

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1603
ANSWERED ON 11TH FEBRUARY, 2020

REVISION OF OPERATIONAL GUIDELINES FOR CEFPPC

**1603. SHRI P.V. MIDHUN REDDY:
SHRI SRIDHAR KOTAGIRI:**

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

- (a) whether the Government has revised the Operational Guidelines for implementation of Scheme for Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC) under the Pradhan Mantri Kisan Sampada Yojana recently;
- (b) if so, the details thereof;
- (c) the revised changes that have been brought in the Guidelines from the previous one;
- (d) whether the Government has had any consultations with stakeholders or State Governments before bringing out these revisions; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAMESWAR TELI)

(a): Ministry of Food Processing Industries (MoFPI) has revised the Operational Guidelines of Scheme for Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC) under the Pradhan Mantri Kisan Sampada Yojana and notified on 08.01.2020.

(b) & (c): The following changes have been brought in the Scheme Guidelines from the previous one:

- i. Clause-2: The carbonated drinks / beverages containing fruit juice / pulp more than 5% in case lime / lemon and more than 10% in case of other fruits may be considered for financial assistance under the Scheme. A maximum of two (2) units in a Mega Food Park (MFP) and one (1) unit in Agro Processing Cluster (APC) may be sanctioned under this category
- ii. Clause-5: The proposals for creation/ expansion/ modernization of food processing & preservation units has been restricted to Mega Food Parks (MFPs), Agro-processing Clusters assisted by the Ministry except Scheduled Caste (SC) and Scheduled Tribe (ST) promoter(s). However, in State/UTs having no Mega Food Park, Agro Processing cluster, units may be considered anywhere.
- iii. Clause-9(vi): Applicants/ promoters who have availed financial assistance under any scheme of Ministry of Food Processing Industries (MoFPI), can apply again only after two years from the date of release of final installment of Grants-in-Aid. However, the Promoter(s) of Mega Food Parks and Agro processing clusters approved by the Ministry who are desirous to set up units in their respective Mega Food Park & Agro Processing Cluster may be eligible for availing financial assistance for more than one unit(s) under the scheme at any point of time.
- iv. Clause-15(ii): If any applicant does not submit complete documents for release of 2nd & final installment of grants-in-aid as per scheme guidelines within two months from the date of start of commercial operation, the approval accorded to the applicant will be cancelled and grant may be recalled
- v. Appendix-I: Criteria such as net worth of the applicant, shareholding of women entrepreneur(s), type of unit, location of the units etc has been added / modified for evaluation of proposals received under the CEFPPC Scheme. The revised Criteria for Evaluation of proposals is at **Annexure**.

(d) & (e): The revisions in the Operational Guidelines of Scheme for Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC) have been made based on the decision taken in the Inter-Ministerial Approval Committee (IMAC) constituted under the Scheme. The State Governments including Central Ministries/ Departments and National Bank for Agriculture and Rural Development (NABARD) are the members of the IMAC.

ANNEXURE REFERRED TO IN REPLY TO PART (b) & (c) OF LOK SABHA UNSTARRED QUESTION NO. 1603 FOR ANSWER ON 11TH FEBRUARY, 2020 REGARDING “REVISION OF OPERATIONAL GUIDELINES FOR CEFPPC”.

Criteria for evaluation of proposals under Scheme for creation of food Processing & Preservation capacities

Sl. No.	Criteria for Evaluation of the proposal	Marks	Max marks
1	Priority Sector		20
	a. For Perishable Products (<i>Fruits & Veg, Meat & Poultry, Milk & Aqua Products etc.</i>)	20	
	b. For Consumer products (<i>Bakery/Snacks/Breakfast cereals/RTE products etc.</i>)	10	
	c. For Non- Perishable Products (<i>Grain/Pulse/Oil milling etc.</i>)	05	
2	Leveraging of Investment in the project		15
	For General areas		
	a. Proposed private investment including equity and unsecured loan \geq 1.5 times of grant sought	15	
	b. Proposed private investment including equity and unsecured loan $<$ 1.5 times of grant sought	10	
	For SC/ST, NER/ Himalayan States, Island areas& ITDP areas.		
	a. Proposed private investment including equity and unsecured loan \geq grant sought	15	
b. Proposed private investment including equity and unsecured loan $<$ grant sought	10		
3	Investment on Eligible Project cost		12
	a. More than Rs.15 crore	12	
	b. More than Rs 9 crore to 15 crore	08	
	c. Between Rs. 3 crore to 9 crore	06	
	d. Below Rs. 3 crore (in case of SC/ST, NER/Himalayan States/ITDP/Island)	04	
4	Net worth of the applicant		05
	a. More than 2 times of proposed equity	05	
	b. 1.5 to 2 times of proposed equity	03	
	c. Less than 1.5 times of proposed equity	0	
5	Debt Service Coverage Ratio (DSCR) based on Bank appraisal		07
	a. 3.0 and above	07	
	b. Between 2.5 but less than 3.0	05	
	c. Between 2.0 but less than 2.5	03	
	d. Between 1.5 but less than 2.0	01	
	e. Less than 1.5	00	
6	Women entrepreneur(s)		05
	a. 100% shareholding of women in the firm	05	
	b. Majority stake / shareholding (more than 50% and less than 100% of women in the firm)	02	
7	Project Strength- The promoter(s) having professional / special training in food processing / technology		05
	a. M.Tech / Ph.D. in Food Processing / Technology	05	
	b. B.Tech in Food Processing / Technology	04	
	c. Diploma in Food Processing / Technology	03	
	d. Special Training in Food Processing / Technology for a period not less six months from Govt. recognized University / Institute	02	
8	Experience of applicant firm / promoter(s) in Food Processing:		10
	a. Food processing business having annual turnover of ₹3 crore and above during previous year	10	
	b. Food processing business having annual turnover of ₹2 crore but less than ₹3 crore above during previous year	7	
	c. Food processing business having annual turnover of ₹1 crore but less than ₹2 crore during previous year	5	
	d. Food processing business having annual turnover of less than ₹1 crore during the previous year	3	
9	Introduction of innovative technology / processing in the project	04	04
10	Type of unit		05
	a. Setting up / creation of new unit (greenfield)	05	
	b. Expansion / modernization (brownfield)	0	
11	Location of the units		12
	a. Mega Food Parks (MFPs) / Agro Processing Clusters (APCs) approved by MoFPI	12	
	b. Outside MFPs/ APCs	03	
	Total		100

A proposal would have to obtain a minimum of 60 marks in order to become eligible for consideration of grant-in-aid.

