

## Additional Frequently Asked Questions (FAQs)

- 1. If an applicant makes the investment towards machinery which will be used towards production of both eligible and ineligible products (having same process line) under the scheme guidelines, how that investment would be considered? Will an investment made under associated infrastructure (for example in solar power plant) be included commonly as a whole for eligible products as well as for ineligible products?**

Investments which are specifically identifiable towards eligible product(s) to be included.

Investments which are specifically identifiable towards excluded product(s) will not be included. For investment made under associated infrastructure be included commonly as a whole for eligible products as well as for ineligible products.

- 2. How the overall investment in the Integrated Plant, manufacturing both included & excluded products, will be apportioned for inclusion in committed investment under the scheme?**

Value of Investment (in Plant & Machinery, Technical Civil Work and Associated Infrastructure) in proportion to value of eligible product will be apportioned for inclusion in the Committed Investment.

- 3. Whether food products both in bulk and consumer package are permitted for coverage under sales based incentive? Do Marine products and Oleoresins in Bulk package are included? Indicate the exclusion of any products in Bulk package, if any.**

As per Clause 3.21 of the Guidelines "Sales: Sales shall mean the Gross Sales of food products, either in bulk or consumer package, net of GST, credit notes (raised for any purpose) and discounts (including but not limited to cash, volume, turnover, target or for any other purpose) as per GST Invoice." Therefore, all products including Marine products and Oleoresins in Bulk package are included. The coverage of Spices in Bulk package, however is different. Appendix-B of the Guidelines covers Spices (both mixed and single spices) packaged in consumer size packs. Therefore, such spices in Bulk packages are excluded under sales based incentives under PLISFPI.

- 4. What would happen to the base year sales in case of a Merger/Acquisition of Indian Company with applicant company as a new entity with the applicant?**

Base year sales (2019-20) of the applicant in case of a Merger/ Acquisition entity would be combined. However, Ministry need to be notified and specific approval sought in that case.

**5. Would projection for expenditure on Branding & Marketing abroad be fungible across brands and across categories of expenditure?**

In application form, Category-wise break-up of expenditure on Branding & Marketing abroad for the Umbrella Brand is to be provided. The same shall be indicative and fungible across expenditure categories and company' brands. However, total expenditure shall be treated as commitment and shall be reckoned for selection of the Applicant.

**6. If an applicant applies under 3 sub-segments of Category-I, where do they need to fill in the details for branding & marketing expenditure as it's irrespective of any food category. In case if an applicant is not selected under category 1 under which one has filed details for branding and marketing, would Category III application become infructuous in that case?**

Proposal for Branding and marketing incentives can be filled in any or all of Applications for 3 sub-segments of Category I which an applicant is applying for sales based incentives. If such an Applicant is selected in any of the segments of Category-I and in which proposal for B&M have been covered, the application in Category- III would become infructuous. If that applicant is not selected in Category-I or selected for a segment of Category-I where it has not proposed expenditure on B&M, the application under Category-III would be considered.

**7. Sales from an Indian entity to other group entities abroad would qualify as sales for the purpose of the scheme?**

Yes, sales from an Indian entity either in bulk or consumer package would be included under eligible sales subject to the specifications in Appendix-B of the Guidelines. For example, Spices (both mixed and single spices) packaged in consumer size packs would be included under the scheme.

**8. Can a company change its plans within Committed Investment for Category I? i.e. fungibility provided across expenditure on Capital (P&M, Technical Civil Work and Associated Infrastructure) and Branding expenditure?**

Yes, However the minimum investment mentioned in Appendix A towards capital investment should be met by the company. In addition, any change in plans is subjected to approval from Ministry.

**9. Can an applicant add new brands that has not been covered at the Application stage for support towards Branding & Marketing abroad?**

The proposals of the applicant shall indicate the Brands of food product proposed to be promoted. The Applicant may later also include new owned brands sought to be promoted, that the Applicant has not covered at the Application stage, after notifying the same to Ministry.

- 10. In the online portal (Sec 6.4 of Category I; Sec 5.2 of Category III), breakup of details of Branding & Marketing abroad for FY 19-20 to FY 25-26 in terms of sub-Category of expenditure (Newspaper/ Magazine, Electronic Media, social media, Listing Fee/ Shelf Space Renting, In Store Branding, Others) is sought. Do “others” include expenditure towards ineligible activities also?**

No. Others will include only expenditure towards eligible activities, or combination thereof, under the scheme which do not fall under the heads mentioned.

- 11. Is there any commitment on Branding & Marketing expenditure under Category III?**

For Category III applicants, the minimum expenditure on Branding & Marketing Incentive shall be Rs. 5 crore over a period of five years. The details of overall projected expenditure value sought in the Category III application would be binding on the Applicant.

- 12. What is the criteria for considering if an investment is made in a particular Financial Year or not? Will it be basis the cash outflow or basis the accrual of expense in the books of accounts?**

As per clause 6.13 of the guidelines, for determining Amount of investment, only such items of Plant & Machinery will be counted as eligible, for which purchase invoice is after 01.04.2020 and before 31.03.2023. For Technical Civil Works & Associated Infrastructure, the eligible Purchase Invoices will be those which are raised after 01.04.2021 and before 31.03.2023. Capitalization of the Investment in the Books of Applicant/ Subsidiary/ Contract Manufacturer (as the case may be) should happen between the dates 01.04.2020 to 31.03.2023. This will have to be certified by the Statutory Auditors of the Applicant/ Subsidiary/ Contract Manufacturer (as the case may be). The same may also be required to be verified by an Independent Chartered Engineer (appointed by the PMA/ MoFPI).

- 13. Whether exports made in INR to Nepal & Bangladesh can be included under exports?**

Yes, It would be considered.

- 14. For applicants selected under Category I, in case the incremental sale is less than CAGR committed in the application, but CAGR is more than 10% as required by the scheme, will the benefit be available on the achieved incremental sales or Is there a penalty for missing committed sales, even if the incremental sales achieved are above the CAGR of 10% required.**

If a selected Applicant is not able to achieve the required CAGR in sales as given in Appendix D of the guidelines, the applicant will not be entitled to any incentive for that year.