

**FAQs RELATED TO EXPRESSION OF INTEREST FOR APPLICATION UNDER
SCHEME FOR CREATION OF BACKWARD AND FORWARD LINKAGES**

**Queries raised/clarifications sought during the Pre-Bid Meeting held on
08.09.2017 at 11:00 AM onwards**

1. What is objective of the scheme?

Clarification: The objective of the scheme is to provide effective and seamless backward and forward integration for food processing industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market.

2. What are the eligible sectors for consideration of grant of financial assistance under the scheme?

Clarification: Horticulture, Milk & Milk Products, Meat, Poultry, Fishery, Marine, Piggery, Ready to Eat/Ready to Cook Food Products, Honey, Coconut, Spices, Mushroom and Retail Shops for Perishable Food Products are eligible sectors for grant of financial assistance.

3. Whether there is any minimum qualifying score fixed by the Ministry in respect of eligible proposals for consideration of financial assistance?

Clarification: The Ministry has not fixed any minimum qualifying score. However, the Ministry will have the final say regarding eligibility or otherwise of the proposals and selection of proposals for grant-in-aid.

4. Whether cow shade/ Milking Equipment/ cattle feed is eligible for consideration and financial assistance under the scheme?

Clarification: No.

5. Whether refrigerated push carts for selling ice-cream would be considered as eligible component under the scheme?

Clarification: No.

6. Whether jaggery making, rice milling and packing/ packaging of the same is permissible under the scheme?

Clarification: No.

7. Whether application form other than through online portal will be accepted by the Ministry?

Clarification: No. The Ministry has activated software for submission of online application through <http://sampada-mofpi.gov.in/linkages/login.aspx>. The applicants are advised to access the above link for submission of online application form.

8. What is the amount of fee to be submitted along with the proposal?

Clarification: The applicants are required to submit Rs. 50,000 as refundable security deposit and Rs. 5,000 as non-refundable cost of EOI separately through Demand Draft/ RTGS/ NEFT against the account number – 3516103454, IFSC code – CBIN0282169 (Central Bank of India, Udyog Bhawan, New Delhi) of “the Pay & Accounts Officer, Ministry of Food Processing Industries”, New Delhi).

9. Whether technical civil work for retail outlets would be considered for financial assistance?

Clarification: No. Under the forward linkages retail chain of outlets to be set up by processors and/ or organizations with farm level infrastructure under component at 4.1 (b) of the scheme guidelines for perishable food products would be supported with facilities such as frozen storage/ deep freezers/ refrigerated cabinets/ cold room/ chillers/ packing/packaging.

10. Whether refrigerated/insulated transport/reefer vans would be eligible for financial assistance?

Clarification: The facility of refrigerated/insulated transport/reefer vans can only be availed in conjunction with components mentioned in Backward and Forward Linkages of the scheme guidelines. However, Reefer Boats as standalone component would be supported under the scheme.

11. Whether facilities of standalone cold storage would be supported under the scheme?

Clarification: No. The facilities of cold storage will be supported if it forms an integral part of the Integrated Pack House under Backward Linkages or is setup as a part of retail chain of outlets under Forward Linkages as explained in para 4.1(b) of the scheme guidelines.

12. Whether primary processing facilities for marine sector coupled with reefer transport would be eligible for assistance?

Clarification: Yes.

13. Whether facilities like Cooker and IQF for marine sector would be considered for assistance?

Clarification: No.

14. Is it necessary to obtain final term loan sanction and bank appraisal note to meet the eligibility condition?

Clarification: Yes. Final term loan sanction for an amount not less than 20% of the project cost and detailed appraisal note from the bank/Financial Institution specific to the proposal are required to be submitted along with the proposal to become eligible for consideration under the scheme.

15. Whether there are any minimum cut off marks prescribed in the evaluation criteria?

Clarification: The Ministry shall have the final say regarding eligibility or otherwise of the proposals and selection of proposals for grant-in-aid.

16. Whether a project that has availed assistance under any other scheme of the Government, is eligible to apply against the EoI as an expansion project/ for creation of new facilities?

Clarification: Yes, but there should be no overlapping of project facilities between the different schemes. The details of existing facilities and financial assistance obtained under other schemes should be clearly brought out in the DPR and in the appraisal note from bank. The proposal should fulfill the basic eligibility criteria as per para 11.2 and creation of components as per para 4 of the scheme guidelines dated 14.07.2017.

17. Whether a proposal where CLU for the project land has been issued prior to the date of EoI, will be eligible under the scheme guidelines?

Clarification: Such proposals where CLU and other statutory approvals have been issued prior to the date of EoI will be considered subject to fulfilling other eligibility

criteria as per scheme guidelines. However, the date of sanction of term loan should not be earlier than the date of issue of EoI.

18. Will deep freezers be eligible for grant at retail outlet?

Clarification: Retail outlets with components as mentioned in para 4.2 (b) of the scheme guidelines are eligible for grant.

19. Will a change in project location be allowed post issue of approval?

Clarification: This may be considered on case to case basis subject to approval by the Inter Ministerial Approval Committee.

20. Can the cost incurred on non-technical civil works, commission, consultancy charges and erection charges for plant & machinery be considered as eligible for grant purposes?

Clarification: No. In this regard list of ineligible items has been detailed in para 5.1 of the scheme guidelines.

21. Is it necessary to submit a detailed appraisal note along with the application?

Clarification: Yes. A detailed appraisal note and final term loan sanction from bank are basic eligibility criteria under the scheme guidelines.

22. Will a Term Loan sanction and appraisal note from bank/ financial institution for a project obtained prior to 24.08.2017 i.e. before the date of issue of EoI be considered eligible by the Ministry?

Clarification: No.

23. Whether a Term Loan sanction issued on or after the date of issue of EoI with reference to an application submitted to the bank before the date of EoI viz. before 24.08.2017 be considered eligible by the Ministry?

Clarification: Yes, if the loan has not been disbursed and only sanction letter has been issued. The applicant in such case should submit a letter from the lending bank/ financial institution with revised means of finance and IRR, DSCR, BEP & D-E ratio factoring in the proposed grant from the Ministry.

24. Whether at the time of submission of application unsecured loan will be treated as part of equity in the means of finance of the project?

Clarification: Yes. However, Unsecured Loan, if any, will be treated as a separate component in means of finance and the applicant will have to incur proportionate expenditure from Unsecured Loan also during various stages of implementation of the project.

25. Whether a bridge loan in lieu of grant allowed?

Clarification: Yes, but the bank appraisal note should clearly mention the extent of grant envisaged in the project and the amount of bridge loan to cover the same.

26. Whether a change in lending bank/FI be allowed post sanction of grant?

Clarification: This will be considered on case to case basis subject to approval by the Inter Ministerial Approval Committee.

27. Are NBFCs eligible for issue of term loan sanction and appraisal note?

Clarification: Financial Institutions recognized/ approved by Reserve Bank of India for funding of infrastructure projects are eligible for issue of term loan sanction and appraisal note.

28. Whether the quantum of infusion of equity envisaged in the scheme guidelines as one of the basic eligibility criteria be relaxed?

Clarification: No. Infusion of equity of at least 20% of the total project cost for projects in general areas and 10% for projects in North East States, Himalayan States, ITDP Areas & Islands is a mandatory basic eligibility criterion as per the scheme guidelines.

29. In a dairy project where main facility for milk processing is already established whether grant can be applied for setting up of BMCs/ chilling centres and refrigerated/ insulated transport?

Clarification: Yes.

30. Whether annual reports and audited financial statement of accounts for last two years is mandatory for newly formed entity?

Clarification: No.

31. What are the Integrated Tribal Development (ITDP) Areas?

Clarification: The information on ITDP Areas is available with the Ministry of Tribal Affairs, Government of India and concerned State Government/ District Authorities. The applicant will submit valid documents based on notification/ declaration issued by the concerned authority in support of ITDP areas where the project has been proposed to be set up. The onus will lie on the applicant to ensure that the project proposal is located in ITDP areas in order to avail benefit under the scheme for Integrated Cold Chain and Value Addition Infrastructure.