



# Operational revised guidelines for Cold chain Projects



## Background

The Scheme for Integrated cold chain, Value Addition and Preservation Infrastructure was launched for the first time in 2008 & guidelines were given in march 2010, and based on feedback & consultations, revised guidelines were issued on Jan 2019 for the purpose of a smooth implementation and to achieve the objective of the scheme. Revised guidelines will be applicable to the Expression of Interest (EOI) issued by the Ministry for taking up New Integrated Cold Chain Projects prospectively.

“Scheme formulated & regulated under

**“PRADHAN MANTRI KISAN SAMPADA YOJANA”**

# Objective & Eligible Organisations

The Objective is 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 horticulture and non-horticulture agri produce thereby ensuring remunerative prices to farmers and year-round availability of food products to consumers.

## **Eligible Organisations**

All kind of Firms, Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. with business interest in cold chain solutions and also by those who manage supply chain.

Eligible Organisations are invited for application for the above scheme through EOI at its website

[www.mofpi.nic.in](http://www.mofpi.nic.in).



# Components of the Scheme

To be eligible for financial assistance

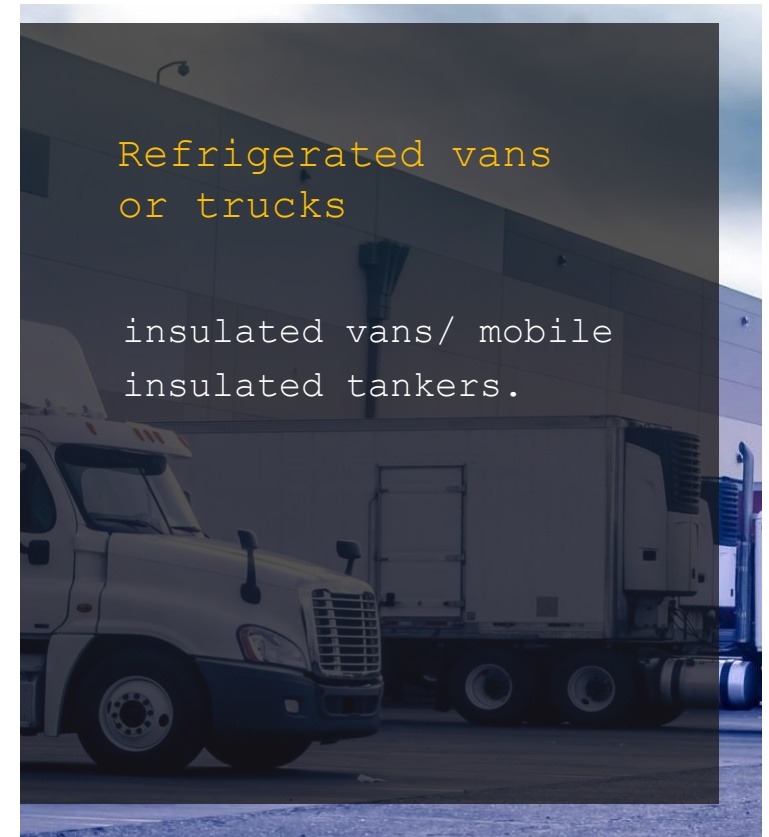
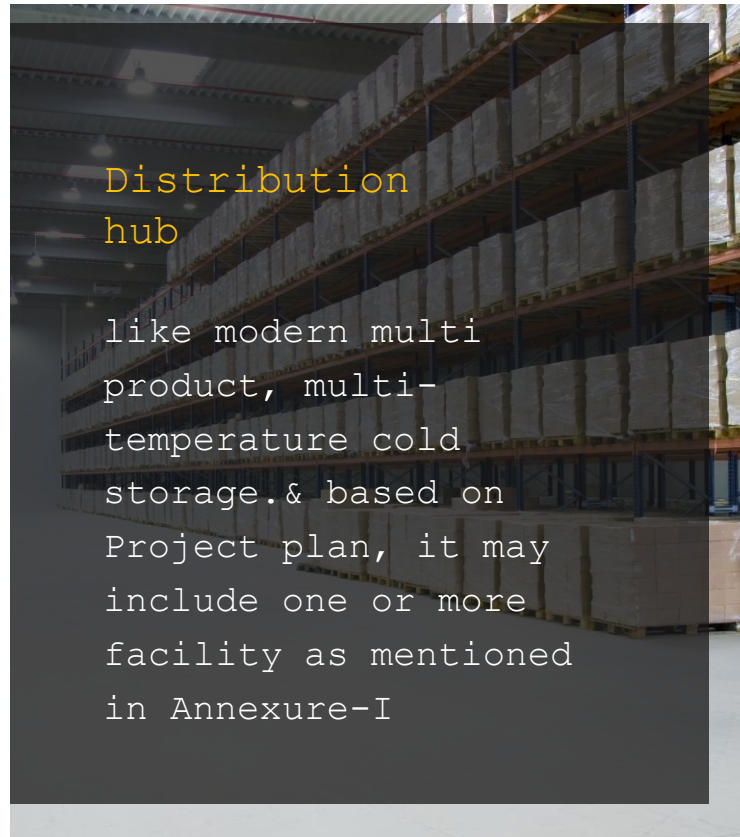


Set up at farm level infrastructure is mandatory

and any one of Distribution hub or Refrigerated Vans or trucks & Irradiation facility - includes cold storage, grading and sorting facilities, reefer vans etc. for storage and transportation of raw material and finished products for efficient utilization of the facility. (availing this facility is optional, as it is being eligible for Grant as a standalone project).

# Eligibility for the scheme

Grant will be provided only in respect of Technical Civil Works and eligible Plant & Machinery. & Organisations would involve in the following facilities mentioned below,



For projects in the fruits & vegetables sector - at least one facility out of 1,3 & 11 points in

Annexure-I is mandatory

# Annexure-

## I

1. Integrated Pack-house (with mechanized sorting & grading line/ packing line/ waxing line/ staging cold rooms, etc.)
2. Ripening Chamber(s)
3. Cold Storage Unit(s) [Associated with value addition]
4. Controlled Atmosphere (CA) storage [Associated with value addition]
5. Frozen Storage/Deep freezers [Associated with value addition]
6. IQF line, Tunnel Freezer, Spiral Freezer, Blast Freezer, Plate Freezer
7. Vacuum Freeze Drying
8. **Milk** Chilling / Bulk Milk Cooling/ Automatic Milk Collection Unit/ Milk Processing Unit (including packing) for which temperature control is necessary during some part of the processing. (Maximum 50 nos. of Milk Chilling or Bulk Milk Cooling or Automatic Milk Collection Unit to be assisted per project)
9. **Poultry/Meat/Marine/Fishery** Processing Unit
10. Packaging line for chilled /frozen/temperature controlled products

**Optional:** may have one or more facilities as listed below.

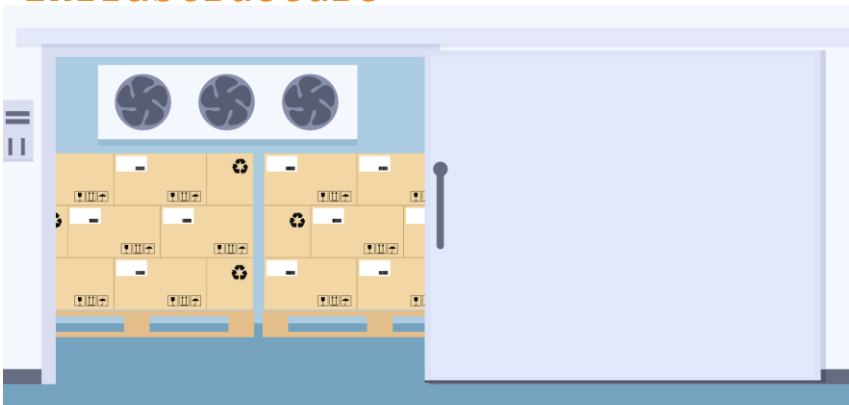
1. Pre Cooling Unit(s)
2. Mobile pre-coolers
3. Retail refrigerated carts, temperature controlled solar powered retail carts (maximum 10 numbers to be assisted per project)
4. Reefer boats (maximum 10 numbers to be assisted per project)
5. Refrigerated Containers including multi-modal container units
6. Renewable/ alternate energy technologies (solar, bio-mass, wind etc.) for the project. [maximum permissible cost is ₹35 lakh, as per MIDH norms]
7. Accessories/support infrastructure/ utilities such as fixed racking system in Cold/CA storage\*, fork lifts, reach trucks, bins, insulated fish boxes, pallets, dock levellers, mezzanine flooring, ETP, boiler, CIP unit, Dodder, Peeler, Slicer/Dicer, Blancher, sorting/grading line, etc.
8. In-house product testing laboratory
9. Any other modern technology for temperature controlled storage, processing, value addition and preservation infrastructure as may be decided by Inter Ministerial Approval Committee (IMAC).
10. Toilets, Septic tank , drainage etc.,

\* CA Storage should normally be located near production areas. Otherwise, detailed justification to be given in the DPR.

# Grant limits &

Maximum Grant per Project is  
₹ 10cr

For storage  
infrastructure



35% / 50%\*

infrastructure including Pack House and Pre cooling unit, ripening chamber and transport infrastructure, grant-in-aid

For value addition and  
processing



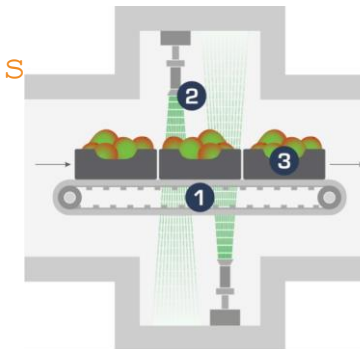
50% / 75%\*

infrastructure including frozen storage/ deep freezers associated and integral to the processing, grant-in-aid

For Irradiation facilities

50% / 75%\*

grant-in-aid will be provided



\* for North East States, Himalayan States, Islands & ITDP Areas as well as for SC/ST promoter(s) holding 100% stake in implementing agency/firm.



## Disbursement under the scheme

**Grant** will be disbursed in **3 Instalments** ^ from the date of issue of the Approval letter in the following manner upon conditions (Annexure -II) satisfied therewith

- 1st disbursement @25% within 8/10\* months

- 2nd disbursement @40% within 14/18\* months

- 3rd disbursement @35% within 20/24\* months

^ if Criteria/ Conditions are release of 2nd & 3rd instalments are fulfilled by Promoter, both 2nd & 3rd instalments can be released together upon uploading all the required documents along with utilization certificate for the 1st instalment- in a single application



# ANNEXURE II CONDITIONS

## 01<sup>st</sup>

Disbursement

will be released after ensuring that 25% of the promoter's contribution & 25% of the term loan have to be spent on the eligible project cost and ensuring physical progress through site inspection.

# Annexure II conditions for Disbursement

## 02<sup>nd</sup>

### Disbursement

- 1st Instalment should be fully utilized.
  - 65% of promoter's contribution & 65% of term loan have been spent on the eligible project cost.
  - site inspection to be conducted to ascertain commensurate physical progress.
  - Amount of 65% of the eligible cost of plant & machinery of main facility [farm level infrastructure, distribution hub and/or processing facility] and 25% of the eligible cost of plant & machinery of other facility should be spent.
  - Uploading the required documents
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## 03<sup>rd</sup>

### Disbursement

- 2nd Instalment should be fully utilized.
  - 100% of promoter's contribution & 100% of term loan have been spent on the eligible project cost.
  - Project has achieved completion and commercial operation has started
  - Upon Joint inspection by a team consisting of the representatives of MoFPI, NHB or APEDA or MPEDA or BARC/BRIT or DADF, the Bank (which has sanctioned the Term Loan) & PMA to ascertain the completion of the project.
  - Uploading the required documents.
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## Application Fee

Applicants are required to submit Demand Draft of ₹1,00,000\* (refundable security deposit) and ₹10,000 as non-refundable cost of EOI document in favour of **"Pay and Accounts Officer, Ministry of Food Processing Industries, New Delhi"**.

### NOTE :

₹1,00,000 as refundable security deposit is not applicable in case of proposals from NER and SC/ST promoter (s).



## Implementation Schedule & Penalty

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- The implementation schedule for the project would be 20 / 24\* months.
- No extension of time for implementation of the project will be given. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with the approval of the Inter Ministerial Approval Committee (IMAC)
- Non implementation leads to cancel the approval granted to the Project & recall the grant along with Interest @ 10% p.a.
- In case of failure to operate the project for at least 3 years after commencement of commercial operation, the promoter shall return the entire grant-in-aid with interest



## Basic

# Eligibility

- Net worth at least 1.5 times of Grant applied for
- In-principle or final term loan sanction from Bank/FI date of issue of EOI should be earlier than date of sanction of term loan.
- Min. Term loan should be 20% of Project Cost( for North East States, it is 10%)
- Detailed appraisal note from the bank/financial institution specific to the proposal
- Infusion of equity of at least 20% (whereas for North East States, Himalayan States, Islands & ITDP Areas is 10%)
- Same applicant/ organization shall not be entitled for more than two grants from the Ministry under any of its schemes in 5 years.
- Applicants/ Promoters who have availed assistance under any other scheme , then their project should commenced commercial operation/ production and successfully completed at least 1 year before the date of advertisement of EoI of the scheme.
- No second Proposal from existing Promoter(s), who have availed grant from MoFPI.
- Expansion /upgradation of the existing facility(ies) in the same premises are not eligible

## Basic

# Eligibility

- Grant is **restricted only to** the plant & machinery and technical civil work.
- Date of commercial operation should **not be prior to** the date of issue of **EoI**.
- All equipment/ **P&M** of the project should be **New**.
- **Diary Proposals** are also entertained.
- Capacities mentioned in Proposal should not be allowed to drop at subsequent stage.
- **If applicant is not present during the Technical Committee (TC) meetings and Inter Ministerial Approval Committee (IMAC) Meetings, the proposal shall be deferred for consideration.**
- Project should operate for at least **3 years** after commencement of commercial operation, failure leads to Penal Interest .
- Promoter(s) of the completed projects will submit the required documents every year to the Ministry for **next 5 years** from the date of release of 3rd and final installment of the approved grant.
- Project is liable to be cancelled in case of non-adherence to the timelines of 30 days, 90 days and 1st instalment of grant due to the project unless extended by the IMAC.



## Ineligible items:

### Non-technical civil works

1. Compound Wall
2. Approach Road/Internal Roads
3. Cost of Land and site development
4. Administrative Office Building
5. Canteen
6. Labour Rest Room and quarters for workers
7. Security/ Guard Room or enclosure
8. Consultancy fee, taxes, etc.

Other Non-technical civil works not related to cold chain or storage infrastructure



# Items not to be considered for calculating grant.

- Margin money, working capital and contingencies
- Fuel, consumables, spares and stores
- Transport vehicles other than the reefer trucks/vans/refrigerated carrier/insulated vans/milk tankers
- Pre-operative expenses
- Second hand/ old machines
- All types of service charges, carriage and freight charges, etc.
- 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.

Items **not to be considered** for calculating grant.

- Stationery items
- Plant & machinery not directly related to cold chain infrastructure
- Fire-fighting equipment, fly catchers, hand washer, laundry etc.
- Reconditioned and refurbished plant & machinery

**Note:**

Inter-Ministerial Approval Committee (IMAC) will be the final authority to decide on the admissibility of the grant and the eligibility or otherwise of the items for this purpose.

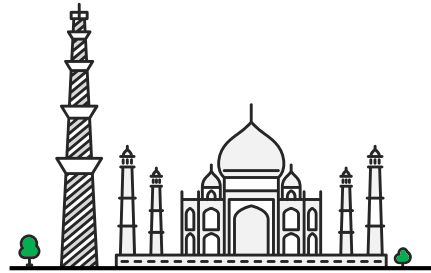
**Scheme will be Selected & Scrutinized by Technical Committee & approved by Inter-Ministerial Approval Committee (IMAC) .**

## Contact Us:



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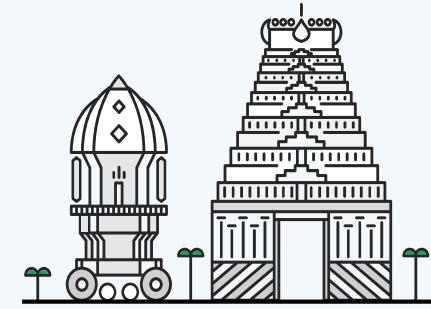
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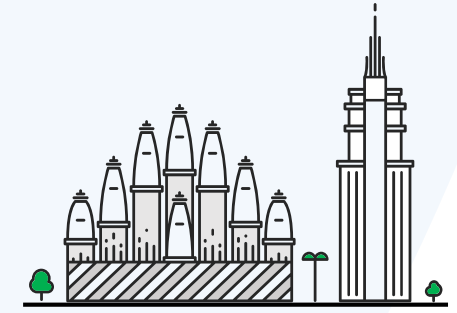
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# Thank You



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