

F. No. M-14011/8/2016-MFP Division
भारत सरकार/Government of India
खाद्य प्रसंस्करण उद्योग मंत्रालय
Ministry Food Processing Industries
पंचशील भवन, अगस्त क्रांति मार्ग
Panchasheel Bhawan, August Kranti Marg
नई दिल्ली/New Delhi-110049

दिनांक: 07.07.2017

Subject:- Operational Guidelines for the Scheme for Creation of Infrastructure for Agro-processing Clusters under KISAN SAMPADA YOJANA (KSY).

Government of India (GOI) has approved a new Central Sector Scheme – KISAN SAMPADA YOJANA (KSY) for the period upto 2019-20 to be implemented by Ministry of Food Processing Industries (MoFPI). Under KSY, a new Scheme for Creation of Infrastructure for Agro Processing Clusters has been approved. After detailed interaction with the stakeholders, the operational guidelines for implementation of the Scheme for Creation of Infrastructure for Agro Processing Clusters have been formulated.

The operational guidelines for the Scheme has for Creation of Infrastructure for Agro-processing Clusters are attached for the information of all the stakeholders and public at large. These operational guidelines will be applicable to the proposals to be invited by this Ministry in future under this Scheme.



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**Subject:- Operational Guidelines for the Scheme for Creation of Infrastructure for
Agro-processing Clusters**

1. Introduction:

- 1.1 The Ministry has formulated the Scheme for Creation of Infrastructure for Agro Processing Clusters as a sub-scheme of Central Sector Scheme - "Kisan SAMPADA Yojana" coterminous with the 14th Finance Commission cycle.
- 1.2 The scheme aims at development of modern infrastructure to encourage entrepreneurs to set up food processing units based on cluster approach. The scheme is to be implemented in area of horticulture / agriculture production identified through a mapping exercise. These clusters will help in reducing the wastage of the surplus produce and add value to the horticultural / agricultural produce which will result in increase of income of the farmers and create employment at the local level.
- 1.3 There are certain capital intensive common facilities which are required to be created by food processing units irrespective of nature of their processing. These capital intensive facilities like cold storages, blast freezers, specialized packaging, IQF, warehousing etc if developed as common facilities, will encourage entrepreneurs to set up more food processing units. The nature of operation of the food processing units also require developed basic enabling infrastructure to take care of continuous process, water supply, effluent treatment and clean surrounding, etc. There is a lack of such modern infrastructure in the country which is hampering the development of food processing sector. If this infrastructure is made available with the financial support from the government, there is a potential of developing food processing sector with much higher speed than it is today.

2. Objectives of the Scheme

The major objectives of the scheme are:

- i. To create modern infrastructure for food processing closer to production areas.

- ii. To provide integrated and complete preservation infrastructure facilities from the farm gate to the consumer.
- iii. To create effective backward and forward linkages by linking groups of producers / farmers to the processors and markets through well-equipped supply chain.

3. Salient Features of the Scheme

3.1. At least 5 food processing units with an aggregate investment of minimum Rs. 25 crore will be set up in the Agro-processing cluster. These units may be setup by the promoters and associates of Project Execution Agency (PEA) and by other entrepreneurs. The investment in these units will not be eligible under this scheme.

3.2. Food processing units will be set up simultaneous to the creation of core infrastructure in the cluster. The core infrastructure facilities being developed in the agro-cluster shall be as per the requirement of food processing units to be set up in the cluster or as per the available raw material for processing in the area.

3.3. Agro-processing clusters may be developed by:

- the promoter(s) willing to set up own units in the cluster and also allow utilization of common infrastructure to other units in the area;
- the promoter(s) willing to develop common infrastructure for use by the units to be set up in the food processing cluster by other entrepreneurs;
- the promoter(s) willing to develop common infrastructure in the existing food processing clusters

However, lead promoter shall setup at least one food processing units in the cluster with an investment of not less than Rs. 5 crore.

3.4. The extent of land required for establishing the agro-processing cluster would depend upon the business plan of Project Execution Agency (PEA), which may vary from project to project. At least **10 acres** of land for the project shall be arranged by the PEA either by purchase or on lease of at least **50 years**. The GOI grant shall not be used for procurement / purchase of land.

3.5. Preference will be given to setting up agro-clusters in agri-horti clusters identified by Central / State Governments, if any.

3.6. It is expected that on an average, each project may have around 5-10 food

processing units to be set up in each Agro-processing cluster with an employment generation potential, both direct and indirect of about 500 to 1500 persons. This employment generation will provide livelihood to about 6000 persons based on an average household size of 4 members. However, the actual configuration of the project may vary depending upon the business plan for each Agro –processing cluster.

3.7. The food processing industries that make food products fit for human and animal consumption (except alcoholic products) may be permitted to be set up in these clusters. Packaging facilities of food products as ancillary to the food processing industries (proposed to be setup in the cluster) may also be allotted land in the agro cluster.

4. Components of the Scheme:

4.1. The scheme will have following components:

- (i) **Basic enabling infrastructure:** It will include site development including development of industrial plots, boundary wall, roads, drainage, water supply, electricity supply including power backup, effluent treatment plant, parking bay, weigh bridges, common office space etc. However, the cost of basic enabling infrastructure not exceeding 40 percent of the eligible project cost would be eligible for grant purpose. The cost of any basic enabling infrastructure outside the boundary wall of the agro cluster will not be eligible for grant assistance.
- (ii) **Core infrastructure:** The common facilities will be based on the needs of the units which will be set up in these clusters. The common facilities of capital intensive nature may include like food testing laboratory, cleaning, grading, sorting and packing facilities, steam generation boilers, dry warehouse, cold storage, pre-cooling chambers, ripening chambers, IQF, specialized packaging, other common processing facilities, etc.

The above mentioned facilities are only illustrative and the exact nature of facilities may vary from project to project based on requirements of the units in the cluster and availability of agriculture / horticulture produce in the catchment area of the project.

4.2. Any modification in the common facilities / core infrastructure after approval of the proposal will not be approved by the IMAC, unless request for modifications submitted with a compelling rationale and endorsed by the lending institutions.

5. Pattern of Assistance

5.1 The Scheme envisages grants-in-aid @ 35% of eligible project cost in general areas and @50% of eligible project cost in the North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands subject to max. of Rs. 10.00 crore per project. The grants-in-aid will be credit linked but not back-ended. The eligible project cost will exclude cost of land, pre-operative expenses and margin money for working capital from the total project cost.

5.2 The registered value of the land would be taken as part of the total project cost. The GoI grant shall not be used for procurement/purchase of land. In case of land acquired by PEA on lease, such cost may not be part of project cost and may be considered part of operating cost.

6. Project Execution Agency (PEA):

6.1 Project Execution Agency (PEA) / organizations such as Govt. / PSUs / Joint Ventures / NGOs / Cooperatives / Self Help Groups (SHGs) / Farmer Producer Organizations (FPOs) / Farmer Producer Companies (FPCs) / Private Sector / partnership firm / individuals etc. will be eligible for financial assistance under the scheme.

6.2 The Project Execution Agency (PEA) would be responsible for the following:

- i. To formulate the Detailed Project Report (DPR) and execute the project in a transparent, efficient and timely manner.
- ii. To procure/purchase land and ensure external infrastructure linkages for the project.
- iii. To obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.
- iv. To achieve financial closure and ensure timely completion of the project in specified timelines.

- v. To own and maintain the enabling infrastructure and common facilities.
- vi. To receive grant-in-aid under the Scheme, and to ensure its utilization in a transparent and judicious manner.
- vii. To maintain proper accounts of the project implementation and the maintenance of infrastructure and common facilities after commissioning of the project.
- viii. Upload monthly progress report with pictures / photographs of site.
- ix. Every PEA will publish the user charges/hiring rates for common facilities and lease rental rates / sale price for plots in agro-processing cluster on their websites and also on a board at the gate of the agro cluster for wider information of the prospective investors. Rate of plots in the Agro Processing Cluster will also be made available to Ministry of Food Processing Industries and State Government concerned for uploading on their websites.
- x. PEA may sell / lease plots in agro-processing cluster to other food processing units. But the common facilities in the cluster cannot be sold or leased out. They can only be offered to units on rental basis.

7. Eligibility criteria for PEA:

- 7.1 The combined net worth of the promoter(s) should not be less than 1.5 times of the grant amount sought.
- 7.2 Promoter(s) needs to bring in at least 20% of the total project cost as equity / contribution in general areas and at least 10% of the total project cost in the North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands.
- 7.3 Promoter(s) needs to bring in term loan from the Bank/Financial Institution for an amount not less than 20% of the project cost.
- 7.4 The land for the project shall be arranged by the PEA either by purchase or on lease of at least 50 years.
- 7.5 Only one agro-processing cluster will be sanctioned in a district. In case of more than one proposal from same District, the proposal having higher score in the merit based on criteria for assessment as per **Annexure-I** will be considered. However, in case there are more than one proposal with same marks, the proposal with higher equity

/ contribution (in Rupees term) will be considered.

- 7.6 Any entity / applicant which has availed grant from MoFPI for any project under another scheme of the Ministry, shall, in future, not be considered eligible for another grant until one year after operationalization of earlier project.
- 7.7 The same applicant / entity shall not be entitled for more than two grants in five years under the schemes of MoFPI.
- 7.8 Agro processing cluster will not be sanctioned in the same district where CPC of Mega Food Park (MFP) is located. The promoters, who have been sanctioned Mega Food Parks, will not be eligible under the scheme for a period of two years from the date of completion of the MFP.

8. Program Management Agency (PMA)

- 8.1 In the interest of expeditious implementation of the projects, the Ministry may engage Program Management Agency (PMA) to assist MoFPI in implementation of the scheme. The PMA will be a reputed institution with extensive experience in project development, management, financing and implementation of infrastructure projects of similar nature. The expenses of PMAs, promotional activities, office and travel expenses will be met from 5% of the allocation of the grant-in-aid for the scheme.
- 8.2 The PMA will have the following role:
 - i. To assist the Ministry in organizing workshops/media campaigns aimed at sensitizing the potential stakeholders about the scheme.
 - ii. To assist the Ministry in inviting applications for projects under the Scheme.
 - iii. To assist the Ministry in selection of projects through evaluation/appraisal of techno-feasibility reports and DPRs submitted for projects. Appraisal of the DPRs will include examination of financial viability and sustainability of Ownership & Management structure of the projects.
 - iv. To assist in the evaluation of any amendments to the projects/DPRs.
 - v. To assist the PEAs in achieving financial closure and obtaining necessary clearances from various authorities for the Project.
 - vi. To assist the Ministry in release of the grant under the Scheme.
 - vii. To monitor and report the progress of the agro-processing cluster projects to the Ministry periodically.
 - viii. To maintain and update the database of the projects on monthly basis in the software decided by the Ministry.

9. Expression of Interest

In response to the notice inviting Expression of Interest (EoI) by Ministry for selection of Projects, a proposal for the proposed agro-processing cluster will be submitted by the applicant in the prescribed application format **(Annexure-II)** including the information/documents to be covered in the EoIs **(Annexure-III)** along with following information/documents:

- (a) Detailed Project Report (DPR) consisting of technical, commercial, financial and management aspect of the project. The proposal would have tentatively identified location of the cluster, availability of land, potential investors for food processing units in the cluster, proposed level of investment including the estimated project cost, the proposed means of finance and the number and type of food processing units along with complete details.
- (b) In-principle or final term loan sanction from the Bank/ Financial Institution.
- (c) A detailed appraisal note from the Bank / Financial Institution.
- (d) Certificate of incorporation/ registration of the applicant firm, Memorandum and Articles of Association in case of Company/ Bye laws of the Society, Co-operative, Self Help Group/ Registered partnership deed, etc.
- (e) Bio-data/background/ experience of the project promoter(s).
- (f) Documents in support of net-worth of the promoter(s) / proposed shareholder(s) of PEA.
- (g) Annual reports and Audited Financial Statement of Accounts of the applicant firm/company/cooperative/ Partnership/ Self Help Group, etc. for last three years.
- (h) Documents in support of land title in the name of the applicant or land lease, duly registered with the competent authority for not less than the period of 50 years. The proposals having ownership and possession of suitable land with Change in Land Use (CLU) for the project will be given preference.
- (i) Undertaking by PEA as per **Annexure-IV**

Note: All pages of the proposal are to be properly numbered and the proposal should contain an Index as first page of the proposal indicating the various documents submitted along with page number, failing which the proposal is likely to be rejected.

10. Approval to the project:

10.1 Technical Committee (TC) headed by the Special / Additional / Joint Secretary (MoFPI) would scrutinize the proposals and provide its recommendations to the Inter-Ministerial Approval Committee (IMAC). The other members of the Technical Committee (TC) shall be as follows:

- (i) Joint Secretary (MIDH), Department of Agriculture & Cooperation or his nominee - Member
- (ii) Joint Secretary, Department of Animal Husbandry, Dairying and Fisheries or his nominee- Member
- (iii) Chairman, APEDA or his nominee - Member
- (iv) Representative of NITI Aayog - Member
- (v) Joint Secretary/Director (Finance) MoFPI - Member
- (vi) Joint Secretary, MNRE or his nominee - Member
- (vii) Principal Secretary / Secretary of the concerned State or his nominee - Member
- (viii) NABARD as Financial institution - Member
- (ix) Representative of National Horticulture Board - Expert Member
- (x) Director, MoFPI - Member Secretary

The criteria for evaluation of EOI/ proposals by TC is given at **Annexure-I**.

10.2 The Inter-Ministerial Approval Committee (IMAC) headed by Hon'ble Minister of Food Processing Industries shall select the projects and grant approval to the projects keeping in view the TC recommendations. The IMAC will also monitor the implementation of the projects sanctioned under the Scheme. The members of the Committee shall be as follows:

- (i) Hon'ble Minister of Food Processing Industries- Chairperson
- (ii) Hon'ble Minister of State of Food Processing Industries- Vice Chairperson
- (iii) Secretary, MoFPI - Member
- (iv) Additional / Joint Secretary & Financial Advisor, MoFPI - Member
- (v) Special / Additional / Joint Secretary, In-charge, Agro-processing cluster Scheme, MoFPI - Convener & Member
- (vi) Principal Secretary / Secretary (Industries / FPI) of the concerned State or his nominee – Member
- (vii) Joint Secretary (MIDH), Department of Agriculture & Cooperation, Ministry of Agriculture or his nominee - Member
- (viii) Joint Secretary, Department of Animal Husbandry, Dairying and Fisheries or his nominee - Member
- (ix) Joint Secretary, Department of Commerce or his nominee – Member
- (x) Joint Secretary, MNRE or his nominee - Member

- (xi) Representative of NABARD as Financial Expert - Member

11. Role of State Government:

The role of the State Government is envisaged in the following areas:

- i. Providing assistance to PEA in procurement/purchase of suitable land.
- ii. Providing all the requisite statutory clearances including permission for sub-leasing of land by PEA, wherever needed, for setting up the agro-processing cluster
- iii. Providing the necessary connecting infrastructure for Power, Water, approach roads and other external infrastructure to the project
- iv. Providing flexible and conducive labour environment and consider special facilities like exemption of stamp duty, Tax exemption etc. for the agro-processing cluster and the units located in the agro-processing cluster.
- v. Monitor the implementation of projects.

12. Dovetailing of Assistance and Revisions in Project Cost:

Considering the complexities and challenges associated with agricultural infrastructure projects of this nature, the PEA may dovetail assistance available under various other schemes of other Central / State Governments, which would improve the viability of the project. While dovetailing such assistance, it will be ensured that there is no duplication of assistance for the same component/activity of the project.

13. Release of Funds:

The grants-in-aid will be released to PEA in three installments as below:

(I). First installment of 35% of the total approved grant will be released to the PEA in the designated Bank account after incurring an expenditure of 35% of the bank term loan and 35% promoters contribution / equity on eligible project cost and submission of following documents:

- a) Establishment of Trust & Retention Account (TRA) and signing the TRA agreement with the designated Bank. Draft TRA agreement will be shared by the Ministry with PEA.
- b) CA certificate for actual expenditure on the components of the basic enabling

infrastructure of the project duly certified by the promoter(s) indicating utilization of at least 40% of term loan & 40% promoters' contribution / equity as per **Annexure-V**.

- c) **Certificate from Chartered Engineer (Civil)** for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the promoter (**Annexure-VI**).
- d) **Certificate from Chartered Engineer (Mechanical)** for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the promoter (**Annexure-VII**).
- e) **Certificate** from the concerned bank/ financial institution (**Annexure-VIII**) which has sanctioned and disbursed term loan for the project certifying that:-
 - (i) It has disbursed 35% of the total sanctioned term loan and the same being used on the approved components; and
 - (ii) Has no objection for disbursement of 35% of the grant-in-aid being released by the Ministry.
- f) Surety Bond (**Annexure-IX**) to be executed by the PEA on a Non-Judicial stamp paper of not less than Rs.100, duly notarized and signed by two independent witnesses (other than promoters) along with Board resolution/certificate from Board of Directors/promoters (as applicable) authorizing one of the directors/partners as authorized signatory of documents. Surety Bond is not required to be executed by the Central /State Government and its entities whose budget is approved by respective Government.
- g) "Consent to Establish" for the project from Central / State PCB.
- h) PFMS (CGA) Registration of PEA and Mandate Form (**Annexure-X**).
- i) Inspection report of the PMA based on site visit recommending release of the installment.
- j) Any other condition which may be specified from time-to-time.

(II). Second installment of 40% of the total approved grant will be released to the PEA in the designated Bank account after incurring an expenditure of 75% of the bank term loan and 75% of promoters' contribution / equity on eligible project cost and submission of the following documents:

- a) Statement indicating 100% utilization of first installment of grant duly signed by the PEA and countersigned by the CA (**Annexure-XI**).
- b) CA certificate for actual expenditure on each of the components of the project duly certified by the promoter(s) indicating utilization of 80% of term loan and 80% promoters' contribution / equity.
- c) Details of unsecured loan (along with PAN numbers of lenders) or bridge loan, if any, duly certified by Chartered Accountant and countersigned by the promoter are to be given (**Annexure-V**).
- d) Completion of enabling infrastructure
- e) Statement of TRA from the Bank / Financial Institution relating to the project.
- f) **Certificate from Chartered Engineer (Civil)** for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the promoter.
- g) **Certificate from Chartered Engineer (Mechanical)** for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the promoter.
- h) **Certificate** from the concerned bank/ financial institution which has sanctioned and disbursed term loan for the project certifying that:-
 - (i) It has disbursed 75% of the total sanctioned term loan and the same being used on the approved components; and
 - (ii) Has no objection for disbursement of 40% of the grant-in-aid being released by the Ministry.
- i) Proof of 100% allotment of leasable plots / areas to food processing units.
- j) Recommendation of PMA after site visit certifying the fulfillment of conditions as per guidelines of the scheme.
- k) Any other condition which may be specified from time-to-time.

(III). Third & final installment of 25% of the approved grant will be released to PEA in the designated Bank account on completion of the project and submission of following documents:

- a) Statement indicating 100% utilization of second installment of grant duly signed by the PEA and countersigned by the CA (**Annexure-XI**).
- b) CA certificate for actual expenditure on each of the components of the project duly certified by the promoter(s) indicating utilization of 100% of term loan and 100% promoter's contribution / equity.
- c) Details of unsecured loan (along with PAN numbers of lenders) or bridge loan, if any, duly certified by Chartered Accountant and countersigned by the promoter are to be given (**Annexure-V**).
- d) Statement of TRA from the Bank / Financial Institution relating to the project.
- e) Proof of setting up and operationalization of at least five food processing units with an aggregate investment of Rs. 25.00 crore in the cluster along with copies of licenses issued under Food Safety and Standards Act, 2006.
- f) Valid Consent to Operate from Pollution Control Board along with submission of Statutory Clearance(s) / Approval(s) for power, water connections etc.
- g) **Certificate from Chartered Engineer (Civil)** for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the promoter.
- h) **Certificate from Chartered Engineer (Mechanical)** for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the promoter.
- i) **Certificate** from the concerned bank/ financial institution which has sanctioned and disbursed term loan for the project certifying that:-
 - (i) It has disbursed 100% of the total sanctioned term loan; and
 - (ii) Has no objection for disbursement of 25% of the grant-in-aid being released by the Ministry.
- j) Declaration of completion of the project and start of commercial operation, duly certified by the Bank.

- k) Recommendation of PMA after site visit certifying the fulfillment of conditions as per guidelines of the scheme.
- l) Any other condition which may be specified from time-to-time.

14. Time Schedule:

14.1 The time schedule for completion and operationalization of project will be 20 months from the date of approval for general areas and 24 months for North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands, unless extended by IMAC for the reasons to be recorded.

14.2 Schedule for release of grants-in-aid:

Sl. No.	Particulars	Time Period
General Areas		
1.	Date of approval to release of 1 st installment	7 months
2.	1 st installment to release of 2 nd installment	7 months
3.	2 nd installment to release of 3 rd installment	6 months
Difficult Areas		
1.	Date of approval to release of 1 st installment	8 months
2.	1 st installment to release of 2 nd installment	8 months
3.	2 nd installment to release of 3 rd installment	8 months

14.2 The PEA shall make all possible efforts to complete the project as per the stipulated timelines committed to while seeking approval for the project. In case of non-adherence to stipulated timeline, except in case of force de majeure or reasons beyond the control of PEA, the IMAC may consider imposing appropriate penalty in terms of reducing the grant amount, on case to case basis.

14.3 In case of non-adherence of time lines, a penalty of 1% of the quantum of installment amount due for release for that installment, will be imposed for each month's delay beyond the stipulated timeline. The maximum amount of penalty, however, shall not exceed 10% of the installment to be released to PEA.

14.4 In the event of PEA withdrawing from executing the project and the project not being completed by the PEA for any reason, the grant-in-aid amount released will be returned by the PEA alongwith interest (as per GFR) accrued thereon to MoFPI

within 30 days of communication of the order for refund of such grant.

15. Project Monitoring and Evaluation:

15.1 The Ministry will periodically review the progress of the projects under the Scheme.

15.2 Pre and post inspection would also be undertaken by the Ministry officials, PMA and State Govt. to find out the physical, financial and operational progress as and when required.

15.2 The decision of the IMAC shall be final and binding on all concerned parties on the interpretation of the provisions of these guidelines and the matters related / incidental thereto.

16. Court's Jurisdiction:

Any dispute arising out of selection of proposals and implementation of approved project under this scheme guideline will be subject to Courts/ Tribunals having jurisdiction over Delhi.

Criteria for Assessment/ Evaluation of EoIs/ Proposals

Sl. No.	Criteria	Max. Score	Reference Documents to be reviewed
A	Land	50	
A 1	Possession of Appropriate Land	25	
a)	Complete title and possession of land in the name of PEA along with CLU	25	CLU and Land Ownership Documents
b)	Complete title and possession of land in the name of PEA (without CLU)	15	Land Ownership documents
c)	Allotment letter from State Govt. Agencies in the name of the PEA	10	State Govt. land allotment letter
d)	Agreement to Sale/Purchase of Land in the name of PEA	5	Copy of Agreement
e)	Land identified, but not acquired	0	
A 2	Location of Land	25	
a)	Proof of Water and Power Connection (5 marks each)	10	Letter/Certificate from respective Municipal body/Govt. authority
b)	Availability of Approach Road	5	Letter from local body confirming the availability of approach road
c)	Nearness to the location of the crop production cluster	10	DPR/ Cluster Analysis and Project Components / concerned State Govt. Authority letter
B	Viability of Cluster	15	
a)	Synchronization of Core Processing facilities with requirements of food processing units & crops in agro cluster	15	DPR/ Cluster Analysis and Project Components
b)	Synchronization of Core Processing facilities with requirements of food processing units	10	DPR/ Cluster Analysis and Project Components
c)	Synchronization of Core Processing facilities with crops in agro cluster	5	DPR/ Cluster Analysis and Project Components
d)	No synchronization	0	
C	Details of Promoters	25	
C 1	Net-worth of promoters	15	Audited Balance Sheet/ CA Certificate/ Related Net-worth Documents
a)	More than 20 crore	15	
b)	Rs 15 cr - Rs 20 cr	10	
C 2	Food Processing Experience of promoter having at least 10% shareholding in PEA	10	Balance Sheet of existing operations / FSSAI license

a)	Turnover > Rs.5 crore*	10	"
b)	Turnover from Rs.1 crore to Rs.5 crore*	5	"
D	Special Strength	10	
a)	Adoption of modern technology for reducing carbon foot print, energy efficiency, fast-tracking & optimizing operations / use of automated technology / systems	5	Supporting documents
b)	Projects proposing to use renewable/ alternate energy source (either fully or partially)	5	Supporting documents
	Total	100	

*Turnover of the promoter claiming food processing experience shall be in at least two of the years out of previous three and current financial year.

APPLICATION FORM**1. Details of the applicant:**

Sl. No.	Particulars	Details
i.	Name of company/firm with complete contact details / address, Tel/Fax No. , Mobile No., E-mail	
ii.	Legal status of applicant (Govt. Institution / organization / PSUs, Joint Venture, NGO, Co-operative/ Company/ partnership firm/ proprietorship, Farmer Producer Company, Self Help Group, etc.)	
iii.	Registration No. /CIN	
iv.	PAN / TIN /TAN	
v.	Aadhar Registration No.	

2. Details of the Director(s)/ Promoter(s)/Partner(s)

Sl. No.	Name of Promoter (s)/Partner(s)	Address	Tel/Fax No. / Mobile No. / E-mail	Aadhar No.	PAN No.	Shareholding pattern	Net-worth
Please add additional rows, if needed.							

3. Experience of the lead Promoter(s)/Partner(s)/ Applicant Entity in Food / agro produce processing

Sl. No.	Name of lead Promoter(s)/Partner(s)/ Applicant Entity	Details of Experience	Details of Turnover (year-wise)	Supporting Document attached, if any (Yes/No)

4. PROFILE OF THE PROPOSED PROJECT:**(a) Details of location of Agro processing cluster proposed to be set up**

- (i). Proposed location of land for agro cluster (Name Village/Dist./state)
- (ii). Area of Land required (In acres)

- (iii). Status of possession (Owned/ leased**)
- (iv). Status of Land Use Conversion (CLU)
- (v). Proof of water and power connection
- (vi) Availability of Approach Road
- (vii) Connectivity Details. Distance (in Kms.) from: National Highway; State Highway; Freight corridor, Golden Quadrilateral, nearest agri-horti clusters
- (viii). Coordinate Details (Longitude & Latitude)
- (vxi). Agro commodities to be sourced

(b). Proposed Core Processing facilities in Agro processing cluster

Sl. No.	Type of facilities proposed to be created *	No.	Total Capacity [MT, MT/Hr., where ever applicable]	Built-up Area	Estimated Investment	No. of Days of operation of each facility in a year
i.	CA Store					
ii.	Normal cold store/ warehouse					
ii.	Frozen store					
iv.	Pre-cooling Chambers					
v.	Sorting, Grading, Waxing, Weighing, Packing facility					
vi.	Ripening Chambers					
vii.	IQF					
viii.	Blast Freezing					
	Any other facilities as per the requirement of food processing units in the cluster					

* Only indicative list.

(c) Food processing units proposed

Type of food processing units	No. of units	Land to be allotted	Product mix	Estimated investment (In crore)	Estimated turnover (In crore)	Estimated employees	
						Direct	In-direct

(d) Enabling basic Infrastructure

Type of infrastructure	Capacity /Built-up Area	Estimated Investment

(e). Non-core Infrastructure

Type of infrastructure	Capacity /Built-up Area	Estimated Investment

(f). Utilities Requirement:

Utility	Units	Requirement
Power (maximum demand)	KW	
Water- industrial	Kilo Liters / Day	
Water- potable	Kilo Liters / Day	
Gas	Cubic Meters / Day	
Telephone (including fax)	No. of lines	
Waste disposal requirement (solid)	Kg / Day	
Waste disposal requirement (effluents)	Kilo Liters / Day	

5. PROJECT FINANCIALS AND BUSINESS PLAN:

a. Estimated Project Cost Details

Item	Amount (Rs. in crore)
Land	
Land development	

Basic enabling Infrastructure	
Core Processing Infrastructure	
Non-core Infrastructure	
Other Pre-operative expenses	
Margin money for working capital	
Contingencies/ pre-operative expenses	
Total	

b. Proposed Means of Finance

Source	Amount (Rs. in crore)
Promoter's contribution / equity	
Bank loan	
Grants-in-aid from MoFPI	
Unsecured Loan/ Bridge Loan	
Total	

c. Basic Revenue Projections

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Days of operations of each of the core facilities					
Revenue earning from different facilities					
Turnover					
Cost of operations					
Gross profit					
Profit before taxation					

d. Financial Parameters (as per Bank Appraisal Note)

S No.	Particulars	Details (Ratio/%)	Ref Page No. in DPR*
i.	Internal Rate of Return (IRR) - with grant - without grant]		
ii.	Avg. Debt Service Coverage Ratio (DSCR)		
iii.	Break Even Point (BEP)		
iv.	Debt-Equity Ratio		

6. Other Details:

Proposed strategy/methodology for building supply chain to ensure supply of raw materials to the food processing units inside agro cluster, including estimated quantities	
Available raw material crop-wise in the catchment area indicating source of data	
Crop matrix for seasonal availability of raw materials indicating source of data	
Estimated turnover of the proposed food processing units covered in the project	
Any other relevant details / documents	

6. No. of farmers expected to be benefitted

7. Employment Generation projections

a. Direct Employment:

b. Indirect Employment :

8. Details of renewable/ alternate energy sources including solar energy, if any, proposed to be used for operating the project including inter alia, details of power generation.

Signature of the Applicant/Lead Promoter

Date: _____

Place: _____

The list of the Points / Information to be covered in the EoIs / Proposals

1. Profiles of the applicant firm / company

- 1.1. Names and brief profiles of the proposed promoters along with their contact details.
- 1.2. Indicate the nature and location of existing operations of the Promoters.
- 1.3. Audited balance sheets for last 3 years or Chartered Accountant (CA) Certificates that would establish the net worth of each of the promoters. In case of companies, CA certificates need to be certified by their statutory auditors.
- 1.4. A brief note as to why the promoters are keen to undertake the Agro Processing Cluster, their vision etc.
- 1.5. Any other relevant information that would establish the credentials and suitability of the promoters in the context of the Scheme.

2. Profile of the Proposed Project

- 2.1. Rationale for proposed cluster/location in terms of availability of agricultural produces and marketable surplus, with focus on perishable produces.
- 2.2. Proposed Area and availability of requisite land for establishment of Agro Processing Cluster.
- 2.3. Selection of site needs to be justified in terms of connectivity and availability of basic infrastructure including power, water, approach road etc.
- 2.4. In case of land being available with promoter(s), proof of possession of land in form of sale deed/lease deed (CLU if applicable).
- 2.5. Details of the proposed core processing facilities and rationale for their selection in terms of availability of raw materials/market and type of food processing units being targeted.
- 2.6. Details of proposed enabling basic infrastructure including requirements of basic utilities like power, water, effluent treatment along with rationale in terms of overall business plan
- 2.7. Details of proposed non-core infrastructure and their justification
- 2.8. Above details for various project components should include area required, estimated capacities and costs for various facilities
- 2.9. Proposed strategy/methodology for building supply chain to ensure supply of raw materials to the food processing units inside agro cluster, including estimated quantities
- 2.10. Estimated turnover of the proposed food processing industry units covered in the project, after successful execution of the project
- 2.11. Estimated direct and indirect employment generation out of implementation of the project, and other impact on the industry and farm produce in the project area
- 2.12. Any other related information.

3. Project Financials and Business Plan

- 3.1. Summary of estimated cost of each of the eligible components of the project for funding by Government as outlined in the Scheme
- 3.2. Proposed means of finance to fund the project: equity, debt etc
- 3.3. The amount of grant support needed for the project, as per the Scheme
- 3.4. Tie-ups with Financial Institutions/Banks, if any, for funding of the Project
- 3.5. Proposed Business Plan –Estimated revenue sources and assumptions, Estimated operating costs and assumptions, Projected profit and loss statements, balance sheets and cash flows based on these assumptions
- 3.6. Key financial indicators such as IRR, DSCR based on above financial assumptions

4. Documents in support of networth:

- a. The net-worth in case of Companies would be calculated based on the definition of net-worth in the Companies Act 2013. However, the re-valuation reserves may be considered as part of the net-worth only if the same is reflected in the Audited Balance Sheet of the Company and continue to be reflected in the Audited Balance Sheet of the Company.
- b. In case of land / building forming part of the networth, the ownership documents, duly authenticated by the competent State Revenue Authority with jurisdiction over the said property shall be submitted. The valuation of the immovable assets on the basis of circle rates (as on date of application) declared by the concerned State Government should be duly certified by the competent State Revenue Authority with jurisdiction over the said property.
- c. In case of investment in shares of the listed companies, proofs of the market value of the share at the time of calculation of the value of the investment shall be submitted.
- d. In case of investment in unlisted companies, the latest audited financial statements alongwith complete schedules and notes forming part thereof, duly certified by the Statutory Auditors shall be submitted in order to calculate the value of shares in that company.
- e. The miscellaneous assets shall be clearly specified and basis of calculation of their value, duly certified by the concerned Govt. approved valuer shall be submitted.
- f. The above valuation must be carried out within a period of 30 days preceding EOI bid submission date.
- g. In the case of proposed shareholders, if there is cross holding of the net-worth amongst the Members (e.g. both a company as well as the shareholders that company are the proposed shareholders), the net-worth of the company would be considered in full, however, net-worth of the individual would be considered only to the tune after discounting its shareholding in the company which is a proposed shareholder.

UNDERTAKING

I (Name of the Lead Promoter/ Director/ Partner/ Proprietor etc.) son of Mr..... (father's name) resident of (residential address) do hereby solemnly affirm and declare/undertake as under:

1. That I am promoter/ director/ partner/ proprietor of M/s..... (name of applicant) having its Registration no.and Registered Office at (office address of applicant).
2. I hereby make application and I am duly authorized in my own right/by management vide its resolution no.dated.....to apply and sign all required documents including this undertaking on behalf of company/partnership firm/cooperative society etc. named as; and am fully aware of the facts relating to the setting up of Agro-processing Clusters project at Survey/ Plot No....., Village....., Tehsil....., District....., State....., PIN code (location of the main facility) for.....(activities to be undertaken by project) and application is being made to the Ministry of Food Processing Industries (MoFPI) under the Central Sector Scheme for Agro-processing Clusters.
3. That the term and conditions of the above scheme of the MoFPI under which an application is made by the applicant have been properly read and understood by me and I affirm that the project/ proposal comply with all the terms and conditions of the approval letter and provisions enshrined in the scheme guidelines.
4. That the proposed activities to be undertaken by the project/proposal are covered under the above scheme of MoFPI and no part of the scheme/infrastructure of the project is designed or assigned to be used for any activity other than the activities specified in the application at present or in the near future.
5. It is certified that (name of applicant) has not obtained or applied for grants for the same project, component, purpose or activity from any other Ministry or Department of the Government of India or State Government or their agencies.
6. It is certified that applicant's sister concern (s)/ related company / group company/firms as well as the applicant itself has not availed any financial assistance for a food processing project in the past from MFPI [if availed, the details shall be furnished separately].
7. I also solemnly affirm/undertake that the proposed project components in the application are a completely new activity and not a pre-existing activity or any component thereof.
8. In case of concealment of any facts in this regard, the MoFPI would have right to reject/ cancel my application/project out right at any stage.
9. I will meet any shortfall in means of finance due to less admissibility of grant or any future reduction in grant-in-aid or any escalation caused in the cost of the project.

10. I shall not dispose-off or encumber or utilize the assets created wholly or substantially out of government grant for purpose other than those for which they have been sanctioned, without obtaining the prior approval of the sanctioning authority of grant-in-aid.
11. In case of non-implementation/ delayed implementation of the project the Ministry will have absolute right in cancelling the approval granted and also recall the grant released, if any, along with interest as per the scheme guidelines.
12. In case of failure to operate the project for at least three years after commencement of commercial operation, I shall return the entire grant-in-aid with interest @ 10% per annum.
13. User charges/hiring rates of the facilities created under the project will be disseminated to the public including uploading of the same on the website of the project/ organization. A copy of the same will also be made available to the Ministry.
14. I also undertake that all the information furnished in the application and the DPR with respect to the eligibility conditions, etc. are true and correct to the best of my knowledge and belief and nothing material has been concealed therefrom.

Date: _____

Signature of the Applicant/Lead Promoter

Place: _____

**CA Certificate Format
(Letter Head of the CA)**

CA certificate (With membership No. and firm registration No. of CA) in the following format:-

i. Project Cost: (Rs. in lakh)

Sl. No.	Name of the Component/Item	Cost approved by the Ministry	Actual expenditure incurred as on -----
1.	Land/development charges		
2.	Civil works — Technical civil works — Other civil works		
3.	Plant & Machinery		
4.	Misc. Fixed Assets		
5.	Others		
	TOTAL		

ii. Means of Finance: (Rs. in lakh)

Sl. No.	Item	Means of finance approved by the Ministry	Actual expenditure incurred as on -----
1	Promoter's Equity		
2	Term Loan		
3	Grant from MFPI		
4	Unsecured loan*		
5	Others		

*Details of unsecured loans along with PAN No. of lenders, if any, duly certified by CA.

Signature and Seal of C.A (Statutory Auditor in case of company)

Date: _____

(The certification by CA should be based on the verification of books of accounts, bills, invoices, work orders, bank statements, etc. related to the project.)

Counter signature of promoter/ authorized signatory of company with Seal

Annexure to CA certificate certifying details of payments made for Plant & Machinery and Technical Civil Work

Sl. No.	Name of Party	Components	Voucher /Bill no.	Date of Voucher/Bill	Basic Cost (only for P&M)	Taxes, freight, installations , insurance costs (for P&M)	Total Cost	Date of Payment as per bank statement	Mode of Payment

**CE Certificate (Civil) Format for Technical Civil Work
(Letter Head of the CE)**

CE certificate (With membership/registration No. of CE) in the following format:

Name of Project:

Location with address:

Date of site Visit by Chartered Engineer:

Project Progress: (If project has multiple locations, the location wise details should be submitted in below format for each location)

Sl. No.	Name of Component	Proposed/ appraised Area (sqm)	Proposed/ appraised Cost (Lakh Rs)	Actual Area(sqm)	Actual Cost(Lakh Rs)	Rate/ Unit(Rs/Sqm)	Remarks about the status of implementatio	Comments on quality, construction standards, market rates
	Total							

It is certified that the material/ components used in the Technical Civil Work are new.

Signature and Seal of C.E.

Counter signature of promoter/ authorized signatory of company with Seal

Annexure-VII**CE Certificate (Mechanical) Format for Plant & Machinery
(Letter Head of the CE)****CE Certificate (With membership/registration No. of CE) in the following format:-****Name of project:****Location with address:****Date of Visit by Chartered Engineer:****Project Progress (If project has multiple locations, the location wise details should be submitted in below format for each location)**

Sl. No.	Name of Component	Proposed/ appraised Quantity	Proposed/ appraised Cost (Lakh Rs)	Actual Quantity	Actual Cost (Lakh Rs)		Supplier/ Manufacturer	Status of implementation	Comments on quality, specifications, etc.
					Basic Cost	Taxes, Freight, installation, insurance			
	Component -1							Such as: •Ordered •Received at site •Installation in progress •Installed •Commissioned	
	Component -2								
	Component -3								
	TOTAL								

It is certified that all the plant and machinery for which grant has been approved are new.**Signature and Seal of C.E.**

Counter signature of promoter/ authorized signatory of company with Seal

(Letter Head of the Bank)

Certificate

1. Certified that this bank has appraised the project of M/s.....(Name and Address of the project) for grant as per scheme guidelines of the Ministry of Food Processing Industries and also sanctioned term Loan of Rs.lakh.
2. It is further certified that we have released Rs.lakh (----% of sanctioned term loan) and Rs.....lakh (1st/ 2nd Installment of grant-in-aid) to M/s (Name and Address of the project).
3. We have no objection in releasing 1st/ 2nd (delete whichever not applicable) installment of grant.

Signature with seal
(Name of authorised signatory)
(Branch Name)

Counter Signature of promoter/ Authorized
Signatory of company with seal

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____ , a _____(Type of organization)incorporated / registered under the _____(Name of the Act) and having its registered office at _____(hereinafter called the "Obligiers") are held fully and firmly bound to the President of India (hereinafter called the "Government") for the sum of Rs._____(Rupees _____only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the _____day of _____in the year Two Thousand _____

WHEREAS on the Obligiers' request, the Government as per Ministry of Food Processing Industries' Sanction Order No._____ Dated _____(hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligiers grants-in-aids of Rs._____(Rupees _____Only) for the purpose of _____, (description of the project) at_____, out of which the sum of Rs._____(Rupees _____only) have been paid to the Obligiers (the receipt of which the obligers do hereby admit and acknowledge) on condition of the Obligiers executing a bond in the terms and manner contained hereinafter which the obligers have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligiers duly fulfill and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligiers will abide by the terms and conditions of the grants-in-aid by the target dates, if any specified therein.

THAT the Obligiers shall not divert the grants-in-aid and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligiers shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligiers individually and jointly will be liable to refund to the President of India, the entire amount of the grants-in-aid with interest of 10% per annum thereon, if a part of the grants-in-aid in left unspent after the expiry of the period within which it is required to be spent, interest@10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over.

The obligers agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive/ have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property) buildings created/ acquired constructed largely from out of the grants-in-aid sanctioned by the Government of India, Ministry of Food Processing Industries or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligiers.

AND These Presents Also Witness that the decision of the Secretary to the Government of India in the Ministry of Food Processing Industries on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligers and

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligers the day herein above written in pursuance of the Resolution No. _____ Dated _____ passed by the governing body of the Obligers, a copy of whereof is annexed hereto as Annexure-II and by _____ for and on behalf of the president on the date appearing below:-

Signature of AUTHORIZED SIGNATORY
SIGNED FOR AND ON BEHALF OF
(Name of the obliger in block letters)
(seal/ stamp) of Organization)

1. Signature of witness
Name & Address

2. Signature of witness
Name & Address

TO BE FILLED UP BY
THE MINISTRY OF FOOD PROCESSING INDUSTRIES (ACCEPTED)

For and on behalf of the President of India

Name: _____

Designation: _____

Dated: _____

Notary Seal &
Signature

Mandate Form

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) /REAL TIME GROSS SETTLEMENT (RTGS) FACILITY FOR RECEIVING PAYMENTS

DETAILS OF ACCOUNT HOLDER:

NAME OF ACCOUNT HOLDER	
COMPLETE CONTACT ADDRESS	
TELEPHONE NUMBER/FAX/EMAIL	

BANK ACCOUNT DETAILS:-

BANK NAME	
BRANCH NAME WITH COMPLETE ADDRESS TELEPHONE NUMBER AND EMAIL	
BRANCH'S IFSC CODE	
TYPE OF BANK ACCOUNT (SB/CURRENT/CASH CREDIT)	
COMPLETE BANK ACCOUNT NUMBER (LATEST)	
MICR CODE OF BANK	

DATE OF EFFECT:-

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information I would not hold the Ministry of Food Processing Industries responsible.

Date

Signature of Customer

Certified that the particulars furnished above are correct as per our records.

(Signature and Seal of Bank / Financial Institution)

(Note: Please attach a self-attested photocopy of cheque along with the verification obtained from the bank)

Annexure-XI

Statement indicating expenditure / utilization of the grant-in-aid released

Certified that Rs. _____ of grant-in-aid sanctioned by the Ministry of Food Processing Industries towards first / second installment of grant-in-aid in favour of _____ has been utilized for the purpose for which it was sanctioned.

Signature of Authorized Signatory of PEA with Seal

Date_____

Countersigned of Chartered Accountants with CA registration number