eligible project cost?**

**Ans.-** No, refurbished/ reconditioned/ second hand imported or Indian plant & machinery will not be considered under the eligible project cost.

**Q. 20- As per Para 2 (x), processing plants that makes food products fit for animal consumption to be set up in Mega Food Park are eligible but in those States where Mega Food Park is not there, whether Animal feed plants of those States will be considered under the scheme ?**

**Ans.-** No, processing plants that makes products fit for animal consumption are eligible only if such units are set up in Mega Food Parks. Because it is expected that these units would utilize the food processing by-products available with the food processing units established in the Mega Food Park and use these by-products for processing of products for animal consumption.

**Q. 21- Whether the Edible oil refinery/ solvent extraction/ fractionation plants are eligible sector under the scheme?**

**Ans.-** Edible oil refinery/ solvent extraction plants etc. sourcing oil seeds/ oiled cakes/ bran/ crude oil etc. from the domestic production areas are eligible under the scheme.

**Q.22- Whether dovetailing of assistance is allowed under the CEFPPC scheme?**

**Ans.** Applicant firm may dovetail assistance available under various other schemes of other Central / State Governments, which would improve the viability of the project. While dovetailing such assistance, it will be ensured that there is no duplication of assistance for the same component/activity of the project.

**Q.23- As per guidelines minimum project cost of Rs. 3 crore is sufficient for eligibility of the project?**

**Ans.** It is not the minimum project cost of Rs. 3 Crore. For eligibility of the project under the scheme, minimum 'eligible project cost' (ref. para. 8.3 of guidelines) required to be of Rs. 3 Crore. (which includes cost of Plant & machinery, technical civil work and 25% cost of Utilities).

**Q.24- In the North East States, all the States have been allocated 3 projects each, if more than three projects proposed to be set up in Mega Food Parks situated in NE region, then whether the proposals allocated to NE States will be allocated to the Mega Food Parks of NER ?**

**Ans.** If the projects from NE States received less than the 3 projects in any of the NE State, in such a case these available projects may be allocated to the Mega Food Parks situated in NE States or to other NE States where from enough proposals have been received.

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