

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO- 579
ANSWERED ON- 14.12.2018

SUBSIDY FOR ESTABLISHING FOOD PARKS

579. DR. L. HANUMANTHAIAH:
SHRI RAJMANI PATEL:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether Government proposes to bring some changes in the existing rules related to subsidy being provided by the Ministry for establishment of Food Parks;
- (b) if so, the details thereof; and
- (c) if not, the details of criteria for the beneficiaries getting existing subsidy, State-wise?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES

(SADHVI NIRANJAN JYOTI)

(a) & (b): No Madam. Presently Ministry of Food Processing Industries is implementing Mega Food Parks Scheme. There is no proposal to bring changes in the existing rules related to subsidy being provided by the Ministry for establishment Mega Food Parks.

(c): As per the revised Guidelines for Mega Food Park Scheme with effect from 21.07.2016, there is no State-wise eligibility criteria for beneficiaries under the Mega Food Park Scheme. In order to set up Mega Food Park, interested promoters are required to form a Special Purpose Vehicle (SPV) registered under the Companies Act. The responsibility of execution, ownership and management of the Mega Food Park vests with the Special Purpose Vehicle (SPV). However, State Government/ State Government entities/Cooperatives applying for the project under the scheme are not required to form a separate SPV. The main eligibility criteria of the SPVs/Implementing Agencies (IAs) of the project under the Scheme, are mentioned below:

- i. The promoter holding maximum equity in the SPV will be the lead promoter.
- ii. At least 50 acres of land for the project shall be arranged by the SPV either by purchase or on lease of at least 75 years.
- iii. The combined net worth of the promoters/proposed shareholders of SPV should not be less than Rs.50 crore. Each member in SPV must have a net worth at least 1.5 times of his/her proposed equity contribution in order to ensure requisite contribution for the project from each shareholder.

- iv. The SPV needs to bring in at least 20 percent of the total project cost as equity in general areas and at least 10 percent of the total project cost in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States. However, State Government / State Government entities will be required to contribute at least 10 percent of the total project cost of the Mega Food Park project, not necessarily in the form of the equity.
- v. Central Government agencies becoming shareholders in the SPV, can only hold up to 26 percent of equity in the SPV. However, there will be no such restriction on State Govt./ State Govt. entities/ its Cooperatives.
- vi. SPVs / IAs are not permitted to sell the plots in Mega Food Parks. The plots can only be given on lease to other entrepreneurs for setting up of food processing units in the Park.
- vii. The common facilities in the park cannot be sold or leased out. They can only be offered to units on rental basis.

Under the Mega Food Parks scheme, financial assistance is provided in the form of capital grant @ 50% of the eligible project cost in general area and 75% of the eligible project cost in difficult and hilly areas i.e. North East Region, including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States subject to a maximum of Rs.50 Cr per project.
