

67

**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY
AND FOOD PROCESSING**
(2023-24)

SEVENTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

**SCHEME FOR CREATION/EXPANSION OF FOOD PROCESSING AND PRESERVATION
CAPACITIES (CEFPPC) – AN EVALUATION**

SIXTY-SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

FEBRUARY, 2024 /MAGHA 1945 (SAKA)

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Presented to Lok Sabha on 07.02.2024

Laid on the Table of Rajya Sabha on 07.02.2024



**LOK SABHA SECRETARIAT
NEW DELHI**

FEBRUARY, 2024 /MAGHA 1945 (SAKA)

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<u>CONTENTS</u>		Page No.
Composition of the Committee (2021-22)		v
Composition of the Committee (2023-24)		vi
Introduction		viii
PART - I		
CHAPTER-I	Introduction to Food Processing Sector India and Pradhan Mantri Kisan Sampada Yojana (PMKSY)	
	• Harvest and Post-Harvest Losses of Agri-Produces	1
	• Food Processing Sector of India	5
	• Pradhan Mantri Kisan Sampada Yojana (PMKSY)	8
CHAPTER-II	Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC)	
	• Salient Features of the Scheme for CEFPPC	15
	• Eligibility Conditions and Submission Proposals under CEFPPC	16
	• Selection of Proposals under the Scheme of CEFPPC	21
	• Pattern of Assistance and Implementation of Projects under CEFPPC	24
	• Revision of CEFPPC Operational Guidelines	30
	• Issues in the Implementation of Scheme for CEFPPC	34
CHAPTER-III	Progress in the Implementation of the Scheme for CEFPPC	
	• Budgetary Support for PMKSY & CEFPPC	42
	• Implementation of CEFPPC in 14 th Finance Commission Cycle Period	44
	• Implementation of CEFPPC in 15 th Finance Commission Cycle Period	48
	• Allocation & Utilization of Funds for SCSP, TSP & NER	59
PART – II		
Recommendations and Observations of the Committee		63
ANNEXURES		
I.	Instructions for Application Filing	79
II.	List of Ineligible Items for Calculation of Grants-in-Aid Under the Scheme for CEFPPC	81
III.	List of 105 Cancelled / Withdrawn Projects alongwith reasons under CEFPPC Scheme	82
IV.	PMKSY Outlay & Expenditure of Ministry of Food Processing Industries from 2017-18 to 2023-24 (as on 05-06-2023)	89
APPENDICES		
I.	Minutes of the 23 rd Sitting of the Committee (2021-22) held on 08.08.2022	90
II.	Minutes of the 2 nd Sitting of the Committee (2023-24) held on 11.10.2023	93
III	Minutes of the 5 th Sitting of the Committee (2023-24) held on 06.02.2024	96

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY
AND FOOD PROCESSING***
(2021-22)

SHRI P.C. GADDIGOUDAR - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri Devendra Singh 'Bhole'
5. Shri A. Ganeshamurthi
6. Shri Kanakmal Katara
7. Shri Abu Taher Khan
8. Shri Mohan Mandavi
9. Shri Kinjarapu Ram Mohan Naidu
10. Shri Devji Mansingram Patel
11. Smt. Shardaben Anilbhai Patel
12. Shri Bheemrao Baswanthrao Patil
13. Shri Shrinivas Dadasaheb Patil
14. Shri Vinayak Bhaurao Raut
15. Shri Pocha Brahmananda Reddy
16. Shri Rajiv Pratap Rudy
17. Shri Mohammad Sadique
18. Shri Virendra Singh
19. Shri V.K. Sreekandan
20. Shri Mulayam Singh Yadav
21. Shri Ram Kripal Yadav

RAJYA SABHA

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23. Shrimati Ramilaben Becharbhai Bara
24. Sardar Sukhdev Singh Dhindsa
25. Shri Surendra Singh Nagar
26. Shri Kailash Soni
27. Shri Ram Nath Thakur
28. Shri Vaiko
29. Shri Harnath Singh Yadav
30. *Vacant*
31. *Vacant*

* Standing Committee on Agriculture renamed as Standing Committee on Agriculture, Animal Husbandry and Food Processing *vide* Para No. 3293, Bulletin Part-II dated 23.11.2021

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY
AND FOOD PROCESSING (2023-24)**

Shri P.C. Gaddigoudar- Chairperson

MEMBERS

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3. Shri A. Ganeshamurthi
4. Shri Kanakmal Katara
5. Shri Abu Taher Khan
6. Shri Ram Mohan Naidu Kinjarapu
7. Shri Mohan Mandavi
8. Shri Devji Mansingram Patel
9. Smt. Sharda Anilkumar Patel
10. Shri Bheemrao Baswanthrao Patil
11. Shri Shrinivas Dadasaheb Patil
12. Shri Vinayak Bhaurao Raut
13. Shri Pocha Brahmananda Reddy
14. Shri Sushil Kumar Rinku
15. Shri Rajiv Pratap Rudy
16. Mohammad Sadique
17. Shri Devendra Singh *alias* Bhole Singh
18. Shri Virendra Singh
19. Shri V.K. Sreekandan
20. Shri Ram Kripal Yadav
21. VACANT

RAJYA SABHA

22. Smt. Ramilaben Becharbhai Bara
23. Shri Masthan Rao Beedha Yadav
24. Dr. Anil Sukhdeorao Bonde
25. Shri S. Kalyanasundaram
26. Shri Kailash Soni
27. Shri Randeep Singh Surjewala
28. Shri Ram Nath Thakur
29. Shri Vijay Pal Singh Tomar*
30. Shri Vaiko
31. Shri Harnath Singh Yadav

* Shri Vijay Pal Singh Tomar, MP, Rajya Sabha has been nominated to the Committee *vide* Bulletin Part-II, Para No. 7523 dated 29.09.2023 *vice* Shri Surendra Singh Nagar *w.e.f.* 26.09.2023

SECRETARIAT

1. Shri Shiv Kumar Wadhawan - Additional Secretary
2. Shri Uttam Chand Bharadwaj - Director
3. Shri N. Amarathiagan - Under Secretary
4. Shri S. Vijayaraghavan - Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing (2023-24), having been authorized by the Committee to submit the Report on their behalf, present this Sixty-Seventh Report on the Subject 'Scheme for Creation/Expansion of Food Processing and Preservation Capacities - An Evaluation' pertaining to the Ministry of Food Processing Industries.

2. The Standing Committee on Agriculture, Animal Husbandry and Food Processing had selected the Subject for examination during 2020-21. The Committee again selected the Subject for examination during 2021-22, 2022-23 and 2023-24. The Committee took briefing from the representatives of the Ministry of Food Processing Industries on 08.08.2022. Evidence of the representatives of the Ministry of Food Processing Industries was taken by the Committee in their Sitting held on 11th October, 2023. The Report on the Subject was considered and adopted by the Committee at their Sitting held on 6th February, 2024.

3. For facility of reference and convenience, the Recommendations / Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the representatives of the Ministry of Food Processing Industries for appearing before the Committee and furnishing requisite information in connection with the examination of the subject.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the Officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
06 February, 2024
17 Magha, 1945 (Saka)

P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

CHAPTER - I

Introduction to Food Processing Sector of India and Pradhan Mantri Kisan Sampada Yojana (PMKSY)

Agricultural Production in India has consistently recorded higher output over the years. India ranks first in pulses & milk, second in vegetable primary, fruit primary, wheat and rice and third in cereals, eggs primary in World Agriculture in 2019. During the five years ending 2020-21, Food Processing Sector has been growing at an average annual growth rate of around 8.38 Percent as compared to around 4.87 per cent in Agriculture & Allied Sectors (at 2011-12 prices). Food Processing Sector has also emerged as an important segment of the Indian economy-in terms of its contribution to GDP, employment and investment. The Sector constituted as much as 10.54 Per cent and 11.57 Per cent of GVA in Manufacturing and Agriculture sectors respectively in 2020-21 (at 2011-12 prices).

Harvest and Post-Harvest Losses of Agri-Produces

1.2 Food processing could strengthen the link between agriculture and industry and help in generating farm income and employment as also in reducing wastage of agricultural products. According to the Ministry of Food Processing Industries, a study on the extent of harvest and post-harvest losses of major Agricultural Produces in 2015 covering 45 agricultural crops of 107 districts in 14 Agro Climatic Zones (ACZs) was conducted by ICAR-CIPHET, Ludhiana. In 2022 also a nation wide study on the Post-harvest Losses for 54 agricultural produces in 292 districts of 15 Agro Climatic Zones (ACZs) was carried out by NABARD Consultancy Services Pvt. Ltd. (NABCONS) and the study report was submitted in August, 2022. The salient features of findings of the present study report by NABCONS are summarized below:-

"In the **cereals** category, the Post-Harvest losses for paddy, wheat, maize, Bajra and sorghum were estimated. The Post-Harvest losses ranged from **3.89** percent in maize to **5.92** percent in sorghum. Use of manual methods for operations such as sickle and sticks for harvesting and threshing majorly contributed to the Post-Harvest losses.

The estimated Post-Harvest losses in **pulses** (pigeon pea, chickpea, black gram and green gram) ranged from **5.65** percent in pigeon pea to **6.74** percent in chickpea. Shattering of grains during harvesting, spillage during various operations, and mishandling resulted in losses.

In case of **oilseeds**, Post-Harvest losses of crops such as mustard, cottonseed, soybean, safflower, sunflower and groundnut were estimated. The losses were

ranging from **2.87** percent in cottonseed to **7.51** percent in soybean. Harvesting and threshing at farm operations and improper storage conditions at market channels resulted in losses.

Among 11 **fruits** (apple, banana, citrus, grapes, guava, mango, papaya, sapota, pineapple, pomegranate and muskmelon) selected for study, losses were in the range of **6.02** percent in pineapple to **15.05** percent in guava. Harvesting and sorting/grading in farm operations and improper handling and storage conditions majorly contributed towards losses. This indicated that better harvesting tools, proper handling and effective cold chain infrastructure was essential for further reduction in Post-Harvest losses.

Among 14 **vegetables** (cabbage, cauliflower, green peas, mushroom, onion, potato, tomato, tapioca, bottle gourd, brinjal, beans, radish, capsicum and okra) the estimated losses ranged from **4.82** percent in tapioca to **11.61** percent in tomato. Farm operations such as harvesting and sorting/grading resulted in Post-Harvest losses. Lack of proper storage and improper handling practices by various stakeholders in market channels were the major contributing factors towards losses. The cold chain infrastructure for vegetables in the country was still at a very nascent stage and needed special focus for reduction in Post-Harvest losses as well as for retention of good quality as desirable by the consumers.

The losses of **plantation crops** (areca nut, cashew nut, coconut and sugarcane) ranged from **3.72** percent in cashew nut to **7.33** percent in sugarcane. Operations such as harvesting and threshing contributed towards losses.

In the case of **spices** (black pepper, coriander, chilli and turmeric), the estimated Post-Harvest losses were in the range of **1.29** percent in black pepper to **6.11** percent in chilli. Shattering during harvesting and spillage at various stages contributed towards Post-Harvest losses.

The Post-Harvest loss of **eggs** was **6.03** percent attributed to mishandling of eggs at farm level and lack of cold storage facilities. Increase in the number of eggs processing units and significant shift to organized poultry farms resulted in a significant decline in the Post-Harvest losses in eggs.

The Post-Harvest loss of **inland fish** was **4.86** percent, whereas Post-Harvest loss of marine fish was **8.76** percent. Post-Harvest loss in marine fish was majorly attributed by throwing the uneconomical fish after harvesting along with Post-Harvest losses at wholesaler and retailer levels, which can be overcome by strengthening of cold chain infrastructure including cold storages, ice plants, freezing plants.

The Post-Harvest loss of **meat** was **2.34** percent, whereas Post-Harvest loss of poultry meat was **5.63** percent. The overall improvement in farm level operations and significant shift of standalone slaughter houses to integrated facilities led to reduced Post-Harvest losses.

The Post-Harvest loss of **milk** was observed to be **0.87** percent. Improvement in handling of milk at farm level and in processing units may help in further reduction of Post-Harvest losses.

In comparison to Post-Harvest losses during 2014-15, the Post-Harvest losses during 2020-22 reduced significantly for 25 crops and non-significant reduction was observed in 17 crops. However, in 3 crops viz. black paper, turmeric and tapioca, estimated Post-Harvest losses were slightly higher than previous assessment in 2015. As can be seen from the **Table** appended below, the average range of losses for all crops and commodities was found to be 15.05 percent in guava to 0.87 percent in milk.

Categories	Overall national average Post-Harvest losses (%)
Fruits	6.02 (pineapple) - 15.05 (guava)
Vegetables	4.87 (tapioca) - 11.61 (tomato)
Cereals	3.89 (maize) - 5.92 (sorghum)
Pulses	5.65 (pigeon pea) - 6.74 (chickpea)
Oilseeds	2.87 (cottonseed) - 7.51 (soybean)
Plantation crops & sugarcane	3.72 (cashew nut) – 4.41 (areca nut)7.33 (sugarcane)
Spices	1.29 (black pepper) - 6.11 (chilli)
Milk	0.87
Egg	6.03
Meat	2.34 (meat) – 5.63 (poultry meat)
Inland fish	4.86
Marine fish	8.76

Good farm level practices and existing modern machinery available for Post-Harvest practices may be promoted and made accessible to farmers. Processing of agricultural produce to suitable value added products and appropriate storage of excess production during glut can help to reduce the Post-Harvest losses and also may give relief from price fluctuation. Cold chain for perishable products and cold storage for cereal, pulses, oilseed, plantation crops and spices need to be promoted in a big way. Training and demonstration of modern technologies and good handling practices may be carried out through extension activities to reduce Post-Harvest losses. Interventions of favourable policies and development in infrastructure for processing and storage is needed for further reduction of postharvest losses."

Targets and Achievements in Reduction of Harvest and Post-Harvest Losses

1.3 The Committee sought to know about the State/UT-wise details of Food production including food-grains/agricultural produces, Achievements against targets in reducing the Harvest/ Post-harvest Losses and Present rate of wastage due to non-availability of adequate level of Post Harvest/ Food-Processing capacity in the country. In this regard, the Ministry has inter-alia submitted:-

“Ministry of Food Processing Industries deals with Post-Harvest losses and not food wastage. The Ministry, through its schemes, creates Post-Harvest and processing

infrastructure so as to augment value addition, reduce losses, generate employment and boost exports of value added products. As per study results of CIPHET 2015 and NABCONS 2022, Post-Harvest losses are as given in the table below:

Crops/ Commodities	Loss (%)	
	As per ICAR-CIPHET Study (2015)*	As per NABCONS Study (2022)**
Cereals	4.65 - 5.99	3.89-5.92
Pulses	6.39 - 8.41	5.65-6.74
Oil Seeds	3.08 - 9.96	2.87-7.51
Fruits	6.70-15.88	6.02-15.05
Vegetables	4.58-12.44	4.87-11.61
Plantation Crops & Spices	1.18-7.89	1.29-7.33
Milk	0.92	0.87
Fisheries (Inland)	5.23	4.86
Fisheries (Marine)	10.52	8.76
Meat	2.71	2.34
Poultry	6.74	5.63
Egg	7.19	6.03

Source: *ICAR-CIPHET Study 2015, **NABCONS Study 2022.

From the above comparison, it is apparent that the post-harvest losses has declined for all major agricultural produces in India."

1.4 On being asked by what time the country could establish adequate level of Post Harvest Food Processing capacity so as to ensure that there is no wastage / loss of food material produced in the country the Ministry stated that:-

"In order to minimize Post-Harvest losses, Ministry through its schemes, is providing grants-in-aid for establishing food processing infrastructure with efficient supply chain across the country and thereby reducing gap between production, processing capacity & Post-Harvest losses respectively. The approved projects under component schemes of PMKSY would create processing and preservation capacity of 368.40 LMT per year and completed projects have already resulted in creation of processing and preservation capacity of 217.29 LMT per year. Ministry is making continuous efforts to reduce the loss of food by supporting creation of robust infrastructure facilities in food processing sector. However, as infrastructure strengthening is a continuous process and since losses are dependent on various factors, definite timeline is not feasible".

1.5 **Role of Ministry of Food Processing Industries** - The Ministry of Food Processing Industries is responsible for formulation and implementation of the policies for the processing industries within the overall national priorities and objectives. The Ministry acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry and creating a conducive environment for healthy growth of the food processing industry. The Ministry of Food Processing Industries does not deal with a few food items such as coffee, tea, oilseeds, sugar, spices and alcohol made from molasses, as these items fall within the purview of other Ministries as per the Allocation of Business Rules for Central Ministries.

Food Processing Sector of India

1.6 Food Products Industry has the largest number of factories and engages largest number of persons as compared to other Industries. Also Food Products Industry figures among the top five sectors with respect to Output and Gross Value Added (GVA). According to the Annual Survey of Industries (ASI) for 2019-20, the total number of persons engaged in registered food processing sector was 20.32 lakh. Unregistered food processing sector supported employment to 51.11 Lakh Workers as per the NSSO 73rd Round, 2015-16 and constituted 14.18% of employment in the unregistered manufacturing sector. The overall scenario of employment in food processing sector is as given below:

Sector	Food Processing* Industry	Overall Industry	(%) Share of FP Sector
Registered# (2019-20)	20.32 lakh	166.24 lakh	12.22
Un-incorporated (2015-16)**	51.11 lakh	360.41 lakh	14.18

* Includes food products and beverages segments;

Source: Annual Survey of Industries 2019-20;

** Source: NSSO Report No. 582 (73/2.34/2) on Economic Characteristics of Unincorporated Non-Agricultural Enterprises (Excluding Construction) in India; NSS 73rd Round (July 2015-June 2016).

1.7 The Committee desired to know about the Schemes & Programmes under which prospective Entrepreneurs in Food Processing Sector could get hassle-free / concessional credits required for investment in the Food Processing Sector of the country. In this regard, the Ministry of Food Processing Industries stated as under :-

“The Government of India has taken several measures to ensure credit availability to food processing sector. The major initiatives, inter-alia, include:

- (i) Food Processing Sector has been included under Priority Sector Lending (PSL) norms under the 'agriculture' category by Reserve Bank of India (RBI). As per extant PSL guidelines, loans for food and agro-processing up to an aggregate sanctioned limit of Rs.100 Crore per borrower are eligible for classification under the priority sector lending.
- (ii) A Special Fund for food processing sector was set up in 2014-15 at NABARD with a corpus of Rs. 2000 Crore for providing direct term loans at affordable rates of interest to the designated food parks and food processing units in such parks.
- (iii) Ministry of Micro, Small and Medium Enterprises is implementing Credit Guarantee Scheme for Micro & Small Enterprises through Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE). Under this scheme, credit guarantee coverage ranges from 75% (others) to 85% (for micro units) for making available collateral free loans. Both term loans and/ or working capital loan is covered for micro & small enterprises."

1.8 On being asked about new fiscal measures being considered by the Government towards promotion of the Food Processing Sector in the country, the Ministry stated:

"No new fiscal measure is under consideration by the Government of India as of now. However, the following fiscal incentives have been made available for the Food Processing sector:

- a) 100% deduction from profits and gains derived from setting up of new food processing units for 5 years and thereafter, 25% (30% in case of company) deduction for the next 5 years. [Section 80-IB, 11(A) of the Income Tax Act,1961]
- b) 100% deduction for expenditure incurred or investment made for setting up of cold chain or warehousing facilities for storage of agriculture produce [Section 35-AD of the Income Tax Act 1961]
- c) Lower GST for raw and processed product; more than 70% food products are covered in lower tax slab of 0% & 5%."

1.9 **Foreign Direct Investment** - 100% Foreign Direct Investment (FDI) is permitted under the automatic route in food processing industries. 100% FDI is allowed through Government approval route for trading, including through e-commerce in respect of food products manufactured and / or produced in India. FDI equity inflows in Food Processing sector in India since 2014-15 is as under :

S. No.	Year (April-March)	FDI (in Rs. Crore)	FDI (in US\$ Million)
1.	2014-15	3,164.72	515.86
2.	2015-16	3,312.00	505.88
3.	2016-17	4,865.85	727.22
4.	2017-18	5,835.62	904.90
5.	2018-19	4,430.44	628.24
6.	2019-20	6,414.67	904.70
7.	2020-21	1,670.37	393.41
8.	2021-22	5,290.27	709.72
9.	2022-23 (Apr-Sept)	3,367.28	430.69

1.10 As regards growth rate in the Food Processing Sector of the country during the last 10 years, the Ministry stated that the compound annual growth rate in the Food Processing Sector of the country from 2012-13 to 2021-22 was 5.34%. On being asked about the general level of profitability in different types of food processing sectors, the Ministry furnished the following details :-

"As per the latest report of ASI for the year 2019-20, the net profit in food processing sectors is as follows:

Figures are in Rs Crore			
Food Processing Sectors	Net Profit	Output	Profit
Food Products	30937.25	1243570.19	2.49 %
Beverages	9932.06	92446.16	10.74 %

1.11 **Major Challenges in Food Processing Sector** - The Major Challenges being faced by the Food Processing Sector in India as per the Ministry of Food Processing Industries, are as under :-

- (i) Lack of product development and innovation
- (ii) Supply Chain Infra Gaps (Lack of Primary processing, Storage facilities)
- (iii) Inadequate link between production and processing (lack of processable varieties)
- (iv) Seasonality of operations and low capacity utilization
- (v) Supply Chain Institutional Gaps (procurement on APMC markets)
- (vi) Inadequate focus on quality and safety standard

Pradhan Mantri Kisan Sampada Yojana (PMKSY)

1.12 The Ministry of Food Processing Industries had been implementing a number of Schemes for creation of infrastructure, expansion of processing capacity, and other supporting measures for healthy growth of food processing industry with a view to augment private investment to food processing sector. These Schemes were reviewed, critical gaps identified, and some new schemes were formulated to address these gaps in promoting the sector. The Government of India approved the umbrella Central sector scheme, SAMPADA-Scheme for Agro-marine processing and Development of Agro-processing Clusters with a total allocation of Rs.6000 Crore on 03.05.2017 for implementation period 2016-2020 coterminous with the 14th Finance Commission Cycle. The scheme was subsequently renamed as 'Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)'. PM Kisan SAMPADA Yojana was envisaged as a comprehensive package which will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet.

1.13 The PMKSY with Eight Scheme Components was launched on 03rd May 2017 to give necessary thrust for accelerated growth of the sector :-

- (i) Mega Food Parks
- (ii) Integrated Cold Chain and Value Addition Infrastructure
- (iii) Creation/Expansion of Food Processing & Preservation Capacities(Unit Scheme)
- (iv) Infrastructure for Agro-Processing Clusters
- (v) Creation of Backward and Forward Linkages
- (vi) Food Safety and Quality Assurance Infrastructure
- (vii) Human Resources and Institutions
- (viii) Operation Greens

1.14 The PMKSY was sanctioned for implementation during the coterminous period of the 14th Finance Commission Cycle, which was subsequently extended to FY 2020-21. Government has further decided to restructure the component schemes for implementation during the 15th Finance Commission with total outlay of Rs. 4600 Crore, wherein provision for only committed liabilities of component Schemes-Mega Food Parks, Creation of Backward & Forward Linkages, Human Resource & Institution - Skill Development has been made and no new projects are to be sanctioned under these components during the period. Promotion Activities & HACCP-a component of Food Safety and Quality Assurance Infrastructure have been discontinued. The component schemes continued during the 15th FC Cycle for new projects are :-

- (i) Integrated Cold Chain and Value Addition Infrastructure (ICC)

- (ii) Creation/Expansion of Food Processing & Preservation Capacities (Unit Scheme)
- (iii) Infrastructure for Agro-Processing Clusters (APC)
- (iv) Food Safety and Quality Assurance Infrastructure (FTL)
- (v) Human Resources and Institutions - R&D
- (vi) Operation Greens

1.15 When asked to give reasons for discontinuation of the two of the eight Scheme Components of PMKSY of 15th Finance Commission Cycle and to state whether the earlier mandate of the Scheme has been modified / revised, the Ministry stated :-

"Two Schemes i.e. 'Creation of Backward and Forward Linkages' (CBFL) scheme and 'Mega Food Park' (MFP) scheme have been discontinued in the 15th FCC. Since scope of Operation Greens scheme has been extended to 22 perishable fruits & vegetables, Ministry has proposed to sanction future linkages projects under Operation Greens Scheme and, therefore, CBFL scheme has been discontinued in 15th FCC.

After taking into account recommendations of many State Governments & Working Group constituted under 12th FC, a new scheme of APC was launched under PMKSY to develop common infrastructure in relatively smaller geographical area of 10 acres. Since APC scheme is going to supplant the intent behind MFP scheme, it has been discontinued in 15th FCC.

By widening the scope of Operation Greens Scheme and continuation of Agro-Processing Clusters scheme, the objectives met by Creation of Backward and Forward Linkages Scheme and Mega Food Park Scheme respectively could be achieved."

1.16 According to the Ministry of Food Processing Industries, it has comprehensively reviewed the activities supported under various component schemes of PMKSY and has also restructured it for implementation during the 15th FC Cycle. As a result, there is no overlap in activities supported under different component schemes. The brief details of objectives of all the scheme components of the PMKSY are provided as under :

S. No.	Schemes	Objectives
1.	Integrated Cold Chain and Value Addition Infrastructure (CC)	<ul style="list-style-type: none"> • To provide integrated cold chain, preservation and value addition infrastructure facilities without any break, from the farm gate to the consumer in order to reduce Post-Harvest losses of non-horticulture produce, dairy, meat, poultry, and marine/ fish (except shrimp).

2.	Infrastructure for Agro-processing Clusters (APC)		<ul style="list-style-type: none"> To create modern infrastructure for food processing closer to production areas and to provide integrated and complete preservation infrastructure facilities from the farm gate to the consumer through effective backward and forward linkages.
3.	Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC)		<ul style="list-style-type: none"> Creation of processing and preservation capacities and modernization/ expansion of existing food processing units which will help in increasing the level of processing, value addition and thereby lead to reduction in food loss and result in enhancement of farmers' income.
4.	Food Safety and Quality Assurance Infrastructure (FTL) – HACCP component closed		<ul style="list-style-type: none"> To strengthen the food quality control infrastructure and to make it available to the food processing sector and other stakeholders in order to ensure compliance to domestic and international food safety standards and also to reduce Turn-around Time (TAT) for analysis of food samples. The food testing facilities so created under the Scheme will be accessible to public at large and will be made available to the food processing units for testing their products.
5.	Human Resources and Institutions (HRI) – Skill Component closed		<ul style="list-style-type: none"> End product/outcome/findings of R&D work should benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz. additives, colouring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits.
6.	Operation Greens (OG)	Short-Term Interventions	<ul style="list-style-type: none"> To protect the growers of Eligible Crops from making distress sale and to reduce Post-Harvest losses.
		Long-Term Interventions	<ul style="list-style-type: none"> Enhancing value realisation of farmers by targeted interventions to strengthen production clusters and FPOs, and linking/ connecting the farmers with the market. Reduction in Post-Harvest losses by creation of farm gate infrastructure, development of suitable agri-logistics, creation of appropriate storage capacity linking consumption centres. Increase in food processing capacities and value addition in value chain by creating firm linkages with identified production clusters.

1.17 On being asked about the promotional incentives/supportive measures provided to prospective promoters for starting a new company/entity under the PMKSY, the Ministry stated as under :-

"The Ministry of Food Processing Industries (MoFPI) has been implementing the umbrella scheme, Pradhan Mantri Kisan Sampada Yojana (PMKSY), since 2017-18 across the country. PMKSY is a comprehensive package of sub-schemes viz. (i) Mega Food Parks, (ii) Integrated Cold Chain and Value Addition Infrastructure, (iii) Food Safety & Quality Assurance Infrastructure, (iv) Creation/ Expansion of Food Processing and Preservation Capacities, (v) Creation of Infrastructure Development for Agro Processing Cluster, (vi) Creation of Backward and Forward Linkage and (vii) Human Resource and Institutions, which results in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet.

MoFPI invites online proposals/applications from prospective entrepreneurs by issuing Expression of Interest (EoI) from time to time under various sub-schemes of PMKSY based on availability of vacant slots and funds. Under the sub-schemes of PMKSY, financial support is being provided in the form of grants-in-aid against the eligible components as per their extant scheme guidelines. The extent of Grants available as percentage of eligible project cost is as follows:

Name of Scheme	Grant as % of Eligible Project Cost (General Area/Special Areas & SC-ST projects)
Scheme for Mega Food Parks	50%/75% - up to Rs. 50 Cr
Scheme for Integrated Cold Chain and Value Addition Infrastructure	35%/50% - up to Rs. 10 Cr
Scheme for Infrastructure for Agro-processing Clusters	35%/50% - up to Rs. 10 Cr
Scheme for Creation/ Expansion of Food Processing and Preservation Capacities	35%/50% - up to Rs. 5 Cr
Scheme for Creation of Backward and Forward Linkages	35%/50% - up to Rs. 5 Cr
Operation Greens	35%/ 50% - up to Rs. 10 Cr for standalone projects &Rs 15 Cr for Integrated projects
Scheme for Food Safety and Quality Assurance Infrastructure	(a) Government organizations are eligible for grants-in-aid of (i) entire (100%) cost of the eligible cost of the approved equipment and (ii) 2% of the eligible cost of the approved equipment or Rs.15.00 lakh, whichever is lower, towards Technical Civil Work (TCW) and Furniture & on lump-sum basis. (b) Private organizations/ entities are eligible for grants-in-aid of (i) 50% (in General Areas)/ 70% (in Difficult Areas as well as for SC/ST applicants) of the eligible cost of the equipment and (ii) 2% of the eligible cost of approved equipment or Rs. 15.00 lakh, whichever is lower, towards Technical Civil Work (TCW) and Furniture &

	Fixtures on lump-sum basis.
HRI-R&D	For Government Organizations - Grants @ 100% of equipment cost, consumables, salary for JRF/SRF/RA, TA/DA (up to 1.00 lakh) and Institutional Charges (10% of project cost subject to maximum of Rs. 3 lakh for non-academic institutions and Rs. 5 Lakh for academic institutions). For private organizations /universities/ Institutions, grant @50% / 70% of equipment cost.
HRI-Skill	Maximum 50%.

Impact of PMKSY on Food Processing Sector

1.18 The Committee asked the Ministry to justify that the implementation of PMKSY has accelerated growth rate of Food Processing Industry in India in terms of growth rate of food processing industry before and after the implementation of PMKSY. In this regard, the Ministry stated as under :-

"Third party evaluation of Integrated Cold Chain and Value Addition Infrastructure Scheme by M/s NABCONS; Food Testing Laboratory Scheme by M/s Yes Bank; Research & Development (HRI) Scheme by M/s Global Agrisystem Pvt. Limited; and Mega Food Park Scheme by M/s KPMG have all concluded that schemes have made substantial positive impact in terms of private Investment Leverage, Preservation & Processing Capacity created, reduction in wastages, creation of off farm jobs and higher farm-gate prices.

Gross Value Added (GVA) for Food Processing Industries was estimated to be Rs 1.79 Lakh Crore in the Year 2016-17, which has increased to Rs 2.08 Lakh Crore in the Year 2021-22."

1.19 When asked to furnish a brief note on the Industries of the Food Processing sector of country with particular reference to impact of implementation of PMKSY on the growth of Food Processing Industries, the Ministry stated :-

"Food processing sector plays a key role in increasing farm income and creation of off-farm jobs, reducing Post-Harvest losses through on-farm and off-farm investments in preservation and processing infrastructure. India ranks first in the production of milk, second in cereals like rice and wheat, fruits and vegetables, fish, third in production of eggs and fifth in the production of meat.

Food processing industries is a sunrise sector in India. It accounts for around 1.62% of the total Gross Value Added (GVA). The sector constitutes as much as 9 per cent and 11 percent of GVA in Manufacturing and Agriculture sector respectively in 2018-

19 at 2011-12 prices. GVA in Food processing sector has grown from Rs. 1.34 lakh Crore in 2014-15 to Rs. 2.08 lakh Crore as compared to growth of 3.11% in agriculture and of 8.21% in manufacturing.

Food processing sector accounts for a significant proportion of workforce in the manufacturing sector. About 70 lakh persons are directly engaged both in formal and informal segment of food processing which is almost 14% of the total employment in the manufacturing sector. In the registered manufacturing sector, food processing sector is the highest creator of job/employment opportunities accounting for 12.3% of the total employment in the registered manufacturing sector.

Agri-food export accounts for nearly 10.4% of the total exports of the country. However, the value added or processed food export is about 19.1% of the total agri-food exports indicating enough scope to increase the export of more value added and processed food to generate employment in the sector. However, Food Processing industry faces many challenges, which include (1) supply chain infrastructural gaps (lack of primary processing, storage and distribution facilities), (ii) seasonality of operations and low capacity utilization leading to increased cost of production, (iii) limited growth in storage and warehousing capacity for different types of agro-produce, (iv) inadequate access to institutional credit by the food processors compared to other sectors etc.

The schemes under PMKSY have resulted in significant addition to infrastructure and manufacturing/storage capacity in the sector. Third party evaluation of Integrated Cold Chain and Value Addition Infrastructure Scheme by M/s NABCONS; Food Testing Laboratory Scheme by M/s Yes Bank; Research & Development (HRI) Scheme by M/s Global Agrisystem Pvt. Limited; and Mega Food Park Scheme by M/s KPMG have all concluded that schemes have made substantial positive impact in terms of private Investment Leverage, Preservation & Processing Capacity created, reduction in wastages, creation of off farm jobs and higher farm-gate prices. These third party evaluations and external review of the other schemes have recommended continuation of the scheme components with some modifications, except MFP."

1.20 When asked about the total number of categories of registered production units in the Food Processing Sector of the country as on 03 May 2017 (Private, Public, Multipurpose Cooperative Societies, FPOs, SHGs, etc) and as on date, the Ministry stated as under:-

"The Ministry of Statistics and Programme Implementation (MoSPI) collects data on various registered manufacturing sectors including food processing industries through Annual Survey of Industries (ASI). Annual Survey of Industries Report of 2016-17 had estimated 39740 registered Food Processing Units in the country, whereas the Report of 2019-20 has estimated it to be 41484. However, the sector-wise data for total number of registered production units for private, public, Cooperative Societies, FPOs, SHGs etc. under Food Processing sector is not available."

1.21 On being asked by the Committee about the allied Schemes and Programmes apart from PMKSY that are being implemented by the Ministry towards promotion of Food Processing Industries, the Ministry furnished the following details :

"Apart from the Pradhan Mantri Kisan Sampada Yojana (PMKSY), the Ministry of Food Processing Industries (MoFPI) is also implementing PMFME scheme – a Centrally Sponsored scheme for providing financial, technical and business support for upgradation of existing micro food processing enterprises towards promotion of Food Processing Industries. The Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products.

"The Ministry has launched a new Central Sector Scheme, namely, "Production Linked Incentive Scheme for the Food Processing Industries (PLISFPI) on 02.05.2021. It is to be implemented for a period of six years from 2021-22 to 2026-27 with an outlay of Rs. 10,900 crore. The objective of the scheme is to support the creation of global food manufacturing champions; promote Indian brands of food products; increase employment opportunities for on-farm jobs; ensure remunerative prices of farm produce; and higher income to farmers."

CHAPTER - II

Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC)

A. Salient Features of the Scheme for CEFPPC

The Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) is one of Scheme Component of the umbrella Scheme of Pradhan Mantri Kisan Sampada Yojana (PMKSY)". The Scheme of CEFPPC is being implemented from the year 2017-18 onwards.

Objectives of CEFPPC

2.2 The main objective of the Scheme is creation of processing and preservation capacities and modernisation / expansion of existing food processing units with a view to increasing the level of processing, value addition leading to reduction of wastage. The processing activities undertaken by the individual units covers a wide range of post-harvest processes resulting in value addition and/or enhancing shelf life with specialized facilities required for preservation of perishables. While expansion of processing capacity is necessary to increase the level of processing and reduce wastage, the induction of modern technology is intended to make a clear difference in terms of process efficiencies as well as improving the quality of the end product. The setting up of new units and modernization/ expansion of existing units are covered under the scheme.

Implementing Agencies

2.3 The Scheme of CEFPPC is implemented through organizations such as Central & State PSUs/ Joint Ventures/ Farmer Producers Organization (FPOs)/ NGOs/ Cooperatives/ SHG's / Pvt. Ltd companies / individuals proprietorship firms engaged in establishment/ upgradation/ modernization of food processing units. The applicant/ promoter of the entity on approval of the proposal/project by the Ministry of Food Processing Industries for grants-in-aid under the scheme are referred as implementing agencies (IAs) and they are involved in the successful implementation/ completion of the units.

2.4 The Committee sought to know as to whether any role has been assigned for the State/UTs in the implementation of the Scheme. In this regard, the Ministry of Food Processing Industries stated :-

"State/UT Government representatives, are a part of Technical Committee (TC) of the Scheme, who evaluate the eligibility of proposals received. In case of certain discrepancies noticed in respect of the approved unit, receipt of certain statutory clearances etc. State/UT Government facilitate in effective implementation of the scheme".

CEFPPC Operational Guidelines

2.5 The Ministry of Food Processing Industries has issued detailed guidelines for the implementation of the 'Scheme for CEFPPC'. According to the Ministry of Food Processing Industries, the operational guidelines of CEFPPC scheme were initially issued on 11.07.2017. Subsequently, it was modified/ revised on nine occasions (13.12.2017, 08.03.2018, 19.09.2018, 29.10.2018, 15.07.2019, 29.08.2019, 22.10.2019, 08.01.2020, 02.03.2020 and 08.06.2022) to take into account the emerging needs of the sector.

B. Eligibility Conditions and Submission Proposals under CEFPPC

2.6 The CEFPPC Operational Guidelines containing instructions regarding procedural matters relating to various aspects involved in the implementation of the Scheme like - Eligible Sectors, Eligible Processing Activities, Ineligible Items for Calculation of Grants-in-aid, Eligible Entities, Eligible Location of the Project, Eligibility Criteria, Fee and Performance Security, Application filling and Documents required, Selection of Proposals for Financial Assistance Pattern of Assistance, Implementation Schedule and Extension in Timelines, Release of Grants-in-aid etc. are available at <https://mofpi.gov.in>.

2.7 **Eligible Sectors** - The following Sectors are eligible under the Scheme of CEFPPC :

- (a) Fruits & vegetables processing,
- (b) Milk Processing,
- (c) Meat/ poultry/ fish processing,
- (d) Ready to Eat/ Ready to Cook Food Products/ Breakfast cereals/ Snacks/ bakery and other food products including nutritional health foods,
- (e) Grains/ pulses, oil seed milling and processing based on modern technology,
- (f) Modern Rice milling,
- (g) Other agri-horti products including spices, coconut, soybean, mushroom processing, honey processing,
- (h) Fruits/ honey-based wines,

- (i) Natural Food flavours, food additives/ food extracts & colours, oleoresins, guar gum, cocoa products,
- (j) Manufacturing jaggery from sugarcane and value-added products from jaggery (as raw material) except sugar mills,
- (k) Any other sector that makes food products fit for human consumption.
- (l) Animal feed manufacturing unit(s), already set up or being set up, in Mega Food Parks or Agro Processing Clusters approved by the Ministry from time to time.
- (m) Carbonated drinks/ beverages containing fruit juice/ pulp (more than 5% in case of lime/ lemon and more than 10% in case of other fruits) will 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) can be sanctioned under this category.

Note: (i) *Activities related to manufacturing of aerated water (other than that covered under serial no. (m) above and packaged drinking water will not be considered for financial assistance under the Scheme.*

(ii) *Farming activities such as dairy farming, poultry farming, mushroom farming, hatcheries etc. are not eligible for financial assistance under the Scheme.*

2.8 **Eligible Organizations/Entities** - The eligibility criteria is stated as under:-

- (a) Any organisation or an individual engaged in or that plans to engage in creation/ expansion/ modernization of food processing and preservation capacities would be eligible for financial assistance under the Scheme.
- (b) Proposals received from Scheduled Caste (SC)/ Scheduled Tribe (ST) holding at least 51% stake in the entity, will be treated as SC/ST proposals.

2.9 **Eligible Location of the Project** - The proposals under the Scheme will be considered both inside Mega Food Parks (MFPs)/ Agro-processing Clusters (APCs) and anywhere outside MFPs/ APCs. As far as practicable, out of total fund allocation, 60% will be for units inside MFPs/APCs and 40% to units outside MFPs/APCs.

2.10 **Other Eligibility Criteria** - A Brief Summary of other eligibility criteria laid down in the CEFPPC Operational Guidelines was provided by the Ministry as under:-

- (a) The combined net worth of the applicant shall not be less than 1.5 times of grants-in-aid sought under the scheme. Provided that in case of proposal from

Difficult Areas, applicant(s) of SC/ST category, FPOs and SHGs, combined net worth shall not be less than grants-in-aid sought under the Scheme. Provided further that in case of proposal from SC/ST category, the sum of net worth of SC/ST member(s) shall not be less than 10% of the combined net worth of the entity. Provided also that in case of proposal from Central Government (including entities/ organizations under the Central Government) or State Government (including entities/ organizations under the State Government), no net worth criteria will be applicable. **Note:** *The net worth of applicant will be calculated as per Appendix-I of Operative Guidelines.*

- (b&c) Final/in-principle term loan sanction letter from the Bank (inter alia, indicating whether proposal is for expansion/ upgradation or a fresh proposal) for an amount not less than 20% of the total project cost in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organisations or Self-Help Groups, term loan amount shall not be less than 10% of the total project cost. **Note:** *Difficult Area for proposals under this Scheme means North-Eastern States (including Sikkim), State of Uttarakhand, State of Himachal Pradesh, Union Territories of Jammu & Kashmir and Ladakh, State Notified ITDP (Integrated Tribal Development Projects) areas and Islands (Union Territories of Andaman & Nicobar and Lakshadweep).*
- (d) A detailed Appraisal Note from a Scheduled Commercial Bank specific to the proposal. **Note:** *Detailed Project Report/ Techno-Economic Viability Report merely stamped or endorsed by the Scheduled Commercial Bank without detailed Appraisal Note shall not be considered as valid for the purpose of these Guidelines.*
- (e) Infusion of equity of at least 20% of the total project cost for proposals from General Areas (10% for proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organisations or Self-Help Groups). **Note:** *The value of land in registered sale/ lease deed shall not be considered as part of the total project cost. Unsecured loan will not be treated as a part of equity.*
- (f) Minimum eligible project cost will be Rs.3 (three) Crore for proposals in General Areas and Rs.1 (one) Crore in case of proposal from Difficult Areas and for SC/ST proposals.
- (g) Only one application will be accepted from an entity against Expression of Interest of the scheme: Provided that promoter(s) of Mega Food Parks (MFP) and Agro-Processing Clusters (APC) approved by the Ministry who are desirous to set up units in Mega Food Parks or Agro-Processing Clusters, as the case may be, will be eligible for availing financial assistance for more than one unit(s). However, no second proposal from an entity or promoter of an entity, who have availed grants-in-aid earlier under the Scheme, will be considered.

- (h) Entities or promoter(s) of entities who have availed financial assistance under another scheme (any scheme other than the CEFPPC Scheme) of the Ministry will be eligible for grants-in-aid only after two years from the date of commercial operation of the previous project: Provided that an entity or promoter(s) of an entity shall not be eligible for financial assistance for more than two projects during a period of 10 years.
- (i) No second proposal from an entity or promoter(s) of an entity, who have availed grants-in-aid earlier under the Scheme will be considered.
- (j) Entities or promoter(s) of entities who have availed financial assistance under another scheme (any scheme other than the CEFPPC Scheme) of the Ministry will be eligible for grants-in-aid only after two years from the date of commercial operation of the previous project:

Provided that an entity or promoter(s) of an entity shall not be eligible for financial assistance for more than two projects during a period of 10 years.

Submission of Applications / Proposals

2.11 The applications under the Scheme are invited by the Ministry through Expression of Interest (EoI) that is issued from time to time. The applications received against EoI are scrutinized by a committee chaired by concerned Additional Secretary/ Joint Secretary while they are approved by a committee chaired by the Hon'ble Minister, Food Processing Industries.

2.12 **Instructions on Application Filing** – Detailed instructions on application filing and documents required are given in the Para-9 of CEFPPC Guidelines. The same are reproduced at **Annexure-I** of this Report. All applications shall be submitted online on the Sampada Portal of the Ministry. No physical applications will be accepted and such application shall be summarily ignored. Applicants are required to submit the following documents:-

Detailed Project Report (DPR), CA/Statutory Certificates in support of Net-worth of applicant & Project Proposals etc. Details approved notes and Final In-Principle term loan sanction from a Bank. No physical application will be accepted and such application shall be summarily ignored. Applicants are required to submit following documents:

Certificate of incorporation/registration, Memorandum and Article of Association, bye laws of the society/partnership deed, PAN, TAN, SC/ST caste certificate (whichever applicable);

IEM registration/Entrepreneur's Memorandum/Udyog Aadhaar registration. Annual reports and Audited Financial Statement of Accounts for last two years (if applicable), Bio-data/ Background experience of the entity;

An undertaking to be furnished by the applicant as prescribed in the Guidelines;

Correspondences (emails/ letters) for possible forward or backward linkages etc;

Details of Land, Bio-data/ Background experience of the entity, Quotations from Original Equipment Manufacturer / Supplier, etc.

Note: *Self-attested English/ Hindi version needs to be submitted in case such document is in regional language.*

2.13 **Fee & Performance Security** - The CEFPPC Operational Guidelines stipulate that :

- (a) The entities applying for financial assistance are required to submit a non-refundable fee of Rs.20,000/- (Rupees twenty thousand only) through Demand Draft in favour of "Pay and Accounts Officer, Ministry of Food Processing Industries, New Delhi". Provided that the non-refundable fee shall be Rs.15,000/- (Rupees fifteen thousand only) for applications from SC/ST.
- (b) On being selected for financial assistance by the Ministry, the successful applicant shall submit a refundable bank guarantee (initially valid till 60 days beyond scheduled completion of the project which would be required to be extended till 60 days beyond revised completion of the project in case the project is delayed) for 5% of eligible grants-in-aid within 30 days of issue of approval letter by the Ministry. Provided that in case instalment(s) of grants-in-aid is released by the Ministry and the project is not completed by PIA, the Ministry may encash such Bank Guarantee.

2.14 On being specifically asked by the Committee about the reasons for seeking (i) Non-refundable fee for application and (ii) Refundable bank guarantee for selected applicants under the Scheme of CEFPPC and how much is the refundable bank guarantee in respect of different types of project proposals, the Ministry stated as under :-

"Non-refundable application fee is sought from the applicant(s) in order to ascertain the genuineness and interest of the applicant for availing grants-in-aid (GIA) under the scheme and also to meet out the expense involved in processing the applications/ proposals. Irrespective of the category of the applicant, 5% of approved GIA is sought for showing keen interest and timely implementation of the project within the prescribed timeline of 18 months. No alternative method for submitting 5% of approved GIA other than in the form of Bank Guarantee exists as per scheme guidelines."

2.15 The Committee sought to know as to whether the non-refundable application fee in respect of rejected / ineligible proposals is returned to the applicants and also to give reasons for in case of non-refund to rejected /ineligible proposals along with comments as to whether it will not be discouraging factor for the probable participants in the Scheme. In response, the Ministry of Food Processing Industries stated:-

"Non-refundable application fee is sought from the applicant(s) in order to ascertain the genuineness and interest of the applicant for availing grants-in-aid (GIA) under the scheme and also to meet out the expense involved in processing the applications/ proposals. The non-refundable application fee in respect of rejected/ ineligible proposals is not returned to the applicants."

C. Selection of Proposals under the Scheme of CEFPPC

2.16 The selection process was stated to be as under:-

- "(a) Proposals will be invited by the Ministry through Expression of Interest (EOI) that will be valid for a period of 45 days and may be extended by the Ministry only in case sufficient proposals are not received. Applications can be filled only online on the Ministry's Sampada Portal (<https://www.sampada-mofpi.gov.in>).
- (b) The Ministry will constitute a Technical Committee (TC) and a Project Approval Committee (PAC) for scrutiny/ consideration/ approval of proposals received against EOI. Technical Committee and Project Approval Committee may be assisted by Project Management Agency(ies) (PMA) to be appointed by the Ministry.
- (c) The Technical Committee so constituted shall also function as Technical Committee (or by whatever name it was called) for the purpose of previous guidelines. The Project Approval Committee so constituted shall also function as Inter-Ministerial Approval Committee (or by whatever name it was called) for the purpose of previous guidelines.
- (d) The Technical Committee will scrutinize applications with respect to prima facie eligibility based on the eligibility criteria for the scheme. The proposals found prima facie eligible will be evaluated inter-alia on the basis of technical parameters as well as assessment criteria of the scheme as given in Annexure-I of the Guidelines.

- (e) A proposal will have to obtain a minimum of **60** marks in order to become eligible for consideration of grants-in-aid. Provided that the minimum marks will be **45** for an applicant belonging to SC/ ST.
- (f) The Ministry shall inform the applicants whose proposals are rejected (either based on eligibility criteria or technical parameters or assessment criteria), the reasons for such rejection by the Technical Committee. Provided that before conveying rejection of a proposal, the approval of the Secretary of the Ministry shall be sought.
- (g) An applicant aggrieved with rejection of the proposal may prefer an appeal before the Project Approval Committee detailing the grounds of such appeal.
- (h) In respect of proposals that are found eligible for consideration of grants-in-aid, recommendation(s) of the Technical Committee will be placed before Project Approval Committee for consideration and approval or otherwise.
- (i) Presence of applicant or its authorized representative (in-person or virtually) is expected (to explain its proposal) during meetings of the Technical Committee and Project Approval Committee. The applicant/ authorized representative may on its own or when asked by TC/ PAC, shall make a presentation regarding its proposal.
- (j) In case of eligible proposals having equal marks, preference will be given to the proposal envisaging higher eligible project cost.
- (k) The decision of the Ministry shall be final regarding eligibility or otherwise of the proposals, selection of proposals for grants-in-aid and quantum of grants-in-aid approved.
- (l) The Ministry will issue approval letter to the successful applicants giving, inter alia, details of project, total project cost, eligible project cost, approved grants-in-aid, completion schedule of the approved project and other relevant details.
- (m) The Ministry shall inform the applicants whose proposals are not approved by PAC along with the reasons.
- (n) Once approval letter is issued by the Ministry, the applicant has to provide Acceptance Letter as per prescribed format (Annexure-II of the Guidelines) and notarised Affidavit on Rs. 100 Non-Judicial Stamp Paper as per prescribed format (Annexure-III of the Guidelines) along with counter-signed copy of Approval letter.

- (o) Once Acceptance Letter and undertaking is given, the applicant will be called as **Project Implementing Agency (PIA).**

Assessment criteria for evaluation of proposals				
Sl. No.	Criteria for Evaluation of the proposal	Marks	Max marks	Modifications approved by IMAC
1	Priority Sector			
	a. For Perishable Products (<i>Fruits & Veg, Meat & Poultry, Milk & Aqua Products</i>)	25	25	DPR/ Bank appraisal and IEM
	b. For Consumer products (<i>Bakery/Snacks/Breakfast cereals/ RTE products</i>)	20		
	c. For Non- Perishable Products (<i>Grain/Pulse/Oil milling</i>)	15		
2	Possession of Appropriate Land			
	a. Complete land title - sale deed/registered lease deed/ possession letter/allotment letter from State Govt. Agencies/ MFP/APC in the name of PIA along with CLU	15	15	CLU and Land Ownership Documents
	b. Complete land title - sale deed/registered lease deed/ possession letter/allotment letter from State Govt. Agencies/ MFP/APC in the name of PIA along without CLU	10		Land Ownership Documents
	c. Agreement to Sale/Purchase of Land in the name of PIA	5		Copy of Agreement
3	Investment on Eligible Project cost			
	a. More than Rs.15 crore	15	15	DPR/ CE Certificate.
	b. More than Rs 8 Crore to 15 crore	10		
	c. Less than 8 crore	08		
4	Net worth of the applicant			
	a. More than 2 times of proposed equity	15	15	Balance Sheet / CA Certificate/ Supporting Documents
	b. More than 1.5 and upto 2 times of proposed equity	10		
	c. More than 1 and upto 2 times of proposed equity in case of SC/ST applicant	10		
5	Debt Service Coverage Ratio (DSCR) based on Bank appraisal			
	a. 3.0 and above	15	15	Bank Appraisal Report
	b. Between 2.5 but less than 3.0	12		
	c. Between 1.5 but less than 2.5	10		
6	Project Strength - The promoter(s) having professional / special training in food processing/ technology			
	a. B. Tech/ B.Sc. in Agri/Horti/Food Processing/Food Technology/ Dairy Science/Technology/B. Voc. in Agri and above	05	05	Copy of Degree/ Diploma/ Certificate
	b. Diploma in Agri/Horti/Food Processing/ Food Technology/ Dairy Science/Technology	03		
7	Turnover of applicant firm / promoter(s) having atleast 10% shareholding in Food Processing:			
	a. Food processing business having annual turnover of ₹10 Crore and above during previous year	10	10	Balance sheet, FSSAI license etc.
	b. Food processing business having annual turnover of ₹5 Crore but less than ₹10 Crore above during previous year	7		
	Total		100	

2.17 On being asked about the composition of Project Approval Committee for the selection of projects under the Scheme for CEFPPC, the Ministry furnished the following details :

"The composition of the Project Approval Committee is as under:

Hon'ble Minister, FPI – Chairperson

Hon'ble Minister of State, FPI – Vice-chairperson

Secretary, MoFPI – Member

Financial Advisor, MoFPI – Member

Additional Secretary / Joint Secretary, PMKSY, MoFPI – Member Secretary"

2.18 When asked to give reasons for providing higher marks for proposals carrying higher project cost, the Ministry stated as under :-

"In order to attract more private investment under the scheme, the proposals carrying higher project cost are given with higher marks."

D. Pattern of Assistance and Implementation of Projects under CEFPPC

2.19 **Pattern of Assistance** - The pattern of assistance under CEFPPC was stated to be as follows :

- (a) Grants-in-aid will be @35% of eligible project cost for projects in General Areas and @50% of eligible project cost for projects in Difficult Areas as well as for projects of SC/ST, FPOs and SHGs subject to a maximum of Rs. 5 crore.
- (b) No upward revision, for any reason whatsoever, in approved grants-in-aid will be considered.
- (c) In case of proposals requesting for dropping of any of the approved components, the proportionate grants-in-aid (35% or 50%, as the case may be) approved for that particular component(s) shall be deducted from the approved grants-in-aid.
- (d) No grants-in-aid shall be payable on any expenditure, of any nature whatsoever, made before the date of issuance of approval letter by the Ministry towards eligible components of the project. The same shall be verifiable from bank statement/ invoices to be submitted at the time of request for release of various instalments of grants-in-aid.
- (e) Grants-in-aid will be considered in respect of eligible project components only.
- (f) Cost Norms (excluding taxes) issued by the Ministry or the Mission for Integrated Development of Horticulture (MIDH) under Department of

Agriculture, Co-operation and Farmers Welfare will be followed, wherever available.

- (g) Proposals received from entities where Scheduled Caste (SC)/ Scheduled Tribe (ST) hold at least 51% stake, will be treated as SC/ST proposals.
- (h) If there is any reduction in stake of SC/ST below 51% during implementation of the project, such projects shall be cancelled and grants-in-aid released, if any, shall be ordered to be recovered with 10% annual interest.
- (i) Grants-in-aid will be released subject to availability of funds.
- (j) Dovetailing of Assistance- Considering the complexities and challenges associated with agricultural infrastructure projects of this nature, PIA 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.
- (k) The list of ineligible items for calculation of Grants-in-Aid as given in Para-4 of Operational Guidelines is reproduced at **Annexure-II for ready reference."**

2.20 To a query of the Committee whether the cost norms laid down for the Mission for Integrated Development of Horticulture (MIDH) is applied in respect of all cases of sanctioned projects for calculation of Grants-in-aid, the Ministry stated:-

"The eligible GIA for the approved project is calculated by taking into account the eligible technical civil work component and plant & machinery component of the project. MIDH cost norms are being followed for the projects in which the components relating to cold storage, refer vans, etc. are being considered. In other cases, the MoFPI cost norms are being followed."

2.21 On being asked about the details of declared Difficult Areas for the implementation of the Scheme for CEFPPC and whether it is common for all the Scheme components of PMKSY (Pradhan Mantry Kisan Sampada Yojana), the Ministry furnished the following reply:

"As per the guidelines of various components of PMKSY, Difficult Areas has been defined as North-Eastern States (including Sikkim), State of Uttarakhand, State of Himachal Pradesh, Union Territories of Jammu & Kashmir and Ladakh, State Notified ITDP (Integrated Tribal Development Projects) areas and Islands (Union Territories of Andaman & Nicobar and Lakshadweep)."

Implementation Schedule and Extension in Timelines

2.22 (a) Time for completion and operationalisation of projects will be 18 months from the date of issue of approval letter.

(b) Schedule for submission of claims for release of instalments (from the date of issue of approval letter) will be as under:

Sl. No.	Particulars	Timeline
1.	1 st instalment	9 months
2.	2 nd instalment	18 months

(c) Time schedule may be extended by Secretary of the Ministry beyond the period as indicated at clause (a) on account of events of force majeure. There shall be commensurate relief towards timelines without deduction in grants-in-aid if such an extension is granted.

Note: force majeure for the purpose of this Guidelines means act of god including drought, fire and explosion, earthquake, landslide, flood, cyclone and such other events; any unlawful, unreasonable or discriminatory action on the part of an Indian Governmental Instrumentality which is directed against the project provided that a competent court of law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down; war, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; industry wide strikes and labour disturbances, having a nationwide impact in India; a pandemic; or an event declared as an event of force majeure by Government of India for whole of India or a State Government for whole of State where project is located.

(d) Extension upto six months on account of delay (except for reasons of force majeure) in completion of the projects may be granted by concerned Additional Secretary/ Joint Secretary of the Ministry, while extension beyond six months may be granted by the Project Approval Committee. Irrespective of any such extension in timelines for completion of the projects, deduction in grants-in-aid will be on basis of implementation schedule as per sub-clause (a) above.

- (e) Extension in timeline may be granted for maximum period of six months at a time. Any extension under clauses (c) and (d) shall be in consultation with Financial Advisor of the Ministry.

2.23 **Change in Components and Cost of Project** - The following can be approved by the concerned Additional Secretary/ J. Secretary:

- (i) Reduction (without change in equipment, civil work) in eligible project cost
- (ii) Reduction in project components
- (iii) Change in Bank
- (iv) Change in shareholding pattern/ Board of Directors
- (v) Change in location of the facilities other than main facility/ centre
- (vi) Change in means of finance

Change in components or cost of the project, other than the above mentioned cases, shall require approval of the Project Approval Committee.

Monitoring and Evaluation

2.24 As per the CEFPPC Operational Guidelines the Ministry may take assistance of Programme Management Agency (PMA) in scrutiny, examination, monitoring and evaluation of proposals received against EOI and for conduct of site inspections of approved projects. The Ministry may also constitute a panel of consultants/ experts for undertaking inspection of projects sanctioned under the component schemes.

2.25 **Non-Implementation or Delay in Implementation of Project**

- (a) Project Implementing Agencies (PIA) shall make all possible efforts to complete the Project as per the stipulated timelines of 18 months.
- (b) In case of non-adherence to the stipulated timelines, the approved grants-in-aid shall be deduced as below (irrespective of any extension in timelines except for reasons of force majeure):

Delay	Deduction in grants-in-aid
Up to three months	Nil
More than 3 months and up to 4 months	0.5%
More than 4 months and up to 5 months	1.0%
More than 5 months and up to 6 months	1.5%
More than 6 months and up to 7 months	2.0%
More than 7 months and up to 8 months	2.5%
More than 8 months and up to 9 months	3.0%
More than 9 months and up to 10 months	3.5%
More than 10 months and up to 11 months	4.0%
More than 11 months and up to 12 months	4.5%
More than 12 months	5.0%

- (c) The decision of the Ministry shall be final and binding on PIA on period, quantum and deduction in grants-in-aid.
- (d) The Ministry shall have the right to close a project at any stage, after recording reasons thereof, with or without directions as to refund of grants-in-aid released.
- (e) If at any point of time, it comes to the notice of the Ministry that grants-in-aid has been availed by manipulation/ concealment of information/ facts, such grants-in-aid released by the Ministry shall be refunded along with interest @10% per annum. Manipulation/ concealment of information/ facts may also attract other civil/ criminal liabilities in terms of prevailing laws.
- (f) In the event of PIA withdrawing from executing the project, the grants-in-aid amount released to it (along with interest @10% per annum) by the Ministry will be returned by PIA to the Ministry within 30 days of communication for refund of such grants-in-aid.
- (g) In case of the failure on part of PIA to refund the grants-in-aid amount (or interest thereon) as directed by the Ministry, the due amount will be recovered as an arrear of land revenue as per the relevant laws in force.

Release of Grants-in-Aid

2.26 Approved grant will be released in two installments each of 50% in the following manner subjects to fulfillment of conditions including furnishing of documents as laid down vide paras 15 &16 of Operational Guidelines in the following manner :-

"The first installment of grant would be released after incurring expenditure of 50% of the eligible project cost on the eligible project components of the project and on submission of required documents as per guidelines.

The second installment of grant would be released after incurring expenditure of 100% of the eligible project cost on eligible project components of the project, commencement of commercial production verified through joint physical verification and submission of documents specified in the guidelines."

2.27 To a query regarding the details of the Documents, required to re-submitted by the applicants before getting the Grants-in-aid released, the Ministry stated as under :-

"The documents which have been submitted online at the time of application are not sought at the time of considering the release of installments. However, a set of requisite documents as mentioned in the guidelines for considering release of 1st& 2nd installment of GIA are being obtained from PIA."

2.28 When asked whether fund release for any of the approved project proposal has been delayed / affected due to non-furnishing of documents, the Ministry stated :-

"Funds can be released only after the claims have been verified in terms of the scheme guidelines. However, in cases where there is delay in submission of documents for considering release of grants-in-aid (GIA), penalty is imposed at the time of release of grants-in-aid as per scheme guidelines."

2.29 The Committee sought to know as to whether the Grants-in-aid to the approved/ ongoing projects are paid in time. In this regard, the Ministry stated :-

"Under CEFPPC Scheme, as per scheme guidelines, GIA is released in two equal installment(s) to the project implementing agency (PIA) after due diligence. Sometimes, due to delay in submission of requisite documents by the PIA, the release of GIA gets delayed."

2.30 To a specific query whether the Grants-in-Aid to the already Completed projects under the Scheme for CEFPPC has been made in time, the Ministry replied :-

"The Ministry takes all efforts to release the grants-in-aid to the completed project in time (subject to submission of complete documents/ information and verification of project). However, in some cases it was delayed due to budgetary constraints."

2.31 When asked about the provisions in the CEFPPC Operational Guidelines in respect of approved projects, the implementation of which got delayed / disrupted due to non-availability of funds and whether such project can be implemented at subsequent stages when funds are available, the Ministry stated :-

"In case it is not possible for the Ministry to release grants-in-aid due to paucity of funds under relevant budget heads of the scheme at the fag end of the financial year, grants-in-aid is released to such projects as soon as funds are received during the next financial year."

Grants-in-Aid to Completed / Cancelled / Withdrawn Projects

2.32 The Committee have been intimated that a total of 105 (as on 12.09.2023) approved/ sanctioned projects under the Scheme for CEFPPC were subsequently been cancelled/ withdrawn. The Committee, therefore, asked the Ministry to briefly state the reasons for cancellation/ withdrawal of 105 projects along with details regarding the impact of the

cancelled / withdrawn projects on the implementation of the Scheme for CEFPPC and the steps being taken to arrest the trend of cancellation / withdrawal from the Scheme. In response, the Ministry of Food Processing Industries furnished a statement giving reasons for cancellation/ withdrawal of the list of 105 projects as in the **Annexure-III**.

2.33 To a query seeking details regarding release of Grants-in-aid to the cancelled/ withdrawn projects and how the amounts will be settled, the Ministry furnished reply as under :

"The details regarding release of Grants-in-aid to the cancelled / withdrawn projects are as under:

Name of the applicant	District	Date of Approval	Project Cost (Rs. in Cr.)	Approved Grant (Rs. in Cr.)	Released Amount (Rs. in Cr.)
M/s Great Destiny foods and Drinks (P) Ltd	Tiruvallur, Tamil Nadu	19.02.2018	11.46	3.59	1.80
M/s Pampar Ovenfresh Foods Pvt. Ltd	Darjeeling, West Bengal	23.01.2019	4.22	1.40	0.70
M/s Anutham Enterprises	Vijaypur, Karnataka	02.12.2019	10.68	5	2.50
M/s D Raju Enterprise	Papum Pare, Arunachal Pradesh	03.03.2021	7.82	3.10	1.55
M/s GG Enterprises	Papum Pare, Arunachal Pradesh	03.03.2021	5.86	2.19	1.10
M/s Madhur Organic Cold Press Oil	Dhule, Maharashtra	14.01.2021	8.02	3.02	1.51

Effort are being made for recovering the GIA from the cancelled/ withdrawn projects as per the provision contained in the scheme guidelines and other legal options available in this regard."

E. Revision of CEFPPC Operational Guidelines

2.34 According to the Ministry of Food Processing Industries, the operational guidelines of CEFPPC scheme were initially issued on 11.07.2017. Subsequently, it was modified/ revised on nine occasions to take into account the emerging needs of the sector. The extent revised operational guidelines were issued on 08.06.2022 to make the provisions consistent and taking into account the concerns raised by various stakeholders during implementation of the Scheme during the previous years.

2.35 **Changes in Guidelines** - Regarding details of changes made to the previous CEFPPC Operative Guidelines and the *new* provisions incorporated in the Revised Guidelines issued on 08.06.2022, the Ministry furnished a reply as follows:-

"The brief of changes made and new provisions incorporated in the Revised Guidelines issued on 08.06.2022 are as under:-

Existing provisions under the CEFPPC guidelines dated 02.03.2020	Modification as per CEFPPC scheme guidelines dated 08.06.2022
<p>Eligible location of the project: The proposals for creation/ expansion/ modernization of food processing & preservation units will be considered in Mega Food Parks (MFPs), Agro-processing Clusters assisted by the Ministry. However, in State/UTs having no Mega Food Park, Agro Processing cluster, units may be considered anywhere.</p>	<p>The proposals under the Scheme will be considered both inside Mega Food Parks (MFPs)/ Agro-processing Clusters (APCs) and anywhere outside MFPs/ APCs. As far as practicable, out of total fund allocation, 60% will be for units inside MFPs/APCs and 40% to units anywhere outside MFPs/APCs.</p>
<p>Provision for SC/ST applicant: Special provision for SC /ST entrepreneurs having 100% stake in the applicant firm</p>	<p>Proposals received from entities where Scheduled Caste (SC)/ Scheduled Tribe (ST) holding atleast 51% stake in the entity, will be treated as SC/ST proposals.</p>
<p>Provision for considering taxes attached with P&M as eligible item</p>	<p>Taxes attached with plant & machinery are considered as ineligible item</p>
<p>Non-refundable application fee: No fee is charged against submission of application/ proposal under the scheme</p>	<p>The entities applying under a scheme for financial assistance are required to submit a non-refundable fee of Rs. 20,000/- (Rupees twenty thousand) in favour of "Pay and Accounts Officer, Ministry of Food Processing Industries, New Delhi". Provided that the non-refundable fee shall be Rs. 15,000/- for applications from SC/ST.</p>
<p>Eligibility Criteria Only those proposals shall be eligible in which final sanction of term loan has been accorded by the Banks/Financial Institutions after the date of advertisement of EoI of this Scheme</p>	<p>Final/In-principle term loan sanction letter from a Scheduled commercial Bank or a Government-controlled Financial Institution or a non-banking financing company approved by the Reserve Bank of India</p>
<p>Eligibility Criteria Availing term loan from the bank/ Financial Institution minimum 20% of the total project cost (except for proposals submitted by Central/State Government)</p>	<p>Term loan from the Bank for an amount not less than 20% of the total project cost in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organisations or Self-Help Groups, term loan amount shall not be less than 10% of the total project cost.</p>
<p>Proposal will have to obtain a minimum of 60 marks in order to become eligible for consideration of grants-in-aid</p>	<p>A proposal will have to obtain a minimum of 60 marks in order to become eligible for consideration of grants-in-aid. Provided that the minimum marks will be 45 for an applicant belonging to SC/ ST.</p>
<p>Submission of bank guarantee by the successful applicant: No bank guarantee is required to be submitted by the successful applicant</p>	<p>The successful applicant shall submit a bank guarantee (initially valid for duration of scheduled completion of the project which would be required to be extended till completion of the project in case the project is delayed) for 5% of eligible grants-in-aid within 30 days of issue of approval letter by the Ministry.</p>

<p>Detailed appraisal note on the proposal: Bank appraisal indicating techno-economic viability parameters of the project</p>	<p>A detailed Appraisal Note, specific to the scheme, from a Scheduled Commercial Bank.</p>									
<p>Pattern of assistance: (i) 35% of the eligible project cost subject to a maximum of Rs. 5.00 Crore in General Areas; (ii) 50% of the eligible project cost subject to a maximum of Rs. 5.00 Crore in North Eastern States (including Sikkim) and Difficult areas i.e. Himalayan States/UTs (Himachal Pradesh, Uttarakhand, Ladakh, Jammu and Kashmir), State Notified ITDP areas and Islands (Union Territories of Andaman& Nicobar and Lakshadweep). Proposals received from Scheduled Caste (SC)/ Scheduled Tribe (ST) promoters holding 100% stake in the implementation Agency/ applicant organization, will be treated as SC/ST proposals. Such implementation agency/ applicant organization will be treated at par with the difficult areas for the purpose of extending benefits under the scheme.</p>	<p>Grants-in-aid will be considered @35% for projects in General Areas and @50% for projects in Difficult Areas as well as for projects of SC/ST, FPOs and SHGs subject to a maximum of Rs. 5 crore.</p>									
<p>Timeline for release of instalments: No specific timeline is given for seeking release of first instalment GIA and 18 months from the date of issue of approval letter.</p>	<p>Schedule for submission of claims for release of instalments (from the date of issue of approval letter) will be as under:</p> <p>Timeline is proposed as under:</p> <table border="1" data-bbox="786 1356 1367 1495"> <thead> <tr> <th>Sl. No.</th> <th>Particulars</th> <th>Timeline</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1st instalment</td> <td>9 months</td> </tr> <tr> <td>2.</td> <td>2nd instalment</td> <td>18 months</td> </tr> </tbody> </table>	Sl. No.	Particulars	Timeline	1.	1 st instalment	9 months	2.	2 nd instalment	18 months
Sl. No.	Particulars	Timeline								
1.	1 st instalment	9 months								
2.	2 nd instalment	18 months								
<p>Penalty imposed for delay in implementation of the project: In case of non-adherence of time lines, a penalty of 1% of the approved grants-in-aid, will be imposed for each month's delay beyond the stipulated timeline of 18 months. The maximum amount of penalty, however, shall not exceed 10% of the approved grants-in-aid to be released to the project. The penalty will be calculated</p>	<p>In case of non-adherence to the stipulated timelines, the approved grants-in-aid shall be reduced as below (irrespective of any extension in timelines except for reasons of force majeure):</p> <table border="1" data-bbox="786 1734 1503 1948"> <thead> <tr> <th>Delay</th> <th>Reduction in grants-in-aid</th> </tr> </thead> <tbody> <tr> <td>Up to three months</td> <td>Nil</td> </tr> <tr> <td>More than 3 months and up to 4 months</td> <td>0.5%</td> </tr> <tr> <td>More than 4 months and up to</td> <td>1.0%</td> </tr> </tbody> </table>	Delay	Reduction in grants-in-aid	Up to three months	Nil	More than 3 months and up to 4 months	0.5%	More than 4 months and up to	1.0%	
Delay	Reduction in grants-in-aid									
Up to three months	Nil									
More than 3 months and up to 4 months	0.5%									
More than 4 months and up to	1.0%									

and imposed on the applicant firm at the time of release of 2 nd & final instalment of grants-in-aid.	5 months	
	More than 5 months and up to 6 months	1.5%
	More than 6 months and up to 7 months	2.0%
	More than 7 months and up to 8 months	2.5%
	More than 8 months and up to 9 months	3.0%
	More than 9 months and up to 10 months	3.5%
	More than 10 months and up to 11 months	4.0%
	More than 11 months and up to 12 months	4.5%
	More than 12 months	5.0%

The revised guidelines takes into account concerns raised by various stakeholders during implementation of the Scheme in the previous years. Also, the Ministry, with a view to promoting "Ease of Doing Business", has taken several pro-active steps to simplify the guidelines and align it with other schemes of PMKSY. Some provisions related to Ease of Doing Business that have been incorporated in the revised guidelines issued on 08.06.2022 are (a) reducing compliance burden (lesser number of documents while submitting application and for claiming grants-in-aid), (b) rationalizing documents for eligibility criteria, (c) defining Difficult Areas, SC/ST applications and force majeure, (d) doing away with submission of documents at frequent intervals, (e) evaluation and approval of all schemes of PMKSY by a single committee etc."

2.36 On being asked about the reasons for frequent modifications/revisions of Guidelines, the Ministry stated :-

"The revision of CEFPPC Scheme guidelines has been done due to the following reasons:-
to attract prospective entrepreneurs to make investment in the food processing sector;
to implement ease of doing business under the scheme;
to invite more proposals from the applicants belonging to categories of SC/ST, NER, Self Help Groups, FPOs and ITDP areas; and
receipt of less or no response from certain States/UTs."

2.37 When asked about the reasons as to why the Ministry could not finalize an all inclusive CEFPPC Guidelines at the Initial Stage of implementation of the Scheme for CEFPPC in 2017 causing frequent changes subsequently, the Ministry stated as under :-

"The revision of CEFPPC Scheme guidelines has been done due to the following reasons:-

to attract prospective entrepreneurs to make investment in the food processing sector;
to implement ease of doing business under the scheme;
to invite more proposals from the applicants belonging to categories of SC/ST, NER, Self Help Groups, FPOs and ITDP areas; and
receipt of less or no response from certain States/UTs."

2.38 When asked whether there has been any improvement in the number of eligible applications/proposals received from all categories of entrepreneurs after revision of guidelines in 2022, the Ministry stated as under :-

"The latest CEFPPC scheme guidelines has been approved by the Ministry on 08.06.2022. Accordingly, EOI dated 21.06.2022 has been issued to invite applications/ proposals under the scheme keeping last date of submission of application as 20.08.2022. In response, 806 proposals had been received wherein 307 proposals were found eligible on merit basis."

2.39 When asked whether it is feasible to issue a single consolidated set of operative guidelines for all the Scheme Components of the PMKSY, the Ministry stated that :-

"Under various component schemes of PMKSY, financial assistance is provided to different components as per their respective Scheme Guidelines. Each component Scheme has a specific aim and purpose under which assistance is being provided to the projects received under them in various areas of food processing as per the mandate given in the component scheme guidelines. Hence, it is not possible to issue a single consolidated set of operative guidelines for all the Scheme Components of the PMKSY. However, in the latest guidelines issued on 08.06.2022, the provisions of guidelines of different component schemes have been aligned as far as possible."

F. Issues in the Implementation of Scheme for CEFPPC

Implementation of the Scheme for CEFPPC in Locations Outside MFPs / APCs

2.40 The Committee noted that proposals under the Scheme will be considered both inside Mega Food Parks (MFPs)/ Agro-processing Clusters (APCs) and anywhere outside MFPs/ APCs. As far as practicable, out of total fund allocation, 60% will be for units inside MFPs/APCs and 40% to units outside MFPs/APCs. In this regard, the Committee desired to know about the basis for stipulating the criteria of 60% will be for units inside MFPs/APCs and 40% to units outside MFPs/APCs. The Ministry of Food Processing Industries furnished the information for the same as under:-

"As per earlier guidelines, 100% units were required to be set up within MFPs/ APCs/ Designated Food Parks. Prospective entrepreneurs represented to allow setting up processing units outside MFPs/ APCs/ Designated Food Parks too. Keeping in view the representations and demand for such units, total fund allocation has been bifurcated as 60% for the units to be set up inside Mega Food Parks (MFPs)/ Agro-processing Clusters (APCs) and 40% for the units to be set up anywhere outside MFPs/ APCs."

2.41 Regarding the mechanism followed by the Ministry to ensure that sufficient number of eligible proposals are received from Location Specific Categories like MFPs/APCs, the Ministry stated :-

"In order to ensure receipt of adequate number of proposals from location specific categories like MFPs/APCs, a provision of a ratio of 60:40 has been included in the scheme guidelines such that 60% of allocated fund under the scheme will be utilized for approving proposals received for setting up of units inside MFPs/APCs and 40% of proposals in anywhere outside the country."

2.42 On being asked about the State/UT-wise distribution of MFPs/APCs in the country, the Ministry of Food Processing Industries furnished the following details :-

"41 Mega Food Parks (MFPs) and 76 Agro Processing Clusters (APCs) have been approved under 'Mega Food Park scheme' and 'Creation of Infrastructure for Agro-Processing Clusters scheme' respectively of PMKSY. Out of 41 MFPs, 24 are functional while 18 APCs are functional as on date. The State/UT-wise distribution of these MFPs/APCs across the country is as under:

Sr. No	State	Mega Food Parks (in nos.)	Agro-Processing Clusters (in nos.)
1	Andhra Pradesh	3	3
2	Arunachal Pradesh	1	0
3	Assam	1	7
4	Bihar	2	1
5	Chhattisgarh	1	1
6	Goa	0	0
7	Gujarat	2	4
8	Haryana	2	3
9	Himachal Pradesh	1	2
10	Jharkhand	0	0
11	Karnataka	2	5
12	Kerala	2	2

13	Madhya Pradesh	2	5
14	Maharashtra	3	14
15	Manipur	1	0
16	Meghalaya	1	0
17	Mizoram	1	0
18	Nagaland	1	0
19	Odisha	2	1
20	Punjab	3	3
21	Rajasthan	2	5
22	Sikkim	0	0
23	Tamil Nadu	1	11
24	Telangana	2	4
25	Tripura	1	0
26	Uttar Pradesh	0	3
27	Uttarakhand	2	1
28	West Bengal	1	0
31	D & N Haveli and Daman & Diu	0	0
33	Jammu & Kashmir	1	1
34	Ladakh	0	0
35	Lakshadweep	0	0
36	Pondicherry	0	0
	Total	41	76

2.43 To a query of the Committee as to what type of priority is given to applications from needy areas / States / UTs which do not possess sufficient level of food processing capacity and have either few or nil MFPs /APCs, the Ministry of Food Processing Industries submitted :-

"The scheme is demand driven and not State/ UT specific. However, as per scheme guidelines, the proposals under the Scheme will be considered both inside Mega Food Parks (MFPs)/ Agro-processing Clusters (APCs) and anywhere outside MFPs/ APCs. As far as practicable, out of total fund allocation, 60% will be for units inside MFPs/APCs and 40% to units outside MFPs/APCs.

Special provisions have been made in respect of difficult areas which consist of NER, J&K, Himachal Pradesh, Uttarakhand, and State Notified ITDP (Integrated Tribal Development Projects) areas, Andaman & Nicobar and Lakshadweep and several relaxations to applicants from these regions is provided in the scheme guidelines."

2.44 When asked about the steps taken by the Ministry to ensure receipt of sufficient number of proposals from potentially needy areas, which lack in entrepreneurship and food processing capacity, the Ministry stated :-

"An expression of Interest (EoI) for inviting applications under the scheme is demand driven and subject to availability of funds. Though no specific State-wise allocation of funds is made under the scheme, 10% of total BE is reserved for North Eastern Region. A number of benefits in terms of higher rate of Grants, lower net worth & promoters capital requirement is allowed for projects located in North Eastern Region

and other difficult area, including ITDP (Integrated Tribal Development Project) areas, which generally have small entrepreneurial base."

2.45 On being asked about the percentage of CEFPPC projects so far sanctioned by the Ministry that are located in the MFPs/APCs and whether the Ministry has any proposal to change the ratio in States / UTs, which have fewer MFPs/APCs, the Ministry stated :-

"257 food processing units have been approved to be set up in MFPs/APCs under CEFPPC scheme, which constitute about 54.33% of total food processing units approved across the country. At present, Ministry has no proposal for changing the ratio of existing 60:40 for Food Processing Units inside MFPs/APCs and anywhere outside the country."

2.46 The Committee desired to know whether any priority is given for applications from the States/UTs which do not have any functional Mega Food Parks / Agro Processing Centres, while considering applications for the 40% projects earmarked for entities to be located outside the MFPs / APCs along with reasons in case of not according any priority :

"There is no such priority in the scheme guidelines. The Scheme is demand driven and in respect of States/UTs where there are no Mega Food Parks or APCs, the proposals can be sanctioned outside MFP/APCs if applications are received and are found eligible as per scheme guidelines."

Participation of Different Categories in the Implementation of Scheme for CEFPPC

2.47 The Committee sought to know as to whether any preference was given to proposals submitted from State / UT Governments / FPOs / SHGs especially / farmers in case of many applications having equal merit after technical evaluation. In this regard, the Ministry of Food Processing furnished the following information :-

"When many applications have same score in assessment criteria, preference is given to projects with higher project cost. However, under the scheme guidelines dated 08.06.2022, there is a provision that in case of proposals from Central Government (including entities/ organizations under the Central Government) or State Government (including entities/ organizations under the State Government), no net worth criteria is applicable. As regards proposals from FPOs and SHGs, combined net worth needs to be more than grants-in-aid sought (as against 1.5 times of the grants-in-aid for the General category applicants) under the scheme."

2.48 The Committee desired to know about the number of sanctioned proposals / applications received from State / UT Governments /FPOs/ SHGs, under the Scheme of CEFPPC. In this regard, the Committee were informed:-

"No eligible application has been received from FPOs/ SHGs till date under the CEFPPC scheme. However, one proposal received from the State Government of Goa had been found eligible and approved for grants-in-aid under the scheme. The same has been completed and started commercial operations/ production with the financial assistance under the scheme."

2.49 On being subsequently asked to furnish details of different categories of successful applicants (Public Sector, Private Sector, MNCs, FPOs, SHGs, Multipurpose Societies, SC/ST category, etc whose proposals have been sanctioned out of the total number of projects sanctioned under the Scheme of CEFPPC till date, the Ministry submitted:-

"

Public Sector	Private Sector	MNCs	FPOs	SHGs	Multipurpose Societies	SC Category	ST Category
1	399	10	13	0	2	27	21

"

2.50 The Committee asked about the reasons for non-participation or negligible participation of FPOs, SHGs, Multi-purpose Societies, State/Central Public Sector units under the Scheme for CEFPPC and also details as to whether any steps are being taken to encourage these entities for their active participation in the implementation of Scheme. In this regard, the reply of the Ministry of Food Processing Industries is reproduced below :

"No specific study/ survey has been conducted on reasons for non-participation or negligible participation of FPOs, SHGs, Multi-purpose Societies, State/Central Public Sector units under the Scheme. However, it is possible that the non-compliance of criteria such as net worth, equity contribution and term loan from Bank may be a hindrance in participation of these organizations.

To attract participation of these originations, scheme guidelines have been modified. These prescribe that in case of proposals from Central Government (including entities/ organizations under the Central Government) or State Government (including entities/ organizations under the State Government), no net worth criteria is applicable. As regard proposals from FPOs and SHGs, combined net worth requirement is equal to (or more than) grants-in-aid sought as against 1.5 times (or more) of the grants-in-aid for the General category applicants. Equity & term loan contribution has been reduced from 20% (for General category) to 10% for them."

Need for Review and Simplification of Procedure

2.51 The Committee noted that the Ministry invites proposals through Expression of Interest (EOI) that will be valid for a period of 45 days which extended by the Ministry only in case of non-receipt of sufficient number of applications. As per the CEFPPC Operative Guidelines, an applicant needs to submit many documents including Detailed Project Report, Term-loan sanction from bank, etc within the stipulated time frame. The Committee, therefore, sought to know about facilities being made available to prospective applicants who may like to enquire/cross-check the eligibility status of their project proposal being prepared by them for submission under the CEFPPC Scheme. In this regard, the Ministry of Food Processing Industries furnished the following reply :-

"Under operational scheme guidelines of the component schemes of PMKSY, there is a provision for "criteria for evaluation of proposals", which helps in ascertaining the eligibility of project proposal by the applicant before submission of the application on the Ministry's application portal."

2.52 To a query seeking reasons for stipulating 'Term-loan from a bank' as one of the eligibility condition, the Ministry of Food Processing Industries stated as under ::

"Availing term loan for the project by the applicant under the scheme has been emphasized in order to ascertain that the project is appraised by a scheduled commercial bank for its financial viability and economic feasibility. Further, if term loan is a part of means of finance, it will also help the Ministry to ascertain the financial position of the implementing agency of the unit."

2.53 The Committee noted from the eligibility criteria that only established projects entities could apply for financial assistance under the CEFPPC and asked the Ministry to explain how the Scheme would promote setting up of new projects. In this regard, the Ministry stated that -

"The CEFPPC scheme promotes setting up of new units as well as expansion/modernization / upgradation of existing units. Selection criteria are framed as per the objectives of the scheme and promotes setting up of new units as well as expansion of existing units."

2.54 On being asked about the eligibility criteria in the CEFPPC Operational Guidelines requiring the applicants to have a certain ratio of the Grants-in-aid as combined net worth of

the applicant as well as equity infusion of certain percentage of the project proposal, the Ministry stated that :-

"In order to ascertain the capacity of the applicant(s) to implement and smoothly run the project for a long time, the combined net worth of the applicant as well as the equity infusion by the promoter on the project are being sought."

2.55 When asked how the eligibility criteria relating to Net-worth of applicant and Equity infusion of entities will be applied in respect of Multipurpose societies, FPOs SHGs etc., the Ministry stated that :-

"Infusion of equity of at least 10% of the total project cost for proposals of FPOs and SHGs is required. As regards combined net worth, it should not be less than grant-in-aid sought under the scheme for FPOs and SHGs."

2.56 On being asked about the category of applicants required to furnish copies of Annual reports and Audited Financial Statement of Accounts for the last two years, the Ministry stated as under :-

"Net worth of companies is ascertained based on paid up share capital of the company and reserves created of profits. Hence, companies (Private/Public Limited) registered under Companies Act, 1956/Companies Act, 2013 and ongoing partnership/proprietorship firm, are required to submit Audited financial statements for assessment of net worth.

To claim score under 'turnover of applicant firm' criterion, applicant needs to submit audited balance sheet to show turnover in food processing business in previous year."

2.57 When asked about the types of correspondences (emails / letters) that are required to be submitted by the applicants while applying for assistance under CEFPPC along with state reasons for seeking such documents, the Ministry stated as under :-

"The applicants are required to submit their application and all required documents only on the online SAMPADA portal. Further, no correspondence in the form of emails/ letter is entertained at the time of application. However, the Ministry may seek explanatory/ supporting documents subsequently."

2.58 The Committee noted that many documents relating to Bank-loan, Audit Reports, Detailed Project Report, etc were required for submission of application under the Scheme

for CEFPPC. In this context, the Committee sought to know whether any advertisement or awareness campaign is conducted by the Ministry before it actually notifies the Expression of Interest for inviting applications/proposals under the Scheme alongwith reasons for the same. In this regard the reply of Ministry of Food Processing Industries is as under:-

"The following steps are taken for creating awareness amongst the investors/prospective entrepreneurs under the scheme:

- (i) Scheme Guidelines are notified in Hindi and English on the Ministry's website.
- (ii) EOI is issued in Hindi, English and other various regional languages through newspapers advertisement on pan India basis.
- (iii) Pre-bid meetings (with option to join virtually also) are conducted for clarifying the issues/ doubts of investors and public at large."

CHAPTER - III

Progress in the Implementation of the Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC)

A. Budgetary Support for PMKSY & CEFPPC

The Ministry of Food Processing Industries is implementing the Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) since 2017 under the umbrella scheme of “Pradhan Mantri Kisan Sampada Yojana (PMKSY)”. According to the Ministry of Food Processing Industries, the Scheme for CEFPPC plays a major role in establishment/expansion of food processing units and would thus reduce loss of perishable and other food products and would also increase income of farmers. Hence, this scheme needs to be continued till sufficient number of units are established throughout the country for catering the farmers needs in processing/preservation of farm produce and also create employment to rural youth.

3.2 **Budgetary Support for PMKSY** - The year-wise budgetary outlays made for the Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2017-18 as furnished by the Ministry of Food Processing Industries (FPI) are as under :-

S. No.	Scheme	14 th Finance Commission Cycle–Total Revised Outlay (Rs. in crore)	15 th Finance Commission Cycle–Total Revised Outlay (Rs. in crore)
1	Integrated Cold Chain and Value Addition Infrastructure	2021.50	1116
2	Scheme for creation of infrastructure for Agro Processing Industries	562.50	530
3	Scheme for Creation/ Expansion of Food Processing & Preservation Capacities	1068.50	1492
4	Scheme for Creation of Backward & Forward linkages	187.50	70
5	Food Safety and Quality Assurance Infrastructure	187.50	145
6	Operation Greens	500	721
7.1	Human Resource and Institutions– Skill Development	30	4.50
7.2	Human Resource and Institutions– Research and Development	50	31.50
8	Mega Food Park	1500	490
	Total	6107.50	4600

3.3 The year-wise break-up of BE, RE & AE in respect of each Scheme Component of PMKSY since 2017-18, as furnished by the Ministry of Food Processing Industries are at **Annexure-IV. (Reply to LOP No.5 - 01-06-2023)**. To a query of the Committee regarding the proposed and sanctioned budgetary outlays for PMKSY and its sub-components including CEFPPC during 14th & 15th Financial Commissions periods along with comments on adequacy of funds, the Ministry responded as under:-

"For the 14th FCC period, an allocation of Rs. 6000 Crore has been made against the proposed outlay of Rs. 6000 Crore under PMKSY.

For the 15th FCC period, an allocation of Rs. 9824 Crore was sought under PMKSY. However, an allocation of Rs. 4600 Crore was made after deducting Rs. 5224 crore."

3.4 On being asked by the Committee about norms and guidelines followed for allocation of funds for different Scheme Components of PMKSY, the Ministry stated :-

"Taking into account level of interest shown by promoters/ stakeholders to the component schemes in the past and impact evaluation of these schemes, outlay under various component schemes of PMKSY was proposed in the EFC Note for continuation of PMKSY during 15th FC Cycle. After consideration of EFC proposal and other relevant considerations, allocation of outlay has been approved by the Government for implementing the component schemes under PMKSY."

3.5 On being asked about the progress/achievements that have been made against set targets including capacity addition achieved in the Food Processing sector after the implementation of PMKSY, the Ministry stated :-

"Cumulative Budgetary allocation of Rs. 5530.84 Crore has been made during period 2017-18 to 2023-24 under PMKSY Scheme. Out of this, Rs. 3864.17 Crore has been utilized till 31.05.2023.

During the aforesaid period, total 1360 projects have been approved till 31.05.2023, which is expected to create 364.9 LMT/annum of processing capacity. Out of these, 776 projects have been made operational leading to creation of 208.09 LMT/annum of processing capacity."

3.6 On being asked about the priority accorded to CEFPPC under the Umbrella Scheme of PMKSY during the 15th Finance Commission Cycle Period as compare to the Budgetary Support for the CEFPPC Scheme with that of other Scheme Components of PMKSY and justify priority given to CEFPPC, the Ministry submitted :-

"Umbrella scheme of PMKSY accords importance to all the component schemes as per their respective objectives and anticipated sectoral contribution. The Budget allocation to CEFPPC against other scheme component of PMKSY during the year 2021-22 to 2023-24 of 15th FCC is as under:-

Name of the Scheme	2021-22		2022-23		2023-24	
	Budget Allocation	Actual Expenditure	Budget Allocation	Actual Expenditure	Budget Allocation (BE)	Actual Expenditure (as on 05.06.2023)
Scheme for Mega Food Parks	54.37	52.59	24.80	22.14	54.80	0.02
Scheme for Infrastructure for Agro-processing Clusters	53.90	49.08	56.55	46.82	81.30	5.95
Scheme for Integrated Cold Chain and Value Addition Infrastructure	263.00	225.31	222.34	203.06	196.50	14.33
Scheme for Creation/Expansion of Food Processing and Preservation Capacities	242.50	238.08	219.68	170.11	320.00	5.74
Scheme for Creation of Backward and Forward Linkages	40.79	32.98	18.78	9.35	5.39	0.00
Scheme for Food Safety and Quality Assurance Infrastructure	46.70	34.25	33.80	18.73	46.50	1.49
Scheme for Human Resource and Institutions	15.14	13.03	22.36	20.49	4.96	0.04
Scheme for Operation Greens	74.50	68.15	74.49	71.05	213.59	7.03
TOTAL – SCHEME	790.9	713.47	672.8	561.75	923.04	33.47

B. Implementation of CEFPPC in 14th Finance Commission Cycle Period

3.7 **Proposals Invited /Received** - The Ministry of Food Processing Industries furnished the following details with regard to EOI (Expression of Interest) Notifications inviting applications / proposals under CEFPPC since launch of the Scheme along with other details including number of applications, Ineligible applications, number of proposals sanctioned, etc.:-

"Date of Issue of EOI	Total No. of Applications	Ineligible applications	Eligible applications	Sanctioned Proposals	Projects Cancelled/ Withdrawn
31.07.2017	452	378	74	74	29
29.12.2017	337	181	156	156	25
16.07.2019	360	272	88	88	26
01.06.2020	200	121	79	79	16
21.06.2022	806	499	307	175	3

3.8 The Committee sought to know reasons for inviting applications from time to time for the implementation of the Scheme for CEFPPC. In this regard, the Ministry of Food Processing Industries, furnished the following reply:-

"Based on the approval of CCEA and the Budget allocation for the scheme, number of proposals to be approved under the scheme for a particular period of time is decided. Further, the number of projects cancelled/ withdrawn due to certain difficulties faced by the promoters of the approved units are taken into account to decide the number of vacant slots. Based on the availability of vacant slots, applications/ proposals are invited online under the scheme by issuing Expression of Interest (Eoi)."

3.9 The Committee sought clarification as to why the Ministry could not follow any annual time schedule in the implementation of the Scheme for CEFPPC including invitation of proposals for the same. In this regard, the Ministry stated :-

"The reasons for not following annual time schedule in the implementation of the scheme are as under:

- (a) Covid-19 pandemic for about 2 years.
- (b) Non-receipt of eligible applications/ proposals as per Scheme Guidelines at initial stage of scheme implementation. Based on the experience gained over the period, the scheme guidelines were revised to make it investor friendly.
- (c) The proposals were approved till the end of 14th FC Cycle."

Progress in implementation

3.10 Ministry of Food Processing Industries informed that under the CEFPPC Scheme, 400 food processing units (revised target 305 units) were to be sanctioned up to 2020-21 with an allocation of Rs. 1290 Crore (revised allocation of Rs. 1068.50 crore). As per the information furnished by the Ministry in 2022, out of target of 305 units under the Scheme, 277 units were approved (161 units have been completed and 116 units were under various stages of implementation)

3.11 Regarding progress / achievements made in the implementation of projects under CEFPPC Scheme during the 14th Finance Commission Cycle period, the Ministry of Food Processing Industries furnished the following details :-

Expression of Interest (Eoi) date	Last date of submission of application	Extended date of submission of application	Total Project approved	Cancelled/ Withdrawal	Completed/ Operational	Ongoing
31.07.2017	15.09.2017	13.10.2017	74	29	39	6
29.12.2017	31.03.2018	30.06.2018 30.09.2018 31.12.2018 31.03.2019 & 30.06.2019	156	25	93	38
16.07.2019	30.09.2019	31.12.2019 31.03.2020 & 31.05.2020	88	19	26	43
01.06.2020	31.08.2020	30.11.2020	79	04	3	72
21.06.2022	10.08.2022	Under progress				
			397	77	161	159

3.12 The Committee sought to know the reasons for approval of lesser number of projects against the targeted number of 305 projects for the period ending 2020-21 and whether the backlogs of 28 units would be added to the next phase (15th Finance Commission Cycle). In this regard, the Ministry of Food Processing Industries furnished reply as under :

"During 14th Finance Commission Cycle period (2015-20) extended up to 31.03.2021, a total revised allocation of Rs. 1068.50 Crore was made for approving 305 projects with an average GIA of Rs. 3.5 Crore per unit. However, the allocated fund of Rs. 1068.50 Crore got exhausted in approving 297 units up to 31.03.2021. Due to paucity of funds, the target of approving 305 units was not achieved. Out of 297 sanctioned units, 30 units were further cancelled or withdrawn."

3.13 On being asked about the reasons for shortfalls in the implementation of the Scheme of CEFPPC at the end of the 14th Finance Commission Cycle Period, the Ministry stated as under :-

"During 14th Finance Commission Cycle period (2015-20) extended up to 31.03.2021, revised allocation of Rs. 1068.50 Crore was made for approving 305 projects with an average GIA of Rs. 3.5 Crore per unit. However, the allocated fund of Rs. 1068.50 Crore got exhausted in approving 297 units up to 31.03.2021. Due to paucity of funds, the target of approving 305 units was not achieved."

3.14 **Utilization of Funds - 14th Finance Commission Cycle Period** - The Ministry furnished the following details with regard to when asked about the budgetary support & utilization of funds during the 14th Finance Commission Cycle Period:-

(Rs. in crore)

Financial Year (FY)	Proposed Budget Estimate	Budget Estimate (BE)	Revised Estimate (RE)	Actual Expenditure (AE)
2017-18	428.00	95.00	20.74	10.68
2018-19	350.00	395.00	90.00	74.81
2019-20	200.00	160.00	200.02	168.37
2020-21	190.00	190.00	219.30	202.84
			Total	456.70

While giving details of the Actual Expenditure for 2020-21 the Ministry had stated that out of an allocation of Rs. 219.30 Crore Rs. 202.84 Crore was the Actual Expenditure and the reason for under-utilization of funds was due to inadequate eligible proposals under SCSP and TSP."

3.15 The Committee learnt that the Ministry of Food Processing Industries had approved less than the targeted 305 Projects as it exhausted funds in approving 297 Units only till 31.03.2021. However, the Ministry spent only Rs.456.70 Crore during the 14th Finance Commission Period against the Budgetary Support of Rs.1068.50 Crore provided against the outlay of Rs.1290 Crore. In this context, the Ministry was asked to clarify the reasons for under-utilization of funds and shortfalls in achievements. The Ministry respected as follows :-

"During 14th Finance Commission Cycle period (2015-20) extended up to 31.03.2021, a total revised allocation of Rs. 1068.50 Crore was made for approving 305 projects with an average GIA of Rs. 3.5 Crore per unit. However, the allocated fund of Rs. 1068.50 Crore got exhausted in approving 297 units up to 31.03.2021. Due to paucity of funds, the target of approving 305 units was not achieved.

The reasons for under-utilization of funds and shortfalls in achievements are (i) receipt of inadequate eligible proposals, (ii) large number of proposal were approved towards end of 14th FCC and have execution period of 18/24 months, (iii) delayed submission of requisite documents by the project implementing agency for considering release of GIA."

C. Implementation of CEFPPC in 15th Finance Commission Cycle Period

3.16 According to the Ministry of Food Processing Industries, 162 food processing units have been targeted to be sanctioned with an allocation of Rs.650 Crore and Rs. 642 Crore allocated towards liability for ongoing projects during the 15th Finance Commission Cycle period *i.e.* from 2021-22 to 2025-26. Keeping in view, the receipt of large number of eligible proposals against Expression of Interest (Eoi) dated 21.06.2022, Ministry re-appropriated Rs. 200 Crore from Operation Greens Scheme to CEFPPC Scheme. Using funds of Rs. 850 crores, Ministry has sanctioned total 218 proposals (including 43 proposals from the earlier Eoi) under CEFPPC Scheme. However, Ministry has not been able to approve 132 eligible proposals since funds have got exhausted.

3.17 The Committee sought to know the reasons as to why only 162 projects were proposed with the outlay of Rs. 1292 Crore whereas the outlay for 305 projects of 14th Finance Commission Cycle was only Rs. 1068.50 Crore In this regard, the Ministry of Food Processing Industries, furnished the following information:-

"An outlay of Rs. 1292 Crore was allocated for the 15th Finance Commission Cycle period *i.e.* from 2021-22 to 2025-26, for approving 162 units. Further, it is to mention that out of Rs. 1292 Crore, only Rs. 650 Crore is for setting up of new projects while Rs. 642 Crore is towards meeting liability for ongoing projects."

3.18 The Committee sought to know the details of Notifications inviting proposals under the Scheme for CEFPPC for the targeted 162 Projects, number applications received, number of ineligible applications and the percentage of applications selected for sanction. In this regard, the Ministry stated :-

"43 proposals have been approved in 2022-23 which were received against the Eoi dated 01.06.2020. In 2022-23, only one Eoi dated 21.06.2022 was issued for inviting proposals/ applications under the scheme, wherein 806 applications were received till last date of submission of application *i.e.* 20.08.2022. Out of 806 proposals, 307 proposals were found eligible as per provisions of the guidelines of the scheme. In view of large number of eligible proposals and unavailability of funds under the CEFPPC Scheme for approving all the proposals, Rs. 200 Crore was re-appropriated from the Operational Guidelines (OG) Scheme. The Ministry has approval 175 proposals out of 307 eligible proposals. The remaining 132 eligible proposals (after

approving 175 proposals) involving grants-in-aid of Rs. 441.14 Crore (approx.) could not be approved for want of funds."

Utilization of Funds - 15th Finance Commission Cycle Period

3.19 The Ministry furnished the following details with regard to budgetary support and utilization of funds during the 15th Finance Commission Cycle Period :-

(Rs. in crore)

Financial Year (FY)	Proposed Budget Estimate	Budget Estimate (BE)	Revised Estimate (RE)	Actual Expenditure (AE)
2021-22	284.00	162.00	242.50	238.08
2022-23	301.79	282.80	219.68	171.30
2023-24	320.00	320.00	-	5.74 (till 01.06.2023)

3.20 On being asked about funds requirement and the actual budgetary support received by it for the Scheme for 2023-24, the Ministry of Food Processing Industries stated that:-

"Rs. 949.90 Crore is required for implementation and completion of 263 ongoing projects under the scheme as on 06.06.2023. During FY 2023-24, BE of Rs. 320 Crore has been allocated under the scheme."

3.21 When asked to furnish the details of break-up of the budgetary provisions for 2023-24 for the on-going and the new projects, the Ministry stated:-

"During FY 2023-24, BE of Rs. 320 Crore has been allocated under the scheme. No bifurcation of funds for ongoing projects and for new projects is made in the allocation."

Cumulative Achievements in the Implementation of CEFPPC

3.22 The Ministry of Food Processing Industries further stated that as on 04.09.2023, 491 Projects/Units have been approved (excluding those which have been withdrawn/ cancelled) under the CEFPPC Scheme with total project cost of Rs. 8094.48 Crore including grants-in-aid of Rs. 1911.29 Crore.

A. The expected outcomes of 491 approved projects are as under:

1	Total projects approved by CCEA	400 (revised target 305) [14th FC period target] + 162 [15th FC period target]
2	Total approved projects as on 04.09.2023	491
3	Total Project cost of approved projects	Rs. 8094.48crore
4	Total Grant Approved by MoFPI	Rs. 1911.29crore
5	Grant Released by MoFPI upto 04.09.2023	Rs. 876.51crore
6	Expected Private investment	Rs. 6183.19 crore
7	Expected Employment generation (Direct)	41369
8	Food Processing Capacities to be created	100.55 lakh MT per annum

B. Sector-wise details of the projects under CEFPPC Scheme (as on 04.09.2023)

Sr. No.	Sector	Number of Units		
		Completed	Ongoing	Total
1	Consumer Industry	86	100	186
2	Fruits & Vegetables Processing	69	77	146
3	Dairy/ Milk Processing	9	28	37
4	Fish & Marine Processing	4	3	7
5	Grain Milling	40	42	82
6	Meat & Poultry Processing	5	3	8
7	Oil Milling	5	20	25
	Total	218	273	491

C. Year-wise details of the projects under CEFPPC Scheme (as on 04.09.2023)

Sr. No.	Financial Year	Number of Units		
		Completed	Ongoing	Total
1	2017-18	28	4	32
2	2018-19	80	5	85
3	2019-20	81	21	102
4	2020-21	23	13	36
5	2021-22	0	2	2
6	2022-23	6	206	212
7	2023-24	0	22	22
	Total	218	273	491

D. Category-wise details of the projects under CEFPPC Scheme (as on 04.09.2023)

Sr. No.	Category	Number of Units			Approved Grant –in-aid (Rs. in Cr)
		Completed	Ongoing	Total	
1	General	184	209	393	1531.75
2	SC	13	18	31	112.43
3	ST	1	18	19	71.46
4	NER	20	28	48	195.66
	Total	218	273	491	1911.30

3.23 The Committee sought to know the reasons for sanction of lesser number of projects in Dairying/Milk Processing, Fish & Marine Processing & Oil Milling sectors and SC/ST category projects. In response the Ministry of Food Processing Industry stated that sufficient number of eligible applications/proposals were not received from these categories/ sectors.

3.24 When asked whether the Ministry would like to consider necessary amendments to the CEFPPC Operative Guidelines so as to provide for sectoral reservation for different sectors of food processing industry in the implementation of the CEFPPC Scheme, the Ministry stated as under :-

"In the latest CEFPPC scheme guidelines dated 08.06.2022, provision has been made for awarding score to the project based on perishability of the raw materials used in the project."

3.25 The Committee noted that the number of units / projects that have been approved / sanctioned under the Scheme for CEFPPC is slightly above 1% (473 / 41484) total number of Registered Units in the Food Processing Sector. In this context, the Committee sought comments of the Ministry as to whether the implementation of the Scheme at such low level would have the required impact to increase the installed capacity of food processing & preservation in the country. The reply of the Ministry in this regard is reproduced below:-

"Ministry provides financial assistance to eligible proposals/ applications received against the Expression of Interest issued time to time and as per availability of funds."

3.26 On being asked with Committee about the number of CEFPPC Projects, which were approved during the 14th Finance Commission period but not yet completed along with date of likely completion of these projects, the Ministry replied as under :-

"Out of approved units during 14th Finance Commission period under CEFPPC Scheme, 45 units are under various stages of implementation. Most of these are likely to be completed by the end of current FY 2023-24."

3.27 The Ministry of Food Processing Industries in a Note provided to the Committee on 17.09.2023 furnished the following data relating to progress in the implementation of Projects under the Scheme for CEFPPC :-

"

Expression of Interest (Eol) date	Last date of submission of application	Extended date of submission of application	Total Project approved	Cancelled/ Withdrawal	Completed/ Operational	Ongoing
31.07.2017	15.09.2017	13.10.2017	74	29	41	4
29.12.2017	31.03.2018	30.06.2018, 30.09.2018, 31.12.2018, 31.03.2019 & 30.06.2019	156	25	113	18
16.07.2019	30.09.2019	31.12.2019 31.03.2020 & 31.05.2020	88	26	47	15
01.06.2020	31.08.2020	30.11.2020	78	19	13	46
21.06.2022	10.08.2022	20.08.2022	200	6	4	190
			596	105	218	273

3.28 The Committee, while taking oral evidence of the representatives of the Ministry of Food Processing Industries on the subject of this Report on 11.10.2023, sought to know the reasons for lower achievements against targets. In response, Secretary, Ministry of Food Processing Industries submitted inter-alia as under :-

".....Our approval came on 19.01.2022 and due to this we were not able to make any sanctions in the years 2019-20 and 2021-22. When our approval came in the year 2022, we had asked for an amount of Rs. 9,820 crore. When our cabinet note was issued and we had Expenditure Finance Committee (EFC) and so on with finance, but the allocation we got was only Rs. 4,600 crore. Sir, our commitment liability was quite and high in that also. Sir, under this we got Rs. 1292 Crore for the unit scheme."

3.29 As regards, progress in the implementation of CEFPPC projects during 14th and 15th Finance Commission periods, the Ministry furnished the following details (Oct, 2023) :

"

Year/Period	Projects approved	Date	Completed/ operational	Cancelled/ withdrawn	Ongoing
14th Finance Commission Period	353	01.04.2015 to 31.03.2021	212	96	45
15th Finance Commission Period	243	01.04.2022 to 31.03.2026	7	26	210

"

3.30 On being asked about the number of the Approved Projects which at present remain pending/ongoing would be completed during the current financial year (2023-24), the Ministry stated that during the current FY 2023-24, 80 food processing units at various stages of implementation could be completed and made functional.

Funds Requirement during 15th Finance Commission Cycle Period

3.31 The Committee sought to know whether the budgetary support available for the period from 2024-26 out of the total outlay of Rs.4600 Crore for the 15th Finance Commission Cycle period is adequate for effective implementation of the CEFPPC Scheme. The reply of the Ministry is as reproduced below :-

"An amount of Rs. 1292 Crore has been allocated for implementing CEFPPC Scheme for 15th FCC period (01.04.2021 to 31.03.2026). An Expression of Interest (EOI) was issued on 21.06.2022 for inviting online proposals/ applications from prospective entrepreneurs under CEFPPC Scheme. Against EOI, 806 applications were received out of which 307 applications were found eligible. In view of large number of eligible proposals and unavailability of sufficient funds under the CEFPPC Scheme for approving all the eligible proposals, Rs.200 Crore was re-appropriated from the Operation Greens Scheme. Despite that, out of 307 eligible proposals, the Ministry has been able to approve only 175 proposals. The remaining 132 eligible proposals involving grants-in-aid of Rs. 441.14 Crore (approx.) could not be approved for want of funds."

3.32 On being asked whether the budgetary support available for the period from 2024-26 out of the total outlay of Rs.4600 Crore for 15th Finance Commission Cycle period is adequate for effective implementation of the CEFPPC Scheme, the Ministry stated as under :-

"For 15th FCC period (01.04.2021 to 31.03.2026), an amount of Rs. 1292 Crore has been allocated for implementing CEFPPC Scheme. An Expression of Interest (EOI) was issued on 21.06.2022 for inviting online proposals / applications from prospective entrepreneurs under CEFPPC Scheme. A total 806 applications were received out of which, 307 applications were found eligible. In view of large number of eligible proposals and unavailability of sufficient funds under the CEFPPC Scheme for approving all the eligible proposals, Rs. 200 Crore was re-appropriated from the OG (Operation Greens) Scheme. Despite that, out of 307 eligible proposals, the Ministry has been able to approve only 175 proposals. The remaining 132 eligible proposals involving grants-in-aid of Rs. 441.14 Crore (53 approx.) could not be approved for want of funds."

3.33 The Committee asked about the balance amount presently available out of the budgetary outlay of Rs.1292 Crore for the CEFPPC Scheme for the 15th Finance

Commission Cycle period of 2022-26. and about the actual funds requirement for completion of all approved and sanctioned projects. In response , the Ministry replied:-

"No balance is available out of the allocated outlay (Rs. 1292 crore); since proposals have been approved keeping in mind the fund position."

3.34 When asked about the proposed annual allocations for CEFPPC for the period from 01.04.2024 to 31.03.2026, the Ministry submitted :-

"During the 15th FCC period (01.4.2021 to 31.03.2026), an allocation of Rs. 1292 Crore (including allocation made for meeting committed liabilities of Rs. 642 crore) has been made under CEFPPC. Against the total outlay of Rs. 1292 Crore, for FY 2021-22, 2022-23 and 2023-24, annual budget allocation of Rs. 162.00 Crore, Rs.282.80 Crore and Rs. 320 Crores have been made respectively."

3.35 As regards the proposed annual allocations for CEFPPC for the period from 01.04.2024 to 31.03.2026, the Ministry stated:-

"During the 15th FCC period (01.4.2021 to 31.03.2026), an allocation of Rs. 1292 Crore (including allocation made for meeting out committed liabilities of Rs. 642 Crore) has been made. Against the total outlay of Rs. 1292 Crore, for FY 2021-22, 2022-23 and 2023-24, annual budget allocation of Rs. 162.00 Crore, Rs.282.80 Crore and Rs. 320 Crore have been made respectively."

3.36 On being asked by the Committee as to whether the Ministry has sought additional allocation for the Scheme the same, the Ministry submitted :-

"Ministry had sought additional allocation (initially Rs. 7200 Crore which was revised to Rs. 1000 Crore subsequently) under PMKSY. However, Department of Expenditure vide O.M. dated 28.8.2023 has suggested that the Ministry may utilize additional Rs.920 Crores only (20% of allocated Rs. 4600 Crore) after obtaining requisite approvals of Secretary and Financial Advisor. "

3.37 The Committee sought to know about the likely funds requirement for the presently on-going 273 projects (as on 12.09.2023) for their implementation & completion as also for sanction / implementation of the remaining 107 already approved projects. In response, the Ministry of Food Processing Industries submitted :-

"Rs. 1034.78 Crore is required for on-going 273 projects (as on 12.09.2023) for their implementation & completion. No new approvals will be given to applications received against previous Eols and that any new proposals will be approved when

they are received against new EoI. An Expression of Interest (EOI) has been issued for inviting online proposals/ applications from prospective entrepreneurs under CEFPPC Scheme with last date as 22.11.2023."

3.38 The Committee sought to know as to when the Ministry would again call for proposals under the Scheme for CEFPPC. In this regard, the Ministry of Food Processing Industries replied that "An Expression of Interest (EOI) had already been issued for inviting online proposals/ applications from prospective entrepreneurs with last date as 22.11.2023."

Challenges & Problems in the Implementation of Scheme of CEFPPC

3.39 According to the Ministry of Food Processing Industries, the following challenges / problems that have been noticed in the implementation of the Scheme :

- (i) Delay in obtaining the statutory clearances/ certificates from the State Govt. regarding Consent to Establish (CTE), Consent to Operate (CTO), building plan approval, electricity connection for the unit etc.
- (ii) Inadequate support from lending banks in disbursement of term loan to the units.
- (iii) Upsurge of Covid-19 affected the mobilization of labour and running of the units continuously. However, for the proposals approved recently, this is no longer a problem.

3.40 When asked to give details regarding Section/Cell set up by the Ministry for helping Entrepreneurs in obtaining status clearance/certificate from the concerned State Governments regarding Consent to Establish (CTE), Consent to Operate (CTO), Building Plan Approval, electricity connection for the units, the Ministry stated:-

"MoFPI has a dedicated section/ cell which administer all the issues pertaining to CEFPPC scheme. The cell, inter alia, handholds the promoters in completion of the projects including taking up the matter with concerned State Governments to help them obtain statutory clearance/certificate from concerned State Governments, based upon request of project developers."

3.41 When asked about the feasibility for opening of Single Window to apply and get logistic support, the Ministry submitted:-

"The Ministry has a unified SAMPADA Portal for administration of component schemes of PMKSY. The Portal captures entire work flow starting from the stage of submission of proposals to project conception and there after facilitating grant release involving all the stakeholders namely Promoter / Project Execution

Agencies, Project Management Agencies (PMAs) and automates all the processes related to grants release. The module facilitates online submission of applications, document uploading and its status tracking on real time basis. At any stage when the status of proposal gets changed, the system generates automated email alerts and forwards it to concerned stakeholder's email account. The system also provides facilities for queries and reports for monitoring and decision making."

3.42 On being asked by the Committee to state whether any expert opinion has been taken to tackle the challenges/problems faced in the implementation of the Scheme, the Ministry stated as under :-

"The component schemes of PMKSY were formulated after stakeholder consultation. In order to have review and mid-term course correction, a desk study under chairpersonship of Economic Advisor in the Ministry has been conducted and its recommendations taken into account while framing the proposal for continuation of the scheme in 15th FC Cycle. As the base of completed projects was quite small in the scheme till recently, third party evaluation of the scheme has not yet been conducted."

Installed Capacity of Food Processing and Preservation Capacity in the country

3.43 The Ministry of Food Processing Industries was asked about the pattern of availability of Food Processing and Preservation Capacity in the country in different regions particularly about the deficient States / regions. In this regard, the Ministry stated :-

"Initially, this scheme was implemented in all the States/UTs during 2017 by allocating number of units based on the 5 years (2010-15) data on agro-produce share of the States/UTs. Accordingly, Expression of Interest (Eoi) was issued. However, as less number of/ no eligible proposals were received from certain States/ UTs, no equilibrium in distribution of units in various States/ UTs could be achieved.

In the subsequent years, the Eoi were issued to invite proposals from all States/UTs under the scheme irrespective of their share in agro-produce in the country. Accordingly, proposals were received, evaluated and approvals were granted for the eligible proposals on merit basis. As on date, no specific study has been conducted to identify the States/ regions that are deficient in the units approved under the scheme. This scheme is demand driven and is sanctioned on the basis of applications received from applicants."

3.44 When asked by the Committee about the number of Food Processing Units in each State and Union territory as well as in the Scheduled Castes set up and Tribal Dominated Areas in the Country, the Ministry stated :-

"A total of 484 food processing units have been approved in the States/UTs. In this connection, a list of State/UT-wise food processing units (including the SC and Tribal dominated areas) approved/ completed/ ongoing is given below (as on 23.03.2023):

Sr. No.	State	Number of Units Approved/ Sanctioned	Number of Units completed	Number of Ongoing Units
1	Andhra Pradesh	11	2	9
2	Arunachal Pradesh	10	1	9
3	Assam	38	9	29
4	Bihar	5	1	4
5	Chhattisgarh	4	1	3
6	Goa	1	1	0
7	Gujarat	40	19	21
8	Haryana	19	13	6
9	Himachal Pradesh	19	14	5
10	Jharkhand	0	0	0
11	Karnataka	21	9	12
12	Kerala	19	10	9
13	Madhya Pradesh	22	5	17
14	Maharashtra	88	24	64
15	Manipur	2	1	1
16	Meghalaya	2	2	0
17	Mizoram	1	0	1
18	Nagaland	4	0	4
19	Odisha	4	2	2
20	Punjab	17	5	12
21	Rajasthan	24	7	17
22	Sikkim	1	0	1
23	Tamil Nadu	32	16	16
24	Telangana	9	1	8
25	Tripura	5	4	1
26	Uttar Pradesh	34	21	13
27	Uttarakhand	18	6	12
28	West Bengal	15	5	10
29	A&N Islands	0	0	0
30	Chandigarh	0	0	0
31	Delhi	0	0	0
32	Dadra & Nagar Haveli and Daman & Diu	1	1	0
33	Jammu & Kashmir	18	12	6
34	Ladakh	0	0	0
35	Lakshadweep	0	0	0
36	Pondicherry	0	0	0
	Total	484	192	292

3.45 The Committee sought reasons for disparity in the implementation of the Scheme for CEFPPC as the number of projects implemented is nil or very less in some States/UTs

while it is comparatively high in some other States/UTs. The reply of the Ministry in this regards is as under:

"The main reasons for no/Zero(0) projects approved and approval of only one or two Units/Projects in the aforesaid States is that the scheme is demand-driven and interested applicants have to apply for setting up/ expansion of food processing units. Sufficient number of eligible proposals have not been received from such States/UTs under the scheme"

3.46 On being categorically asked by the Committee about how the Objective of achieving Doubling of Farmers Income be achieved with uneven approval of units in each State and Union Territory of the country and how the Ministry would bring equilibrium among them, the Ministry stated :-

"The scheme will be publicized amongst the prospective entrepreneurs/FPOs/ farmers and awareness will be spread about the benefits available under the scheme. Expression of Interest (Eoi) will be floated from time to time inviting applications and encouraging prospective investors to apply under the scheme."

3.47 When asked to give details of options available to the Ministry to improve the food processing and preservation capacity of States/UTs through CEFPPC, which lag behind the all India average capacity, the Ministry submitted :-

"Expression of Interests (Eois) is being issued under the scheme for inviting project proposals for setting up / expansion of food processing units across the country from time to time based on demand and availability of funds under CEFPPC Scheme. Further, there are provisions of concessions for applicant from SC/ST category, North-Eastern Region and difficult areas so as to encourage the prospective investors in those categories and Ministry undertakes promotional measures to encourage promoters/entrepreneurs of the region to apply under the scheme."

3.48 To a query as to how the objectives of the Scheme for CEFPPC would be achieved, with less number of units in some of the States and no new proposal forthcoming from such States/UTs, the Ministry stated as under :-

"The objective of this scheme will be achieved across the country by floating Expression of Interest (Eoi) from time to time for inviting application / proposals from the prospective promoters /investors and according approvals to the eligible proposals on merit basis."

3.49 On being asked about the efforts made by the Ministry under CEFPPC Scheme to fill up the gap between the available capacities and the required capacities available in the country, the Ministry stated as under :-

"Under CEFPPC scheme, 473 projects has been approved since inception of the scheme to till date. Out of these, 210 projects have been completed with creation of processing/preservation capacity of 38.32 LMT/annum. Further, 263 ongoing projects will result in creating processing/preservation capacity of 55.58 LMT/annum."

3.50 When asked about the percentage of the Food Processing Entities/units in the country that benefitted from the PMKSY Scheme and its Scheme Component of CEFPPC as on date, the Ministry stated :-

"473 food processing units have been supported under CEFPPC Scheme, which constitute 34.78% of total 1360 projects supported under all the component schemes of PMKSY. Annual Survey of Industries Report of 2019-20 has estimated number of registered Food Processing Units in the country as 41484."

3.51 When asked whether any completed project under CEFPPC has been found to be closed subsequently, the Ministry submitted :-

"One completed project viz. M/s Pavanputra Wafers Private Limited for which grants-in-aid of Rs. 500.00 lakhs had been approved on 14.09.2018 and released for setting up of a new unit for manufacturing of Potato Chips, Namkeen Bhujia & other Namkeen, Snacks, Fryums at Plot No. F-35 to F-37, (Designated Food Park), Agro Food Park, Boranda, District Jodhpur, Rajasthan. However, a major fire incident on 14.03.2021 has burned and completely destroyed half portion of main plant building and P&M related to Packing, Packing material and laminates."

D. Allocation & Utilization of Funds for SCSP, TSP & NER

3.52 When asked to furnish the details of different categories of successful applicants including SC/ST categories whose proposals have been sanctioned out of the total number of projects sanctioned under the Scheme of CEFPPC till date, the Ministry stated:-

"Under CEFPPC Scheme, 473 food processing units have been financially supported since inception to till date. Out of these, 52 units have been approved under SC/ST category promoters."

3.53 To a Specific Query of the Committee seeking details regarding number of projects belonging to SC/ST categories out of the 596 sanctioned projects the Ministry stated "76 projects belong to the SC/ST category."

3.54 The Ministry furnished the following details with regard to (Funds allocation & Utilization for SCSP, TSP & NER during 14th Finance Commission Cycle periods 2020-21 & 2022-23 :-

"The details of funds allocation and utilization of SCSP, TSP and NER category of PMKSY are as under- (Rs in Crore)

Year	SCSP			TSP			NER		
	BE	RE	AE	BE	RE	AE	BE	RE	AE
2018-19	55.00	37.42	6.45	55.00	37.42	5.75	131.30	87.03	38.75
2019-20	91.38	73.82	21.28	47.34	38.25	0.35	110.10	88.94	19.39
2020-21	89.75	62.25	27.73	46.50	32.25	10.50	108.14	75.00	48.99
2021-22	58.10	65.57	31.74	30.10	33.97	17.36	70.00	79.00	54.30
2022-23	74.70	55.86	20.30	38.70	28.94	01.36	90.00	67.30	37.85

BE- Budget Estimate, RE- Revised Estimate, AE- Actual Expenditure

Under-utilization of these components is mainly on account of receipt of lesser number of applications for assistance under component schemes of PMKSY from SC/ST entrepreneurs & NER. In order to encourage wider participation of these groups/ regions, Ministry has reviewed structure of the component schemes of Pradhan Mantri Kisan Sampada Yojana (PMKSY) in consultation with stakeholders and recommendations of third party evaluation reports and has revised the scheme guidelines of various sub schemes of PMKSY on 8th June 2022. Further, Ministry is regularly conducting virtual/physical meetings with promoters/investors of SC/ST/NER to assess the implementation of sanctioned projects and to find out issues/problems being faced by them."

3.55 On being asked about the reasons for lower utilization of funds for the Scheme during 2022-23, the Ministry stated:-

"The reasons for under-utilization of funds are (i) receipt of inadequate eligible proposals under SCSP, TSP and NER, (ii) no proposal could be approved during FY 2021-22 since the approval for continuation of PMKSY was received during February, 2022, (iii) delayed submission of requisite documents by PIA (project implementing authority) for considering release of GIA due to the post effect of Covid-19 problem faced by them, (iv) delay in obtaining statutory clearances/ certificates from the State Govt. regarding Consent to Establish (CTE), Consent to Operate (CTO), building plan approval, electricity connection for the unit etc. and (v) delay in disbursement of term loan."

3.56 On being asked about the mechanism followed by the Ministry to ensure that sufficient number of eligible proposals are received from SC/ST categories, the Ministry stated :-

"The following special provisions have been incorporated in the guidelines to promote receipt of more applications/ proposals from SC/ST category:

- a) Proposals received from SC/ST holding at least 51% stake in the entity, are treated as SC/ST proposals.
- b) Quantum of Term Loan from Banks should not be less than 20% of the total project cost in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organizations or Self-Help Groups, term loan amount should not be less than 10% of the total project cost.
- c) Applicant(s) of SC/ST category are given the benefit of combined net worth requirement wherein relaxation is given that their net-worth eligibility needs to be only equal to grants-in-aid sought (for General category applicants, net-worth requirement is 1.5 times of grants-in-aid sought).
- d) Grants-in-aid benefit @ 50% of eligible project cost for the projects received from SC/ST applicants is provided against 35% of grants-in-aid in case of general category applicants.
- e) As per evaluation criteria, a minimum score of 45 marks is considered eligible for the proposals received from SC/ST applicants against 60 marks for general category applicants."

3.57 On being asked by the Committee about the corrective measures taken to address the problem of lesser number of applications received under SC/ST category, the Ministry furnished written reply under :-

"The following special provisions have been incorporated in the guidelines to promote receipt of more applications / proposals from SC/ST category:

- (a) Relaxation in respect of stake of Scheduled Caste (SC) / Scheduled Tribe (ST) in SC/ST projects. Proposals received from SC/ST holding at least 51% stake in the entity, will be treated as SC/ST proposals.

- (b) Quantum of Term Loan from Banks reduced to an amount not less than 20% of the total project cost in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organizations or Self-Help Groups, term loan amount shall not be less than 10% of the total project cost.
- (c) Applicant(s) of SC/ST category are given the benefit of combine net worth requirement wherein relaxation is given that their net-worth eligibility would be only equal to grants-in-aid sought, however, for General Category applicants net-worth requirement if 1.5 times of grants-in-aid sought.
- (d) Grants-in-aid benefit @ 50% of eligible project cost for the projects received from SC/ST applicants is provided against 35% of grants-in-aid in case of general category applicants.
- (e) As per evaluation criteria, a minimum score of 45 marks is considered eligible for the proposals received from SC/ST applicants against 60 marks for general category applicants."

3.58 During the course of evidence on 11.10.2023 the secretary, Ministry of Food Processing Industries, with regard to steps being taken to ensure effective implementation of the Sub-plans in respect of North-East Region, SCSP/TSP, stated inter-alia as under :-

"..... In this we had invited EoI under the new guidelines. Our savings were when we came to know that general response is less in North-East and SC/ST. Regarding them, we have again issued a new EoI on 27.07.2023, the applications for which have arrived. A committee is working on them for their approval process."

PART- II

OBSERVATIONS AND RECOMMENDATIONS

Progress in Reduction of Harvest & Post Harvest Losses

1. The Committee note that Agricultural Production in India has consistently recorded higher output over the years. In 2019, India ranked first in pulses & milk, second in vegetable, fruit, wheat and rice and third in cereals, eggs in the World Agriculture. However, the demand for food in India is likely to increase in the coming years - in direct proportion to likely increase in population of the country. The Harvest and Post-harvest Losses in Agricultural Produces is however a drain on the food security and economic development of the country. An effective Harvest and Post-harvest Management is therefore, very important for planning and utilization of the Agricultural Produces both scientifically and economically. Studies have been conducted on Harvest and Post-harvest losses by the Central Institute of Post-Harvest Engineering and Technology (CIPHET) in 2015 and by the NABARD Consultancy Services Pvt. Ltd. (NABCONS) in 2022. The Post-harvest losses in respect of cereals, pulses, Fruits, vegetables, Egg, etc. are stated to be in the range of 3.89% to above 5%. The Ministry of Food Processing Industries has informed the Committee that as per findings of these Study Reports Post-harvest losses have marginally come down during the period from 2015 to 2022.

Food Processing could strengthen the link between Agriculture and Industry and help in generating farm income and employment as also in reducing wastage of agricultural products. The Ministry of Food Processing Industries with the view to achieving the broad objective of bringing down Post-harvest Losses, is implementing various Schemes and Programmes including the Pradhan Mantri Kisan Sampada Yojana (PMKSY), for the promotion of Food Processing Industries.

The Committee, while taking note of the fact that the Post-harvest Losses, which is more than 3% in the cases of cereals, pulses, Fruits, vegetables, Egg, etc., recommend that realistic targets be set for the reduction of Post-Harvest losses in respect of Agricultural Produces through target oriented implementation of various Schemes of the Ministry including the Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC). The Committee would like to be apprised of the action taken in the matter.

Schemes and Programmes for the Promotion of Food Processing Sector of India

2. The Committee note that Food Products Industry of the country figures among the top five Sectors with respect to Output and Gross Value Added (GVA). About 70 lakh persons are directly engaged both in formal and informal segments of Food Processing Sector and this volume is almost 14% of the total employment in the Manufacturing Sector. The average annual growth rate in Food Processing Sector was around 8.38% during the five years ending in 2020-21. However, this Sector faces many challenges including Supply-Chain infrastructural gaps in primary processing/storage/distribution & marketing facilities, Seasonality of operations leading to low capacity utilization & increased cost of production, Lack of product development and innovation, Inadequate institutional credit, etc.

The Committee appreciate that the Government of India have taken several measures for the growth and development of the Food Processing Sector. The Food Processing Sector has been included under Priority Sector Lending (PSL) Norms under the 'Agriculture' category by Reserve Bank of India (RBI). The Ministry of Micro, Small and Medium Enterprises is implementing Credit Guarantee Scheme for Micro & Small Enterprises through Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE). The Ministry of Food Processing Industry is implementing

two Central Sector Schemes - Pradhan Mantri Kisan Sampada Yojana (PMKSY) and Production Linked Incentive Scheme for the Food Processing Industries (PLISFPI) and one Centrally Sponsored Scheme of 'Pradhan Mantri Formalisation of Micro Food Processing Industries (PMFME)' towards promotion of the Food Processing Sector. Implementation of the umbrella Scheme of PMKSY, which at present comprises six separate Scheme-Components including the Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC), have resulted in significant addition to infrastructure and manufacturing/storage capacity in the Sector.

While acknowledging the progress so far, achieved, the Committee even then hold the view that the full scope and growth potential of Food Processing Sector of the country has not been fully realized. The Committee, therefore, recommend the Ministry to take necessary action to address the challenges faced by the Sector, especially the issues relating to credit needs of Entrepreneurs, through its Schemes and Programmes. The Committee also recommend the Government to give wide publicity to the Schemes & Programmes available under the Food Processing Sector and periodically bring out a Compendium of Updated Information on Schemes and Programmes implemented by the Union Government for the information of the farmers and Agro-Processing Industries.

Implementation of Pradhan Mantri Kisan Sampada Yojana (PMKSY)

3. The Government launched the Pradhan Mantri Kisan Sampada Yojana (PMKSY), an Umbrella Scheme comprising eight Scheme-Components including the Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC) on 03.05.2017 - with a view to give necessary boost to growth of Food Processing Sector of the country. PMKSY was envisaged as a comprehensive package towards creation of Modern infrastructure with efficient supply Chain

Management from Farm Gate to Retail Outlet. However, the Committee find that funds utilization for PMKSY has been found to be less than optimal level since its launch in 2017-18. During the period of 2017-18 to 2020-21, the Revised Estimates and the Actual Expenditure was Rs.3143.60 Crore and Rs.2555.28 Crore, respectively against the Outlay of Rs. 6107.50 Crore. The Committee further note that the PMKSY has since been restructured and provided with a marginally reduced outlay of Rs.4600 Crore for the 15th FCC Period of 2021-22 to 2025-26 against the proposed outlay of Rs.9824 Crore. The Cumulative Funds Utilization under the PMKSY till 31.05.2023 was Rs.3864.17 Crore against a Cumulative Budgetary Allocation of Revised Estimates of Rs.5530.94 Crore for 2017-18 to 2023-24.

Notwithstanding the issue of under-utilization of funds, the Committee note that a total of 1360 Projects with potential to create 364.9 LMT/amount of processing capacity were approved till 31.05.2023 and 776 Projects of these Projects were made operative leading to creation of 208.09 LMT of processing capacity. Against this backdrop, the Committee while appreciating the positive impacts of PMKSY towards creation / expansion of Food Processing and preservation capacities in the country, hold the firm view that the issue of under-utilization funds under PMKSY needs to be addressed on the top most priority.

In view of the foregoing the Committee recommend that appropriate remedial measures be taken to improve the process of implementation and its regular monitoring so as to ensure optimal utilization funds and target oriented implementation of PMKSY. The Committee also emphasize that the Ministry needs to look into the all issues affecting smooth implementation of PMKSY, particularly, the aspect of receipt of ineligible proposals, which has been stated to be a major constraint in the implementation of PMKSY. The Committee would like to be apprised of the action taken in the matter.

Need for Engagement of Resource Persons/Experts in the Implementation of Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC)

4. The Ministry of Food Processing Industries is implementing the Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) since 2017-18 under the Central Sector Umbrella Scheme of “Pradhan Mantri Kisan Sampada Yojana”. The Main Objective of the Scheme is to increase the level of food processing and value addition to facilitate reduction of wastage and enhancement of farmers income through creation of incremental processing and preservation capacities and modernization/ expansion of existing food processing units. The CEFPPC Scheme, which covers a wide range of processing activities, is implemented in accordance with the Operative Guidelines issued by the Ministry. These Operative Guidelines lay down the detailed procedure for the implementation of the Scheme including eligibility conditions.

The Committee note that the CEFPPC Scheme is demand driven and the Projects selected under the Scheme are eligible for Grants-in-aid @35% of eligible project cost for projects in General Areas and @50% in Difficult Areas as well as for projects of SC/ST, FPOs and SHGs subject to a maximum of Rs. 5 crore. As provided in the Guidelines, the Ministry invites proposals from the public through Notification of Expression of Interest from time to time. Submission of proposals under the Scheme involves voluminous work requiring preparation of Detailed Project Report and fulfillment of other eligibility conditions as laid down in the Operative Guidelines including obtaining of Term-loan from bank, etc., within a short time period of 45 days or so, as specified in the Notification. An Applicant also needs to furnish Non-Refundable Fee of Rs. 20,000/- along with his project proposal, and this fee is not returned to the Applicants, even if the application is found ineligible or rejected

subsequently. Since the inception of the Scheme, the Ministry has invited proposals six times including the last Notification of 27.07.2023.

The Committee further note that more than 50% of the Applications received by the Ministry during each of the previous five times were rejected as those were found to be ineligible. The Committee, feel that the main reason for receipt of Ineligible Proposals is lack of information and knowledge about the Scheme among the applicants and the accompanying Formalities /Technicalities associated with it.

The Committee, recommend that suitable Experts/Resource Persons be engaged by the Ministry for providing necessary guidance and assistance to probable applicants / entrepreneurs for the preparation and submission of project proposals to the Ministry under all the Schemes of PMKSY including the Scheme for CEFPPC. The Committee would like be apprised of the action taken on the issue.

Utilization of Funds and Progress in Implementation of the Scheme for CEFPPC

5. The Scheme for CEFPPC, which was launched in 2017-18, was allocated a Budgetary Outlay of Rs.1290 Crore for the 14th Finance Commission Cycle (FCC) Period ending on 31.03.2021. The Budgetary Support was subsequently revised to Rs.1068.50 Crore for approving 305 Projects, with an average Grants-in-Aid of Rs.3.5 Crore Per Unit. The Ministry, however, exhausted the amount in approving 297 Units up to 31.03.2021 and accordingly the target of approving 305 Units could not be achieved. The Committee note with concern that the Ministry could eventually utilize only Rs.456.70 Crore against Rs.1068.50 Crore. With regard to lower achievements, the Ministry attributed the factors responsible for the same like Inadequate number of eligible proposals at initial stages of implementation, Approval of large number of Projects at the end of 14th FCC period, Time period of 18/24 months required for

completion of Projects and the delay in submission of Documents for claiming Grants-in-Aid.

During the 15th FCC Period of 2021-22 to 2025-26, the outlay for CEFPPC was Rs.1292 Crore, out of which Rs.642 Crore has been earmarked only towards meeting the liabilities of Previously Sanctioned Ongoing Projects. Hence, an amount of Rs.650 Crore, was only available for implementation of New Proposals against which, the Ministry envisaged to implement 162 New Proposals including a backlog of 43 Eligible Proposals. The Ministry also received 307 More Eligible Proposals as against its Notification of 21.06.2022 and thus there were a total of 350 (43+307) Eligible Proposals for implementation. In regard to additional funds allocation for the Scheme, the Department of Expenditure has suggested to the Ministry that it may utilize additional Rs.950 Crore only (20% of outlay of Rs.4600 Crore for PMKSY) after obtaining requisite approvals.

Under these circumstances, the Ministry has now informed that 107 pending eligible proposals will not be approved for implementation due to non-availability of funds. Surprisingly, even in this crisis situation of non-availability of funds for approving already received 107 Eligible Proposals and inadequacy of funds for completion of 273 Ongoing Projects, the Ministry has again issued Notification inviting proposals under the Scheme.

Keeping in view the above factors, the Committee feel that the Ministry has failed to visualize, plan and ensure proper implementation of the Scheme and the Ministry has under-utilized the funds during the 14th FCC period and faces financial constraints during 15th FCC period in the implementation of the Scheme. The Committee, therefore, recommend that the Ministry needs to improve its planning process and execution mechanism in implementation of the CEFPPC Scheme. The Committee further recommend to the Ministry that necessary approvals as suggested by the Department of

Expenditure be obtained well in time for getting additional funds allocation for the Scheme for CEFPPC in order to ensure smooth implementation of this most important Scheme-Component of PMKSY. The Committee would like to be apprised of the precise action taken in the matter.

Requirement of Additional Budgetary Allocation for the Scheme for CEFPPC

6. The Committee note that since the launch of the Scheme for CEFPPC in 2017-18, the cumulative achievements as on 17.09.2023 are that a total of 596 Projects have been approved, out of which 218-Projects were completed, 105-Projects cancelled/withdrawn and 273-Projects are ongoing. According to the Ministry an amount of Rs.1034.74 Crore is required for these 273 ongoing Projects. In addition the Ministry may need additional funds for the implementation of New Eligible Proposals that will be received in response to its notification of 27.07.2023. The Committee also note that an outlay for the Scheme for CEFPPC for the duration of 15th FCC period of 2021-22 to 2025-26 was Rs.1292 Crore. As on 01.06.2023, the Ministry has already incurred an expenditure of Rs. 415.12 Crore. The Ministry has taken up the matter of additional funds allocation for the Scheme for CEFPPC with the Ministry of Finance. According to the Ministry 107 Eligible Proposals already pending with it could not be approved for implementation due to Non-availability of funds. The Non-availability of sufficient funds during the current year, as also for the remaining duration of 15th FCC period has also been one of the major reasons for the same. The Funds requirements for completion of Ongoing Projects and Additional funds needed by the Ministry for the implementation of New Projects under the Scheme, have not been clearly indicated by the Ministry.

The Committee, therefore, strongly recommend that funds requirements for the Scheme be worked out afresh taking into account the balance funds available out of

the outlay for 15th FCC period, Number of projects likely to be completed during 2023-24, 2024-25 & 2025-26 and the likely Number of new eligible proposals to be implemented out of the eligible application to be received against notification issued on 27.07.2023.

The Committee, further emphasize that the Ministry shall work out a realistic estimate of its funds requirements and convince the Government for providing the required additional funds for the Scheme at the earliest so that all the eligible proposals received by it are implemented towards attaining the objective of reducing Post-harvest Losses of Agricultural Produces in the country. The Committee also desire that the Government should provide more funds for efficient and smooth implementation of the Scheme for CEFPPC during the current financial year and for the period of 2024-26 for effective implementation of the important Scheme-Components of the Pradhan Mantri Kisan Sampada Yojana (PMKSY). The Committee, would like to be apprised of the achievements made by the Ministry in this regard.

Implementation of the Scheme for CEFPPC for SCSP, TSP & NE Region

7. The Committee note that the Ministry could not properly utilise the funds allocated under the Scheme for CEFPPC for Schedule Caste Sub Plan (SCSP), Tribal Sub Plan (TSP) and for the North Eastern Region since the launch of the Scheme. As regards the implementation of SCSP during 2018-19 to 2022-23, the Budget Estimates (BE), Revised Estimates (RE), Actual Expenditure (AE) are Rs. 368.93 Crore; Rs. 292.92 Crore; and Rs. 107.50 Crore respectively. In the implementation of TSP, the achievements in terms of BE, RE and AE are Rs. 217.64 Crore, Rs. 170.83 Crore and Rs. 35.32 Crore. Similarly, the BE, RE and AE in respect of North Eastern Region are Rs. 509.54 Crore, Rs. 397.27 Crore and Rs. 199.28 Crore respectively.

The Committee note that utilisation of funds for SCSP and TSP has been less than 1/3rd of the amount allocated and utilisation of funds for North Eastern Region (NER) is less than 50% which is not an encouraging trend. The Committee, therefore, recommend that the Ministry should try to find out the reasons for Non-utilization of allocated funds for SCSP, TSP and also for NER so as to make sure that the funds are utilised to the optimum level by the Ministry in the implementation of the Scheme.

Non-Refundable Fee in respect of Non-Implemented Eligible Proposals

8. The Committee note that the probable beneficiaries under the Scheme for CEFPPC need to submit their Application / Project Proposal complete in all respects in accordance with the instructions laid down in the Operative Guidelines and as per the Notification of the Ministry. All the Applicants are also required to submit a Non-refundable fee of Rs.20,000/- (Rs.15,000/- for SC/ST Applicants) along with the Project Proposal. Moreover, the successful applicants, on being selected for financial assistance by the Ministry, are also required to submit a Refundable Bank Guarantee of 5% of eligible Grants-in Aid within 30 days of approval of the Project for the period, till 60 days beyond the date of completion of the Project. According to the Ministry, the Non-refundable Application fee is sought in order to ascertain the genuineness and interest of the Applicant for availing Grants-in-Aid and also to meet out the expense involved in processing the Applications / Proposals. This fee in respect of the Rejected/ Ineligible proposals is not returned to the Applicants.

Keeping in view the above factors, the Committee hold the view that prescription of Non-refundable fee for the submission of application for the Scheme is a discouraging factor for prospective applicants particularly, SC/ST applicants and weaker categories like farmers, SHGs, etc. The Committee, therefore, recommend

that the condition of Non-refundable Application Fee for submission of proposals needs a serious reconsideration. However the Ministry may consider other alternate measures to discourage Non-serious candidates instead of prescribing Non-refundable Application Fee.

The Committee also specifically desire that the Ministry shall look into the matter of 107 Eligible Proposals, which still remain pending with it out of the 307 Eligible proposals received by it against its previous Notification dated 21.06.2022. The Committee would like to be apprised of the action taken in the matter.

Criterion of Eligibility of Location for Implementation of the Scheme for CEFPPC and the Issue(s) Associated with Eligible Proposals

9. As per the Operative Guidelines of the CEFPPC Scheme, the proposals under the Scheme will be considered both inside Mega Food Parks (MFPs)/Agro-processing Clusters (APCs) and anywhere outside MFPs/ APCs. As far as practicable, 60% of funds will be for units inside MFPs/APCs and 40% to units outside MFPs/APCs. The Committee note that 41 MFPs and 76 APCs have been sanctioned under the PMKSY and out of this sanctioned numbers, as on 11-06-2023, there are 24 Functional MFPs and 18 Functional APCs, only.

Further, the Committee note that many States/UTs like, Jharkhand, Goa, Pondicherry, Ladakh, etc., have had neither any MFPs nor any APCs. The Committee, therefore, recommend that the existing criteria regarding Eligible Location for implementation of the Scheme for CEFPPC including the ratio of 60 : 40 for Projects Inside and Outside the MFPs/APCs be reviewed suitably. Further, New Provisions be incorporated in the Operative Guidelines so as to ensure that implementation of the CEFPPC Scheme is encouraged in the States/UTs and in the Regions, which do not have any MFPs or APCs. The Committee also recommend that until such time the

New Provisions are made in this regard, due preference be accorded to those States/UTs which do not have any MFPs or APCs, while selecting / approving new Projects against the present 40% Project-quota meant for the places located outside the MFPs/APCs. The Committee would however, like to be apprised of the action taken in this matter.

Participation of Different Categories in the Scheme for CEFPPC

10. As per the CEFPPC Operative Guidelines any organization/individual engaged in creation/ expansion/ modernization of Food Processing and Preservation Capacities would be eligible for Grants-in Aid (GIA) under the Scheme. The scheme is Demand Driven and subject to availability of funds. Although no specific State-wise allocation of funds is made under the Scheme, however, 10% of total BE is reserved for North- Eastern Region. Many concessions including the enhanced rate of Grants-in-Aid are permitted in respect of Project Proposals submitted by Persons belonging to SC/ST and Difficult Areas, Farmers Producers Organizations (FPOs), Self-Help Groups (SHGs) and Central / State Entities in order to encourage these sections to participate in the Scheme for CEFPPC.

As regards Selection Criteria, the Ministry clarified to the Committee that when many applications have the same score in assessment, the Project with higher project cost will gain preference in order to attract more private investment. This provision has the effect of nullifying the concessions extended to proposals from SC/ST, Difficult Areas, FPOs, SHGs and Central / State Entities. The Committee also note that out of the 473 approved Projects, the break-up of different categories is Private sector-399; SC category-27; ST categories-21; FPO's-13; MNC's-10; Multipurpose-Societies-1; Public Sector-1 and SHGs-Nil. Against this backdrop, the

Committee recommend that the Selection Criteria be reviewed to ensure that FPOs, SHGs, Entities from Difficult Areas and Public Entities-having participation of farmers and women also get benefits under the Scheme for CEFPPC. The Committee would like to be apprised of the action taken in the matter.

Time Schedule for Invitation of Proposals Under the Scheme for CEFPPC

11. The Committee note that the Ministry of Food Processing Industries invites Online Proposals/Applications from the prospective Entrepreneurs by issuing Expression of Interest (Eoi) from time to time under various Sub-schemes of PMKSY including the Scheme for CEFPPC based on availability of funds, number of Cancelled/ Withdrawn Projects and the number of vacant slots. During the past six years of implementation of the Scheme for CEFPPC since its inception, the Ministry has invited proposals six times on 31.07.2017, 29.12.2017, 16.07.2019, 01.06.2020, 21.06.2022 & 27.07.2023. The last date for submission of proposals as per the current Notification of 27.07.2023 was 22.11.2023.

The Committee further note that the Ministry has not followed any Annual time Schedule in inviting proposals reportedly due to Covid-19 Pandemic and non-receipt of adequate number of eligible applications/proposals at initial stages of implementation of the Scheme. However, during the 15th Finance Commission Cycle period starting from 01.04.2021, the Ministry is receiving good response for the Scheme and is getting sufficient number of eligible proposals for the Scheme. Against the backdrop the Committee recommend that the Ministry must chalk out an Annual Time Schedule for Invitation, Selection and Approval / Sanction of Projects under the Scheme for CEFPPC and the Notification for inviting proposals be issued

atleast once in a year after budgetary allocation for the year. Action taken in this regard be intimated to the Committee.

Promotion of Region Specific Products Under the Schemes of the Ministry

12. The main objective of the scheme for CEFPPC is to increase the level of Food Processing and Value Addition through creation of processing and preservation capacities and modernization / expansion of existing Food Processing Units. The Committee, note that the Scheme for CEFPPC plays a major role in establishment / expansion of Food Processing Units. The Committee further note that the Scheme is Demand Driven and as such no State/UT-wise Project implementation and funds allocation is done. Out of the already Approved 473 Food Processing Units till June, 2023, 210 Projects have been completed with creation of processing/ preservation capacity of 38.32 LMT/Annum. Further, 263 Ongoing Projects will result in creating processing / preservation capacity of 55.58 LMT/Annum. However, the State/UT-wise data of 484 Projects furnished by the Ministry indicates that there is a vast disparity among States/UTs and in different Regions.

The Committee are also of the view that the problem of periodic glut in production of some Agricultural Produces like Onion, Potato, Tomato, etc. in different Regions of the country has not been properly addressed to under the Scheme. Moreover, the Post-harvest losses - in respect of fruits and vegetables in the country, are in the range of 4.58% to above 11%, which remains a big cause of concern. Processing of Agricultural Produces into suitable value added products and facilitation of appropriate storage for excess production can help to reduce the Post-Harvest losses and also give protection against price fluctuation during the glut periods. The Committee therefore, recommend that Region Specific and Product Specific Programmes be promoted under the Scheme for CEFPPC to address the

issue through suitable interventions by the way of necessary modifications in the Operative Guidelines of the Scheme. The Committee also recommend that more number of Common Facility Centers with Gamma Radiation Centres, etc. be promoted under the Scheme to increase preservation capacities - in respect of perishable items of agricultural produces. The Committee desire to be apprised of the action taken in the matter.

Delay and Challenges in the Implementation of the Scheme for CEFPPC

13. The Committee note that the time period specified for completion and operationalisation of Approved Projects under the Scheme for CEFPPC, is 18 months from the date of issue of Approval Letter. However, the Sanctioned Projects have been observed to incur delay / time-overruns in their implementation and completion. The Ministry have stated before the Committee that it could not approve the targeted 305 projects during 14th Finance Commission Cycle (FCC) period due to paucity of funds for the Scheme. However, the Ministry subsequently intimated that during the 14th FCC Period of 01.04.2017 to 31.03.2021 a total of 353 Projects were approved, out of which 212 Projects were completed, 96 were cancelled/withdrawn and 45 Projects are still ongoing. During the 15th FCC period starting from 01.04.2021 onwards, out of the total 243 Approved Projects, 7-Projects were completed 26-Projects were cancelled/ withdrawn and 210-Projects were ongoing. As on 12.09.2023, the cumulative achievements since the launch of the Scheme for CEFPPC in 2017-18, are stated to be Total Number of Approved Projects - 596, Projects Completed - 218, Projects cancelled/ withdrawn - 105 and Ongoing Projects - 273.

The Committee note that delay in obtaining Statutory Clearances / Certificates from States/UTs and inadequate support from lending banks in disbursement of

Term-loans are stated to be main factors causing delay in the in the implementation of the Approved Projects. As regards cancellation or withdrawal of approved Projects is concerned, the Committee note that the reason for the same is that the applicants could not fulfill the eligibility conditions or show required progress/documents in the implementation of the project for getting benefits under the Scheme. The Committee, therefore, recommend that the Ministry should take necessary action to address the problems/ challenges faced by the Project Implementing Agencies (PIAs) in States/UTs through creation of Monitoring Cells/Units in concerned State/UTs and through effective coordination with the Institutions/Resources that have been established in States/UTs for the implementation of the Centrally Sponsored Scheme of 'Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME)'. The Committee also recommend that the Technical Evaluation and Monitoring Process for the implementation of the Scheme for CEFPPC be suitably strengthened by way of improving its mechanism so as to avoid subsequent Cancellation/ Withdrawal in respect of large number of Approved Projects. The Committee would like to be apprised of action taken in the matter.

New Delhi
06 February, 2024
17 Magha, 1945 (Saka)

P.C. GADDIGOUDAR
Chairperson
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

Instructions for Application Filing

(a) All applications shall be submitted online on the Sampada Portal of the Ministry. No physical application will be accepted and such application shall be summarily ignored. Applicants are required to submit following documents:

Note:

(i) *All pages of all documents submitted online must be self-attested by the applicant or its authorised signatory (supporting documents for such authorization to be furnished).*

(ii) *The Ministry will not be responsible for delay in submission of any proposal within the prescribed time limit indicated in EOI, and such proposals (not received in time) shall not be considered. Incomplete information or deficient documents submitted/ uploaded by the applicant may lead to rejection of proposals.*

(iii) *Mere submission of application (with required documents) against EOI does not confer any right on the applicant for claim of grants-in-aid under the Scheme. Grants-in-aid will be sanctioned based on merit, preference criteria and evaluation of the proposal as per the assessment criteria.*

(iv) *When original documents are in regional language, they should be accompanied by self-certified English/ Hindi translation.*

(b) Detailed Project Report (DPR) indicating financial and technical profile of the entity, domain expertise available with the entity, raw material availability in the area where project is proposed to be set up, arrangements for procurement of raw material, marketing strategy of proposed products, process flow diagram of proposed products with production capacity per day, technology proposed for various activities in process line, financial estimates with key financial parameters, profit and loss statement, estimated employment generation from the project (direct as well as indirect), number of farmers estimated to be benefited etc.

(c) CA/Statutory Auditor certificate (prepared in accordance with statutory provisions read with conditions indicated in **Appendix-I**) in support of networth along with documentary proof.

(d) Final/ in-principle term loan sanction from a Bank.

(e) A detailed Appraisal Note, specific to the scheme, from a Scheduled Commercial Bank.

(f) Certificate of incorporation/ registration, Memorandum and Article of Association, bye laws of the society/partnership deed, PAN, TAN, SC/ST caste certificate (whichever applicable).

(g) IEM registration/Entrepreneur's Memorandum/ Udyog Aadhaar registration.

(h) Bio-data/ background/ experience of the entity and its promoters relevant to the scheme.

(i) Annual reports and Audited Financial Statement of Accounts for last two years (if applicable).

(j) Details of land (on ownership basis or leasehold) along with relevant documents. In case of lease, the registered lease deed shall be for a period of at least 15 years in the name of the applicant firm. In case land for the project has been taken on lease from State Government/ its entities, the policy of State Government in this regard will be followed.

Note: Self-attested English/ Hindi version needs to be submitted in case such document is in regional language.

(k) Proof of submission of requisite fee.

(l) Quotations from Original Equipment Manufacturer (or its authorised dealer/ supplier) in respect of Plant & Machinery and equipment for the proposed project.

(m) CA/ Statutory Auditor certificate as per **Appendix-II**.

(n) Item-wise and cost-wise details of technical civil works envisaged duly certified by Chartered Engineer (Civil).

(o) Item-wise and cost-wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).

(p) An undertaking to be furnished by the applicant as per **Appendix-III**. The expenditure made/ incurred on the project before the date of submission of online application shall be furnished as per **Appendix-IV**.

(q) Correspondences (emails/ letters) for possible forward or backward linkages.

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.

List of Ineligible Items for Calculation of Grants-in-Aid under Scheme for CEFPPC

- Compound wall
- Approach road/ internal roads
- Cost of land and site development
- Administrative office building
- Canteen
- Labour rest room and quarters for workers
- Security/ guard room or enclosure
- Non-technical civil works not related to the components of the scheme
- Margin money, working capital and contingencies
- Fuel, consumables, spares and stores
- Transport vehicles except Controlled temperature vehicles like coolers and refrigerated/ insulated/ ventilated transport
- Pre-operative expenses
- Service charges, carriage and freight charges or other such charges/ fees
- Expenditure on painting of machinery
- AC ducting, furniture, computers and allied office items.
- Closed Circuit TV Camera and security system related equipment.
- Consultancy fee, taxes, etc. on plant and machinery.
- Stationery items
- Plant & machinery not directly related to components of the scheme
- Fly catchers, hand washer, laundry
- Reconditioned/ refurbished/ second hand/ old plant & machinery

Note: *The list is only indicative and the Project Approval Committee constituted by the Ministry will be the final authority to decide on ineligibility or otherwise of items for purpose of grants-in-aid.*

List of 105 cancelled / withdrawal projects alongwith reasons under CEFPPC Scheme

Sr. No.	Name of the applicant	District	State	Reasons
1	M/s Omniactive health technologies Ltd.	Krishnagiri	Tamil Nadu	Withdrawn by applicant so as to apply afresh
2	M/s Genus International Commodities Limited	Ajmer	Rajasthan	The project has been cancelled by Ministry as applicant could not able to show sufficient progress at project site
3	M/s Hexagon Nutrition (International) Pvt. Ltd.	Tuticorin	Tamil Nadu	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 17.9.2018 as the applicant had incurred more than 50% of expenditure before EoI.
4	M/s karma Milk	Surat	Gujarat	Withdrawn by applicant so as to apply afresh after redesigning the project
5	M/s Al rasheed agro-impex	Srinagar	Jammu & Kashmir	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 18.01.2019 as the applicant could not meeting the basic eligibility criteria of scheme guidelines.
6	M/s Dolphin Corporation	Surat	Gujarat	Withdrawn by applicant due to change in the Partnership agreement and some components of Plant and Machinery
7	M/s Pal Agro	Bareilly	Uttar Pardesh	Withdrawn by applicant as it is not going to implement the project
8	M/s Sunrise Buildhome Pvt Ltd	Ajmer	Rajasthan	Withdrawn by applicant so as to apply afresh after redesigning the project
9	M/s Shree Ganesh Frozen foods Pvt.Ltd	West Tripura	Tripura	Withdrawn by applicant so as to apply afresh on new location
10	M/s J R Beverages	Surat	Gujarat	Withdrawn by applicant so as to apply afresh under APC scheme
11	M/s Miloni Foods	Surat	Gujarat	Withdrawn by applicant so as to apply afresh under APC scheme
12	M/s Euro Enterprise	Surat	Gujarat	Withdrawn by applicant so as to apply afresh under APC scheme
13	M/s Krishna Synthetics Limited	GautamBuddh Nagar	Uttar Pradesh	Withdrawn by applicant due to dispute with Sanctioning bank
14	M/s Ekstaze India Pvt Ltd	GautamBuddh Nagar	Uttar Pradesh	Withdrawn by applicant
15	M/s Warana Industries	Osmanabad	Maharashtra	Withdrawn by applicant.
16	M/s JMJ Seafoods Pvt Ltd	Kanyakumari	Tamil Nadu	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 07.08.2019 as the applicant has not complied with the conditions of scheme guidelines
17	M/s JH Agro Products	Pilibhit	Uttar Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 11 months from the date of issue of approval letter.
18	M/s Mohani Tea Leaves Pvt. Ltd	Kanpur Dehat	Uttar Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its

				meeting dated 21.08.2019 as the applicant has not complied with the conditions of approval letter dated 13.04.2018 and also extant scheme guidelines even after lapse of more than 16 months from the date of issue of approval letter .
19	M/s Haryana Food & General Mills	Sonepat	Haryana	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 12 months from the date of issue of approval letter.
20	M/s Atarson Overseas Pvt. Ltd (earlier known as Shri BalajiRohilkhand Rice Mills)	Shahjhanpur	Uttar Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 11 months from the date of issue of approval letter.
21	M/s Yaps N Belly Food Products Pvt Ltd	Udham Singh Nagar	Uttarakhand	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.
22	M/s Delect Spices and Herbs Pvt Ltd	Tumkur	Karnataka	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter
23	M/s Banashankari Chemicals Pvt Ltd	Mandya	Karnataka	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.
24	M/s Bodhivriksha Agro Products Pvt Ltd	Ajmer	Rajasthan	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 16 months from the date of issue of approval letter.
25	M/s Mangalam Resources Pvt Ltd	Dewas	Madhya Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.
26	M/s Allfun Foods India Pvt Ltd	Satara	Maharashtra	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.
27	M/s Aarya Agro-bio and Herbals Pvt Ltd	Satara	Maharashtra	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.

28	M/s Pashudhan Feeds	Satara	Maharashtra	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.
29	M/s Purnita Flour Mills	Satara	Maharashtra	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.
30	M/s SwaharEntrepries	Satara	Maharashtra	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 16 months from the date of issue of approval letter.
31	M/s Baghelkhand Industries Pvt Ltd (BIPL)	Dewas	Madhya Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 18 months from the date of issue of approval letter.
32	M/s Rabi Rice Milling & Processing Centre	Imphal East	Manipur	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 21.08.2019 as the applicant has not complied with the conditions of approval letter dated 19.02.2018 and also extant scheme guidelines even after lapse of more than 18 months from the date of issue of approval letter.
33	M/s Himalaya Agro Industry	Kullu	Himacha Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 25.09.2019 as the applicant could not able to show sufficient progress at project site.
34	M/s Sindhu Farms Pvt Ltd	Raipur	Chhattisgarh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 19.12.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 15 months from the date of issue of approval letter.
35	M/s Lemooria Foods Private Limited	Chennai	Tamil Nadu	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 19.12.2019 as the applicant could not able to show sufficient progress at project site after lapse of more than 22 months from the date of issue of approval letter.
36	M/s Natures Fresh Enterprises Pvt Ltd	Varanasi	Uttar Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 19.12.2019 as the applicant has not complied with the conditions of approval letter dated 13.04.2018 and also extant scheme guidelines even after lapse of more than 20 months from the date of issue of approval letter
37	M/s Pampar Ovenfresh Foods Pvt. Ltd	Darjeeling	West Bengal	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 19.12.2019 as the applicant could not able to show sufficient progress at project site.

38	M/s Kamuna Food Processing Ltd	Mirzapur	Uttar Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 26.02.2020 as the applicant could not able to show sufficient progress at project site after lapse of more than 17 months from the date of issue of approval letter.
39	M/s HRB Food Products Pvt. Ltd	Howrah	West Bengal	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 26.02.2020 as the applicant could not able to show sufficient progress at project site after lapse of more than 16 months from the date of issue of approval letter.
40	M/s Supreme Specialty Foods Private Limited	Sonepat	Haryana	The project has been cancelled based on PMA site visit report.
41	M/s Achint&Aparna Agro Products Pvt Ltd	Udham Singh Nagar	Uttarakhand	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 28.05.2020 as the applicant could not able to show sufficient progress at project site after lapse of more than 26 months from the date of issue of approval letter.
42	M/s Manish Kumar Mohit Kumar	Sonepat	Haryana	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 28.05.2020 as the applicant could not able to show sufficient progress at project site after lapse of more than 15 months from the date of issue of approval letter.
43	M/s Sunrise Food Industry	Kolasib	Mizoram	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 02.09.2020 as the applicant could not able to show sufficient progress at project site after lapse of more than 21 months from the date of issue of approval letter.
44	M/s Shelke Beverages Pvt Ltd	Pune	Maharashtra	Withdrawn by applicant so as to apply afresh under revised scheme guidelines
45	M/s Greatvalley Agro Pvt. Ltd	Surat	Gujarat	The project has been cancelled vide letter dated 04.01.2021 as the applicant could not able to show sufficient progress at project site even after lapse of more than 16 months from the date of issue of approval letter.
46	M/s Metrolike Tasty Food Products	Surat	Gujarat	Withdrawn by applicant so as to apply afresh
47	M/s Ranvik Foods	Udham Singh Nagar	Uttarakhand	Withdrawn by applicant
48	M/s Bharat RTE Foods	Surat	Gujarat	Withdrawn by applicant so as to apply afresh
49	M/s Grand Marine Exim	Alappuzha	Kerala	Withdrawn by applicant due to financial issues
50	M/s Shagun Dairy	Mandi	Himacha Pradesh	Withdrawn by applicant due to some unavoidable circumstances
51	M/s Mata Hanogi Agro Industry	Mandi	Himachal Pradesh	Withdrawn by applicant so as to apply afresh
52	M/s Tomar Foods Pvt Ltd	Udham Singh Nagar	Uttarakhand	The project has been cancelled vide letter dated 30.03.2021 as the applicant could not able to show sufficient progress at project site.
53	M/s Sunrise Food Products	Mandya	Karnataka	Withdrawn by applicant due to feasibility issue at project location
54	M/s Telangana State Horticulture Development	Medchal	Telangana	Withdrawn by applicant due to administrative reasons

	Corporatin Ltd			
55	M/s ATC	Bilaspur	Himachal Pradesh	The project has been cancelled vide letter dated 28.05.2021 as the applicant could not able to show sufficient progress at project site even after lapse of more than 21 months from the date of issue of approval letter.
56	M/s SarvasiddhiAgrotec hPvt. Ltd.	South Tripura	Tripura	Withdrawn by applicant
57	M/s Chander Milk Product	Bilaspur	Himachal Pradesh	The project has been cancelled vide letter dated 27.05.2021 as the applicant could not able to show sufficient progress at project site even after lapse of more than 21 months from the date of issue of approval letter.
58	M/s KisanSmapada Food Park (UNIT-II)	Nagpur	Maharashtra	Withdrawn by applicant due to no viability of project
59	M/s King Spices	Kolasib	Mizoram	Withdrawn by applicant as it is not able to implement the project
60	M/s Sula Vineyards Private Limited	Nashik	Maharashtra	Withdrawn by applicant
61	M/s Lateef Agro Industries	Pulwama	Jammu & Kashmir	Withdrawn by applicant due to financial issues in Covid-19
62	M/s Vinayaka Agro Foods	Mandya	Karnataka	Withdrawn by applicant due to financial issues in Covid-19
63	M/s Narendra Agro Industries	Kangra	Himachal Pradesh	Withdrawn by applicant due to some unavoidable circumstances
64	M/s Ahuja Sweets & Namkeen	Kangra	Himachal Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 17.08.2021 as the applicant could not able to show sufficient progress at project site even after lapse of more than 21 months from the date of issue of approval letter.
65	M/s Naga Spice & Herbs	Senapati	Manipur	Withdrawn by applicant to avail subsidy from MOVCDNER
66	M/s IXI Serve LLP	Ajmer	Rajasthan	Withdrawn by applicant due to paucity of funds
67	M/s Agrosafe Industries Pvt Ltd	AJmer	Rajasthan	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 07.03.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 19 months from the date of issue of approval letter.
68	M/s KDS Enterprises	West Kemeng	Arunachal Pradesh	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 07.03.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 12 months from the date of issue of approval letter.
69	M/s Kasa Infra Ltd	Jodhpur	Rajasthan	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 07.03.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 25 months from the date of issue of approval letter.
70	M/s. Al Halal Foods	Pulwama	Jammu & Kashmir	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 07.03.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 19 months from the date of issue of approval letter.

71	M/s Beri Agro Foods	Mandya	Karnataka	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 07.03.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 23 months from the date of issue of approval letter.
72	M/s Coco Lait	Kanchipuram	Tamil Nadu	The project has been cancelled by Inter-Ministerial Approval Committee (IMAC) in its meeting dated 07.03.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 27 months from the date of issue of approval letter.
73	M/s Natures Cane Foods LLP	Krishna	Andhra Pradesh	Withdrawn by applicant
74	M/s Great Destiny foods and Drinks (P) Ltd	Tiruvallur	Tamil Nadu	The project has been cancelled vide letter dated 02.06.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 51 months from the date of issue of approval letter
75	M/s Aegean Chennai Foods Pvt Ltd	Tiruvallur	Tamil Nadu	The project has been cancelled vide letter dated 08.06.2022 as the applicant could not able to show sufficient progress at project site even after lapse of more than 34 months from the date of issue of approval letter
76	M/s Unimax Frozen Treat Private Limited	Sonepat	Haryana	Withdrawn by applicant due to no viability of project
77	M/s Homtek India Agro Foods	Kamrup	Assam	Non-submission of docuemnts for 1st installment
78	M/s Shelke Foods Private limited	Pune	Maharashtra	Non-submission of docuemnts for 1st installment
79	M/s Hitayu Dairy Private Limited	Mandya	Karnataka	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 22 months
80	M/s Anutham Enterprises	Vijaypur	Karnataka	Cancelled with approval of Hon'ble Minister due to submission of fraud documents by IA
81	M/s LT Boinu Pineapple Processing Industry	Bishnupur	Manipur	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 24 months
82	M/s PL Fruit and Veg Processing Industry	Churachandpur	Manipur	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 34 months
83	M/s Thangsing Food Industry	Churachandpur	Manipur	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 23 months
84	M/s Him Pickle	Bilaspur	Himachal Pradesh	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 31 months
85	M/s Jeph (Ind) Foods	Una	Himachal Pradesh	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 23 months
86	M/s Striker and Brothers	Bilaspur	Himachal Pradesh	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 21 months
87	M/s Agriva Naturals	Una	Himachal Pradesh	Withdrawn by applicant vide letter dated 14.03.2023
88	M/s D Raju Enterprise	Papum Pare	Arunachal Pradesh	Cancelled with approval of Hon'ble Minister due to submission of fraud documents by IA

89	M/s Samarth Agro Industries	Jalna	Maharashtra	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 28 months
90	M/s M&D Poultry Production cum Meat Processing	Churachandpur	Manipur	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 28 months
91	M/s Keshav Agro Foods Industries Pvt. Ltd.	Udham Singh Nagar	Uttarakhand	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment even after lapse of 26 months
92	M/s GG Enterprises	Papum Pare	Arunachal Pradesh	Cancelled with approval of Hon'ble Minister due to submission of fraud documents by IA
93	M/s Agro Cluster (Unit-II)	Vijaypur	Karnataka	Cancelled with approval of Hon'ble Minister due to submission of fraud documents by IA
94	M/s. Agro Cluster (Unit-I)	Vijaypur	Karnataka	Cancelled with approval of Hon'ble Minister due to submission of fraud documents by IA
95	M/s Baba Ramdev Agro Industries	Bikaner	Rajasthan	Cancelled with approval of Hon'ble Minister, due to violation of scheme guidelines regarding cross shareholding
96	M/s Soozwin International Foods	Sonitpur	Assam	Withdrawn by applicant vide letter dated 12.05.2023
97	M/s Subh Karan Food Park	Kamrup	Assam	Withdrawn by applicant vide letter dated 27.05.2023
98	M/s SCA Foods Products Pvt Ltd	Palakkad	Kerala	Withdrawn by applicant vide letter dated 31.05.2023
99	M/s Shivay Foods	Aurangabad	Maharashtra	Withdrawn by applicant vide letter dated 16.06.2023
100	M/s N R Enterprise	Papum Pare	Arunachal Pradesh	Cancelled with approval of Hon'ble Minister due to submission of fraud documents by IA
101	M/s Anug Foods	Ariyalur	Tamil Nadu	Cancelled with approval of Hon'ble Minister as IA failed to submit the documents for release of 1st installment
102	M/s Madhur Organic Cold Press Oil	Dhule	Maharashtra	Cancelled with approval of Hon'ble Minister as IA not able to complete the project as per approval letter even after lapse of 3.5 years
103	M/s Paramount Nutritions India Pvt. Ltd.	Ramanagara	Karnataka	Withdrawn by applicant vide letter dated 31.07.2023
104	M/s Corman Foods Pvt. Ltd.	Chhindwara	Madhya Pradesh	Withdrawn by applicant vide letter dated 18.08.2023
105	M/s Emami Agrotech Limited	Jaipur	Rajasthan	Withdrawn by applicant vide letter dated 19.08.2023

PMKSY OUTLAY & EXPENDITURE OF MINISTRY OF FOOD PROCESSING INDUSTRIES FROM 2017-18 to 2023-24 (as on 05-06-2023)

Name of the Scheme	2017-18			2018-19			2019-20			2020-21			2021-22			2022-23			2023-24	
	BE	RE	AE	BE	RE	AE	BE	RE	AE	BE	RE	AE	BE	RE	AE	BE	RE	AE	BE	RE
Scheme for Mega Food Parks	300.00	298.56	296.72	390.00	182.86	181.47	200.00	140.00	106.73	100.00	61.85	61.87	47.60	54.37	52.59	55.80	24.80	22.14	54.80	0.02
Scheme for Infrastructure for Agro-processing Clusters	35.00	0.00	0.00	20.00	30.00	22.65	48.75	50.14	43.83	65.00	56.69	48.47	37.50	53.90	49.08	48.45	56.55	46.82	81.30	5.95
Scheme for Modern Abattoirs/Committed Liabilities for Infrastructure related Schemes	45.00	23.82	21.69	30.00	22.00	9.69	28.11	17.81	6.83	21.00	4.80	4.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Scheme for Integrated Cold Chain and Value Addition Infrastructure	180.00	198.68	196.15	400.00	271.59	244.74	290.00	326.16	271.12	349.71	252.58	207.41	227.60	263.00	225.31	230.50	222.34	203.06	196.50	14.33
Scheme for Creation/Expansion of Food Processing and Preservation Capacities	95.00	21.18	11.31	395.00	90.00	74.85	160.00	202.52	171.78	190.00	219.30	202.84	162.00	242.50	238.08	282.80	219.68	170.11	320.00	4.61
Scheme for Creation of Backward and Forward Linkages	20.00	0.00	0.00	20.00	18.80	11.50	40.00	50.46	42.92	100.00	56.60	54.42	51.70	40.79	32.98	22.20	18.78	9.35	5.39	0.00
Scheme for Food Safety and Quality Assurance Infrastructure	20.00	20.00	20.00	25.00	25.00	16.80	40.00	40.00	26.99	44.00	36.83	29.00	45.20	46.70	34.25	51.80	33.80	18.73	46.50	1.49
Scheme for Human Resource and Institutions	30.00	71.53	55.98	33.00	29.94	24.06	94.00	32.07	21.76	84.00	23.05	20.36	44.80	15.14	13.03	23.69	22.36	20.49	4.96	0.04
Scheme for Operation Greens	0.00	0.00	0.00	0.00	200.00	5.50	200.00	30.03	2.85	127.50	38.20	38.21	73.40	74.50	68.15	184.56	74.49	71.05	213.59	7.03
Swacchta Action Plan(SAP)	0.00	0.07	0.06	0.08	0.14	0.12	0.14	0.24	0.13	0.20	0.10	0.09	0.20	0.10	0.02	0.20	0.20	0.18	0.20	0.00
TOTAL - SCHEME	725.00	633.84	601.91	1313.08	870.33	591.38	1101.00	889.43	694.94	1081.41	750.00	667.05	690.00	791.00	713.49	900.00	673.00	561.93	923.24	33.47

**Standing Committee on Agriculture, Animal Husbandry and Food Processing
(2021-22)**

Minutes of the Twenty Third Sitting of the Committee

The Committee sat on Monday, the 08th August, 2022 from 1500 hrs. to 1610 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

Present

Shri P. C. Gaddigoudar – Chairperson

Members

Lok Sabha

2. Shri Afzal Ansari
3. Shri Horen Singh Bey
4. Shri Devendra Singh 'Bhole'
5. Shri A. Ganeshamurthi
6. Shri Abu Taher Khan
7. Shri Mohan Mandavi
8. Smt. Shardaben Anilbhai Patel
9. Shri Virendra Singh

Rajya Sabha

10. Smt. Ramilaben Becharbhai Bara
11. Shri Kailash Soni
12. Shri Ram Nath Thakur

Secretariat

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|----|------------------------|---|----------------------|
| 1. | Shri Shiv Kumar | – | Additional Secretary |
| 2. | Shri Sundar Prasad Das | – | Director |
| 3. | Shri Anil Kumar | – | Deputy Secretary |
| 4. | Shri Prem Ranjan | – | Deputy Secretary |

Witnesses

Ministry of Food Processing Industries

S. No.	Name	Designation
1.	Smt. Anita Praveen	Secretary
2.	Shri Shashi Ranjan Kumar	AS&FA
3.	Shri Minhaj Alam	Joint Secretary
4.	Shri Santosh Kumar Jha	Joint Secretary

2. At the outset, the Chairperson welcomed the Members of the Committee and witness of the Ministry of Food Processing Industries in connection with the examination of the Subject, 'Scheme for Creation/Expansion of Food Processing and Preservation Capacities - An Evaluation'.

3. The Hon'ble Chairperson, thereafter, apprised the Agenda of the Sitting of the Committee. The representatives of the Ministry of Food Processing Industries, then, gave a Power Point Presentation to the Committee covering *inter-alia* the following points:-

- (i) Salient features of the Pradhan Mantri Kisan Sampada Yojana (PMKSY)
- (ii) Background on launch of the scheme for Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC).
- (iii) Status of implementation of the CEFPPC Scheme.
- (iv) Highlights of new guidelines of the CEFPPC Scheme dated 08.06.2022.
- (v) Pattern of Assistance under the CEFPPC.
- (vi) Achievements/ progress made in the implementation of the CEFPPC.

4. Thereafter, the Committee raised several issues/points and sought clarification/information from the representatives of the Ministry as briefly mentioned below:-

- (i) Need for educating the farmers about the Schemes being implemented by the Ministry so that farmers get the benefits.
- (ii) Need to give emphasis for promoting Ease of doing Business by looking into the problems of Promoters and Entrepreneurs and finding solutions to it.
- (iii) There are eight different schemes of Pradhan Mantri Kisan Sampada Yojana (PMKSY) being implemented in different States and Union territories, the

difficulties being faced in implementing these eight different Schemes need to be removed.

- (iv) Need for allowing farmers/persons having the requisite land to set up processing units.
- (v) Urgent need for looking into the marketing of Food Products manufactured by Entrepreneurs.
- (vi) Need for marketing of Farmers produce.
- (vii) Need for having a meeting with the Ministry of Agriculture and Farmers Welfare regarding enhancement in Farm Produce.
- (viii) Need to identify processing of food products as per Region Specific produces.
- (ix) Need for promoting Organic Farm Products in the Food Processing Sector.
- (x) Need for Setting up of Marketing Units in each State and in each District.
- (xi) Early Implementation of One District One Product Scheme more realistically, strictly on the basis of Region wise Specific products.
- (xii) Creation of Transportation and Storage facilities.

4. The representatives of Ministry of Food Processing responded to the queries. The Chairperson, then, thanked the witnesses for sharing valuable information to the Committee and directed them to furnish the information on the points/items, which were not readily available, to the Committee Secretariat by 18th August, 2022, positively.

The Committee then adjourned.

[A copy of the verbatim proceedings of the Sitting has been kept.]

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**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND
FOOD PROCESSING
(2023-24)**

MINUTES OF THE SECOND SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 11th October, 2023 from 1100 hours to 1240 hours in Committee Room '3', Block-A, Extn. to PHA Building, New Delhi.

PRESENT

Shri P.C. Gaddigoudar – Chairperson

MEMBERS

LOK SABHA

2. Shri Abu Taher Khan
3. Shri Kinjarapu Ram Mohan Naidu
4. Smt. Sharda Anilkumar Patel
5. Shri Bheemrao Baswanthrao Patil
6. Shri Ram Kripal Yadav
7. Shri Sushil Kumar Rinku

RAJYA SABHA

8. Smt. Ramilaben Becharbhai Bara
9. Dr. Anil Sukhdeorao Bonde
10. Shri S. Kalyanasundaram
11. Shri Vijay Pal Singh Tomar
12. Shri Harnath Singh Yadav

SECRETARIAT

1. Shri Shiv Kumar Wadhawan - Additional Secretary
2. Shri Uttam Chand Bharadwaj - Director
3. Shri Prem Ranjan - Deputy Secretary

WITNESSES

MINISTRY OF FOOD PROCESSING INDUSTRIES

1.	Ms. Anita Praveen	Secretary
2.	Ms. Sukriti Likhi	AS & FA
3.	Shri Minhaj Alam	Additional Secretary
4.	Shri Sanoj Kumar Jha	Additional Secretary

2. At the outset, the Chairperson welcomed the new Member Shri Vijay Pal Singh Tomar, MP (Rajya Sabha) to the Committee. Thereafter the Chairperson welcomed the Members of the Committee and Witnesses of the Ministry of Food Processing Industries to the sitting of the Committee convened for taking Oral evidence on the subject 'Scheme for Creation / Expansion of Food Processing and Preservation Capacities - An Evaluation' and apprised them of the confidentiality of the proceedings.

3. After introduction by the witnesses, a power-point presentation was made by the Secretary Ministry of Food Processing Industries. The presentation inter-alia covered the following points:-

- I. Background of launch of the scheme for Creation/Expansion of Food Processing and Preservation capacities (CEFPPC);
- II. Practical aspects noticed in implementation of this Scheme;
- III. Implementation of the Scheme with Revised Guidelines;
- IV. Highlights of New Scheme guidelines of CEFPPC Scheme dated 08.06.2022;
- V. Eligible organizations and Pattern of Assistance under CEFPPC; and
- VI. Achievements and Current status of the scheme CEFPPC including Sector-wise details of the units under CEFPPC.

4. Thereafter, the Committee raised several issues/points and sought clarification / Information from the representatives of the Ministry, as briefly mentioned below:-

- I. Need for improving food storage/preservation and food processing capacities in the country;
- II. Low participation of farmers in the implementation of CEFPPC and need for educating farmers about the benefits of the Schemes of the Ministry;
- III. Time bound reduction in Harvest and Post Harvest losses through preservation / storage and value addition in food products in the country;
- IV. Need to give preference to State and Union Territories which do not have Mega Food Parks and Agro Processing Centres, while allocating units under 40 percent quota of the Scheme for CEFPPC;

- V. Marketing facilitation of Food products manufactured by Entrepreneurs under the Scheme for CEFPPC;
- VI. Need to identify region specific produces for creation / increasing of Food Processing and preservation capacities;
- VII. Reasons for non-establishment of processing units in many States/UTs;
- VIII. Timeline for approval, sanction, completion and disbursement of Grants and the implementation of project proposals under the Scheme for CEFPPC;
- IX. Under-utilization and non-availability of funds for the Scheme for CEFPPC;
- X. Setting up of the Gamma Radiation Centre under the Scheme for CEFPPC;
- XI. Need for the engagement of Response-persons/ Experts/Chartered Accountants to prepare Detailed Project Reports (DPRs) for the Farmers Producers Organizations, Self Help Groups, Cooperatives & Individuals, which come forward with the Expression of Interest (EOI) to set up Unit(s) under CEFPPC Scheme after having interactions with the concerned Agencies for getting them the Bank-Loans, Subsidies and Marketing related assistance;
- XII. Steps taken for promoting CEFPPC Scheme at Grass Root Village level;
- XIII. Helpline for promoting effective implementation of CEFPPC Scheme; and
- XIV. Setting up of units of CEFPPC in small scale for the benefit of the farmers.

5. The Representatives of the Ministry responded to most of the queries raised by the Members. The Chairperson, then, thanked the witnesses for sharing valuable information with the Committee on the subject and directed them to send, in writing, the requisite information (which was not readily available to them) to the Secretariat by 18.10.2023.

The Committee then adjourned.

(A copy of the verbatim proceedings of the Sitting has been kept separately)

**Standing Committee on Agriculture, Animal Husbandry and Food Processing
(2023-24)**

Minutes of the Fifth Sitting of the Committee

The Committee sat on Tuesday, the 06th February, 2024 from 1500 hrs. to 1530 hrs. in the Office of Chairperson, Room No. 103, Block-B, Extension to Parliament House Annexe, New Delhi.

Present

Shri P. C. Gaddigoudar – Chairperson

Members

Lok Sabha

2. Shri Horen Sing Bey
3. Shri Kanakmal Katara
4. Shri Mohan Mandavi
5. Smt. Sharda Anilkumar Patel
6. Shri Bheemrao Baswanthrao Patil
7. Shri Shrinivas Dadasaheb Patil
8. Shri Devendra Singh *alias* Bhole Singh
9. Shri Ram Kripal Yadav

Rajya Sabha

10. Smt. Ramilaben Becharbhai Bara
11. Shri Masthan Rao Beedha Yadav
12. Dr. Anil Sukhdeorao Bonde
13. Shri Kailash Soni
14. Shri Ram Nath Thakur
15. Shri Vijay Pal Singh Tomar
16. Shri Harnath Singh Yadav

Secretariat

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|----|--------------------------|---|----------------------|
| 1. | Shri Shiv Kumar Wadhawan | – | Additional Secretary |
| 2. | Shri Khakhai Zou | – | Director |
| 3. | Shri Prem Ranjan | – | Deputy Secretary |
| 4. | Shri Anil Kumar Sanwaria | – | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration and adoption of Draft Reports on the following Subjects:

(i) **Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) - An Evaluation (Ministry of Food Processing Industries)**

* (ii) xxxx xxxx xxxx xxxx

* (iii) xxxx xxxx xxxx xxxx

* (iv) xxxx xxxx xxxx xxxx

3. After some deliberations, the Committee adopted the Draft Report without any modification. The Committee also authorized the Chairperson to finalize and present the Report to Parliament.

The Committee then adjourned.

*Matter not related to this Report