

F. No. CE-13016/11/2018-CEFPPC
Government of India
Ministry of Food Processing Industries
Panchsheel Bhawan, August Kranti Marg
New Delhi -110049

Dated: 18th March, 2025

Subject: FAQs in relation to the queries raised by the prospective entrepreneurs during the Pre-Bid meeting on 06.02.2025 and queries received through email on Scheme Guidelines of Creation/ Expansion of Food Processing and Preservation Capacities (CEFPPC) dated 22.01.2025 - reg.

Reference Pre-bid meeting held on 06.02.2025 under the Chairmanship of Shri Ranjit Singh, Joint Secretary (PMKSY) on the Scheme Guidelines of Creation/ Expansion of Food Processing and Preservation Capacities (CEFPPC) dated 22.01.2025.

2. The queries raised by the prospective entrepreneurs during the pre-bid meeting on 06.02.2025 and queries received through emails have been examined by this Ministry in consonance with the Scheme Guidelines of Creation/ Expansion of Food Processing and Preservation Capacities (CEFPPC) dated 22.01,2025 and clarifications against the same are provided in the form of FAQs (attached below).

This is issued with the approval of the Competent Authority.

Encl: as above.

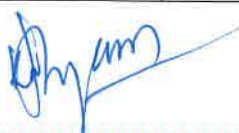

18/3/2025
(Karabi Shyam)
Under Secretary (CEFPPC)
011-26406526

Frequently Asked Questions (FAQs) in relation to the queries raised by the prospective entrepreneurs during Pre-Bid meeting on 06.02.2025 and queries received through emails on operational scheme guidelines of Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) dated 22.01.2025 and their clarifications are as under:

S. No.	Queries raised by the prospective entrepreneurs during Pre-Bid meeting on 06.02.2025 and received through emails	Clarifications by the Ministry
1.	Can a unit that was set up by investment of directors of a company and subsidy from the Ministry may carry out job works for others?	The Ministry has no objection to contracting/ sub-contracting.
2.	Is there any minimum criteria of shareholding for getting marks for degree / diploma holder as food technologist?	Marks for degree / diploma holder will be awarded as per Sr. no. 5 of Annexure-I provided degree /diploma holder is having minimum 10% shareholding in the applicant entity.
3.	Whether the project of Mushroom production –cum- processing is eligible under the scheme.	CEFPPC Scheme supports processing of Mushroom only. Cultivation / Production of Mushroom does not come under the mandate of MoFPI.
4.	Whether expansion project will be considered under CEFPPC scheme?	Expansion of project should include proper/complete processing line of the proposed project. Single/ standalone machinery/ packaging line etc. is not allowed.
5.	If a promoter wants to set up two units at two different locations within same city, in such case can he apply with single DPR & bank appraisal under unit scheme	Only one project can be approved under CEFPPC scheme even if a promoter applies for more than one unit. Single DPR and bank appraisal note can not be used for different proposals at different locations.
6.	Whether cold storage / dry warehouse facility is eligible for grants-in-aid / subsidy under CEFPPC scheme	Standalone cold storage including Frozen storage / dry warehouse and IQF are not supported. Implementing Agency must propose to install complete processing line. However, integrated food processing / preservation unit containing cold storage are eligible.
7.	Latest notification on ITDP areas	As available on the Ministry's website.
8.	Whether two companies with same directors are eligible to apply for subsidy.	Yes, two companies with same directors are eligible to apply for subsidy. However, only one proposal will be considered for approval on merit basis.
9.	Whether value of land shall be considered as part of promoter's	No.



	equity / contribution under Means of Finance of the project?	
10.	(a) What is the percentage allocation of eligible project cost under Solar Panel / Equipment? (b) How much amount proposed for the solar shall be treated under eligible project cost. Is there any restriction on the cost?	Maximum expenditure up to Rs. 50 lakh on solar will be considered as eligible for calculating grants-in-aid / subsidy.
11.	Equity Shares in case of unlisted company are allotted at fair market value. Equity shares are allotted at face value and premium under the Income Tax rules. Therefore, equity shares issued at a premium value should be the part of the net worth of the company. Kindly confirm.	As per sr. no. (IV) of appendix-I of Scheme Guidelines dated 22.01.2025 of CEFPPC Scheme.
12.	Whether Modern Rice Milling is eligible under the scheme?	Yes, Modern rice milling is the process of manufacturing finished, unbroken and polished rice (raw/ parboiled) from raw paddy by using latest technologies. The cost of plant & machinery and technical civil work in this regard are eligible for grants-in-aid / subsidy under CEFPPC scheme.
13.	In some States / UTs, CLU is not required for establishing industrial unit or to use land for industrial purposes. What are the documents to be submitted?	In case, CLU is not required for establishing industrial unit in the some States/UTs, then while applying under CEFPPC Scheme, a copy of latest order/notification issued by the concerned State Government or documents certified by competent authority of the concerned State, needs to be submitted.
14.	As per Para 16(B) of the scheme guidelines, the second installment (50% of grant in aid) shall be released after commencement of commercial production by the unit. In this reference you are requested to please clarify if the second installment of the 50% grant can be used to repay the bridge loan obtained by the unit for the completion of the project?	For claiming second instalment of grants-in-aid / subsidy (GIA), the project implementing agency (PIA) should submit all the requisite documents mentioned at Para- 16 (B) of the CEFPPC scheme guidelines dated 22.01.2025 for re-imbusement of 2 nd and final instalment of GIA after completion of the project. Such instalment will be released only on reimbursement basis i.e. PIA should have spent the full amount and completed the project. Therefore, this Ministry has no objection in utilising the second installment of GIA towards repayment of bridge loan.
15.	Whether MoFPI under CEFPPC Scheme, supports expansion of	As per the CEFPPC scheme guidelines dated 22.01.2025, Standalone component is not eligible



	Cold Storage capacity for a sea-food processing factory?	for grants. Implementing Agency must propose to install complete processing line.
16.	Ministry may allow the investment after date of EoI from own contribution as well as Bank loan before sanction of project under CEFPPC Scheme?	<p>Only in case the project is finally approved, the expenditure after date of EoI and before the date of approval of project, will be considered. The actual expenditure incurred from term loan account and personal equity account of the project as per CEFPPC Scheme Guidelines shall be verified from the invoices and bank statement. However, the projects found ineligible / not approved or not coming in final merit <u>will not have any claim</u> on the Ministry in any manner.</p> <p>It is further reiterated that as per para 9(iii) Scheme Guidelines dated 22.01.2025, mere submission of application (with required documents) against EoI does not confer any right on the applicant for claim of grants-in-aid (GIA) / subsidy under the Scheme. GIA/subsidy will be sanctioned based on merit, compliance of scheme guidelines and evaluation of the proposal as per the assessment criteria.</p>
17.	Whether the grants-in-aid / subsidy will be calculated on net amount or including GST?	The value of the items (i.e. eligible P&M or TCW) will be considered without GST, as taxes are ineligible item for eligible project cost calculation vis-à-vis grants-in-aid / subsidy calculation under CEFPPC Scheme.
18.	Whether term loan sanction and appraisal note from a Non-Scheduled Co-op Bank is allowed as it is also controlled by RBI?	<p>A detailed appraisal report (indicating all the financial parameters) of the proposal should be from a Scheduled Commercial Bank / NABARD /SIDBI / NEDFi only.</p> <p>However, term loan for the project may be availed either from a Scheduled Commercial Bank / NABARD /SIDBI / NEDFi or a Government-controlled financial institution or a Non-Banking Financial Company approved by RBI.</p>
19.	No second proposal from an entity or promoter(s) of an entity who have availed grant-in-aid earlier under the scheme will be considered. What does promoter(s) means?	In this context, promoter(s) means an individual in case of a proprietorship concern or a partner/ shareholder of a firm or a Director (with ownership

		share-holding) or persons with direct / indirect control in a company.
20.	In case of expansion project and having sufficient equity & internal accruals, is it mandatory to infuse fresh 20% equity?	Yes. 20% fresh equity should be infused for expansion components of the existing unit.
21.	Can private limited company, who has not started commercial operations apply for the grants-in-aid / subsidy based on the net-worth of promoter/ Directors/ shareholder combined.	Private Limited Company which has not started commercial operation will be considered as new subject to providing documentary evidence as given in Note in appendix-I of Scheme Guidelines and the net-worth of the promoter(s)/ director(s)/ share holder(s) will be considered to assess the combined net-worth as per Appendix-I.
22.	Establishing Animal Feed manufacturing unit outside Mega Food Parks/ Agro Processing Clusters is allowed under CEFPPC scheme.	No.
23.	Whether dovetailing of subsidy for a project under CEFPPC scheme and subsequently benefits under Agri Infra Fund (AIF) are allowed. Kindly Clarify	Yes. Refer Para 12 of Scheme guidelines dated 22.01.2025.
24.	Relaxation in the criteria of submission of Bank appraisal note from a Scheduled Commercial Bank or NABARD or SIDBI or NEDFI due to closure of FY 2024-25.	No, As per Para 7(d) of Scheme guidelines, submission of detailed bank appraisal note is basic eligibility criterion.
25.	Whether processing of Salt under CEFPPC Scheme is considered as eligible?	No
26.	Whether Processing of Stevia under CEFPPC Scheme is considered as eligible?	Yes.
27.	Whether manufacturing of Nutraceutical products under CEFPPC Scheme is considered as eligible.	Food items which are fit for human consumption, as notified by FSSAI, shall be considered as eligible.
28.	A company acquired through NCLT, what documents are required for networth calculation?	Net worth will be calculated based on latest annual audited balance sheet of the applicant firm.
29.	What are the documents required for calculation of net worth for NRI?	Ownership documents of assets located in India. Values of assets will be calculated as per details given in Appendix-I of the scheme guidelines regarding net worth.
30.	Which supporting documents to be submitted in support of Stock, Debtors?	Net worth will be calculated based on latest annual audited balance sheet of the applicant firm.



31.	If an Asset not mentioned in the list given in Appendix I and also not mentioned in the negative list but it is mentioned in Balance sheet and Net Worth Certificate certified by CA. Whether the said asset value is eligible for Net Worth or not?	No
32.	In Net worth bank balance to be taken as per balance sheet or latest balance as per statement?	Net worth of the applicant firm will be calculated based on the latest annual audited balance sheet.
33.	If New share capital is introduced after 31 st march 2024, & latest balance sheet certified by auditor is submitted then will it be considered for calculation of Net-Worth of Company? As Statutory Audit Report is prepared only at the year end, whether Statutory Audit Report as at 31 st March is sufficient for compliance?	Net worth of the applicant firm will be calculated based on the latest annual audited balance sheet.
34.	Whether only ITR acknowledgement is sufficient or computation of income is to be attached with ITR?	ITR acknowledgement is not sufficient. Detailed income computation sheet is required.
35.	EOI calls for interest under General Category but guidelines provide for units under MFP/APC & SC/ST category. So who can apply for grant under EOI.	Anyone can apply as a General Category applicant for the project proposed outside the MFP/APC.
36.	Net worth requirement 1.5 time under Eligibility is related to grant while 2.00 times under evaluation is related to equity capital requirement under scheme project. Are they related to grant/ equity as suggested in guidelines or related to grant only	Both should be treated as different criteria as per scheme guidelines: (i) 1.5 times of proposed grants-in-aid / subsidy is basic eligibility criteria. (ii) 2 times of equity is marking criteria
37.	Applicant/Authorized person are required to present the case before committee. As 15 marks are for Technical Presentation, whether all units will be given chance or selected units by ministry. In that case how marks will be allotted as guidelines provides that if required units shall be called for presentation.	All proposals assessed as eligible, shall be given chance to present their projects before PAC as per the following parameters :- (i) Presentation and explanation of Business Model – 10 marks. (ii) Implementation Schedule and feasibility of project - 5 marks.
38.	Whether APMC can participate in unit scheme. Shall APMC be treated as State Govt. entity?	Yes.
39.	Latest audited balance sheet or latest balance sheet.	As per Scheme Guidelines dated 22.01.2025, wherever latest audited balance sheet or latest balance sheet is mentioned, it should be read as latest annual audited balance sheet.

