

Ministry of Food Processing Industries
Cold Chain Division

**FAQs RELATED TO EXPRESSION OF INTEREST DATED 13.01.2021 FOR APPLICATION
UNDER SCHEME FOR INTEGRATED COLD CHAIN AND VALUE ADDITION
INFRASTRUCTURE**

Queries raised/clarifications sought during the Pre-Bid Meeting held on 18.01.2021

1. Can the refrigerated containers be considered as cold storage under the scheme?

Clarification: No. Refrigerated containers including multi-modal container units are part of para 4 (c) of the scheme guidelines.

2. Is there any capping on the capacity of the components proposed in a project?

Clarification: No, there is capping but the capacities proposed should be justifiable as per the viability and availability of raw material.

3. Can the applicant having processing line apply for a standalone cold storage?

Clarification: No. Setting up of standalone cold storage are not considered under the scheme.

4. Is there any minimum capacity required for associated Frozen storage with IQF?

Clarification: No. However, all the facilities proposed should be synchronized with each other.

5. Can the cost of land be included in the total project cost and means of finance?

Clarification: No. The cost of land will not be considered for assessment of total project cost as well as means of finance. In case the cost of land is included in the total project cost as well as means of finance, then the amount for land will be deducted from the total project cost as well as proposed promoter's contribution and thereafter the minimum eligibility requirement as well as scoring will be assessed.

6. Can net worth of directors be considered for estimating net worth in case of a newly constituted Pvt. Ltd. Company?

Clarification: Yes, in case of newly formed companies for the purpose of setting up integrated cold chain projects, the net worth of the share-holders of the company would be considered in the same manner as in case of partnership firms.

7. What is the definition of newly formed company for the purpose of availing financial assistance under the scheme?

Clarification: A company will be treated as newly formed, if it has been formed with the objective of food business and has not commenced commercial operations as on the date of submission of application to the Ministry, which should be supported by appraisal note from the Bank/Financial Institution and in such cases Balance Sheet/Financial Statement along with Memorandum of Association filed with the RoC for each year since incorporation will be required in support of proof of non-commencement of commercial operations.

8. How the net worth of a newly formed company would be ascertained, if one of the promoter/ constituents of newly formed company is a corporate entity?

Clarification: In case of new companies the net-worth of the promoter/ shareholders will be considered in the same manner as in case of partnership firm. However, if, one of the constituent of the newly formed company is a corporate entity the net worth of the corporate entity will be assessed as per para 8 (a) (i) of the scheme guidelines issued on 17.12.2019.

9. How the net worth of NRI partners would be ascertained?

Clarification: Net worth of NRI partners will be ascertained as per para 8 (a) (ii) of the scheme guidelines, for the assets registered in India and governed by rules & regulations of RBI.

10. How the net worth of Farmers Producer Company and Farmer Producer Organizations (FPOs) will be calculated?

Clarification: As per para 8 (a) (ii) of the scheme guidelines dated 17.12.2019, the net worth of all entities other than companies will be ascertained on the basis of latest balance sheet of individual proprietor/partner(s) i.e. assets minus all liabilities, duly certified by the Chartered Accountant (CA).

11. Is availing term loan mandatory from the Bank/ FIs in case of Govt. Entity?

Clarification: Yes. In-principle or Final term loan sanction from the Bank/ Financial Institution for availing term loan for an amount not less than 20% of the project cost is mandatory, except in case of North East States. In case of North East States, term loan amount shall not be less than 10%. This is a basic eligibility criterion.

12. Will the Foreign Currency Term Loan (FCTL) sanction be considered?

Clarification: Yes, provided that the applicant shall submit a detailed appraisal note along with the term loan sanction letter.

13. In case of dairy proposals, will the loan from National Dairy Development Board (NDDB) be considered?

Clarification: Yes, the loan from Financial Institution including NDDB will be considered, if the same is submitted with the detailed appraisal note of the project and governed by rules & regulations of RBI.

14. Is ₹1,00,000 (Rupees One Lakh only) as refundable security deposit is applicable in case of proposals from MSME firms?

Clarification: Yes. ₹1,00,000 (Rupees One Lakh only) as refundable security deposit is applicable in case of proposals from MSME firms.

15. Whether refundable security deposit of ₹1,00,000 (Rupees One Lakh only) will be refunded in case of withdrawal/ cancellation of project after approval?

Clarification: No

16. What supporting document is required in case the applicant has already availed grant under other schemes of the MoFPI to fulfill criteria 8(g) of the scheme guidelines dated 17.12.2019?

Clarification: Certificate from lending bank mentioning the date of start of commercial operation or sanction order for final installment, whichever is earlier, may be submitted as a supporting document.

17. Whether a second proposal from the existing promoter, who have availed grant-in-aid for any of the cold chain projects from the Ministry of Food Processing Industries, is eligible under the present EOI.

Clarification: Yes. Only those applicants/ promoters will be considered for financial assistance under second proposal category who have successfully operated the previously approved cold chain facility for at least two years (for General Category) and at least one year (in case of proposal from NER States and applicant(s) of SC/ST category). This period of two years/ one year, as the case may be, would be reckoned from the date of start of commercial operation, duly certified by lending bank or sanction order for final installment, whichever is earlier.

However, applicant has to fulfill the other criteria of the scheme guidelines. In case of second proposal from the existing promoter(s) who have availed grant-in-aid under the scheme, details of existing facility including technical civil work and plant & machinery should appropriately be furnished in the DPR as well as in the Bank Appraisal note.

18. Will a new construction in the premises having the existing facility be eligible under the scheme?

Clarification: No. As per para 8(i) of scheme guideline expansion/upgradation of the existing facility in same premises will not be entertained. In case of a new facility in same premises, a boundary wall should be constructed for distinction of the plots at the time of submission of 1st installment of grant in aid. Also, no existing facility/utility will be used in any manner for the new project.

19. If some of Technical Civil Works (TCW) of the project is partially completed before the date of EOI, will the remaining work of TCW be eligible for subsidy?

Clarification: No. Ongoing projects as well as partially completed projects will not be considered eligible for subsidy under this scheme. Only greenfield projects will be considered under the scheme.

20. Can a land leased from government after the date of EOI with existing constructed building be eligible for setting up of processing unit?

Clarification: No.

21. Is it feasible to set up a processing facility on the land already registered and CLU obtained prior to date of EoI?

Clarification: Yes, applicant can set up processing facility on the land registered and CLU obtained prior to date of EoI, subject to meeting conditions of the CLU.

22. Will the general notifications/ orders issued by States Government for change in land use be acceptable?

Clarification: Yes. The applicant can upload the copy of general notifications/ orders issued by States Government instead of CLU for individual project, subject to meeting the conditions mentioned in the notifications/ orders.

23. What if the land classification of the proposed project location is unclassified?

Clarification: The applicant shall obtain a certificate from competent authority certifying that the proposed land is unclassified and can be used for the purpose of Integrated Cold Chain Project (mentioning the details of the facilities proposed).

24. Is Change in Land Use (CLU) required only for main facility or Farm Level infrastructure (FLI) and Distribution Hub (DH) also at the time of application?

Clarification: CLU is required for main facility during the submission of application while CLU for other locations is required during the compliances of grant release.

25. Is PFMS (CGA) Registration mandatory at the time of uploading of documents?

Clarification: No. Applicant is only required to upload the filled and duly signed Proforma available at the online portal.

26. In reference to the scoring criteria 1 (i) of Appendix-VI, if the Government published data on raw material availability is not available then can we submit the data on raw material availability certified by the competent governing body of the state?

Clarification: The score of 5 will be awarded for the raw material availability backed by latest available data published by Central/ State Government. Applicant has to clearly provide the data along with the source like annual report, website link etc. for authenticity.

In case the latest published data for raw material is older than the last 3 years, the latest published data along with the letter from the concerned state/central governing body must be provided to establish the latest year of data publication.

27. Will the experience of applicants apart from Cold Chain/Food processing industry be considered under scoring criteria 2 of Appendix VI?

Clarification: No, the applicant is required to have experience in Cold Chain/ Food Processing.

28. Whether in the scoring criteria 2 of Appendix VI for evaluation of cold chain proposals, experience of the promoters in Cold Chain/Food processing industry as an employee be considered?

Clarification: No. For award against the criteria 2 of Appendix VI i.e. Experience in Cold Chain/ Food Processing, the score will be awarded against the experience of the applicant (partnership firm/ proprietorship firm/ company) in cold chain **and /** food processing business, duly supported by the turnover mentioned in the latest audited/provisional Balance Sheet of the applicant.

29. Is the supporting document required in case of scoring criteria (5) of Appendix VI “States providing concessions/ benefits”?

Clarification: Yes, supporting documents are to be uploaded.

30. In order to avail 15 marks under scoring criteria 6(a) of Appendix VI, what should be the minimum distance between each of the locations proposed?

Clarification: The FLI should be in the catchment area and all the proposed locations should be distinct from each other.

31. Whether “the road milk tankers with capacity not less than 70 MT be considered as investment in reefer transport” under scoring criteria 8 of Appendix VI?

Clarification: Yes

32. Is it mandatory to upload the MoUs for Backward and Forward Linkages?

Clarification: No. It is not mandatory for applicant to upload the MoUs for Backward and Forward Linkages.
