

F. No. FM-11-12/1/2021-PLIS
भारत सरकार/Govt.of India
खाद्य प्रसंस्करण उद्योग मंत्रालय
Ministry of Food Processing Industries
पंचशील भवन, अगस्त क्रान्ति मार्ग
Panchsheel Bhawan, August Kranti Marg
नईदिल्ली / New Delhi 110049

IMPORTANT NOTICE

Dated 9th April, 2021

Subject: Approval of Government of India on New Central Sector “Production Linked Incentive Scheme for Food Processing Industry”

Government of India has approved a new Central Sector Scheme - “Production Linked Incentive Scheme for Food Processing Industry” for implementation during 2021-22 to 2026-27 with an outlay of Rs. 10,900 crore. Under the Scheme, food manufacturing entities would be supported for significant expansion of food output to increase in the level of processing, minimization of wastage and increase in value addition. The Scheme would be implemented by Ministry of Food Processing Industries (MoFPI).

1. Objective:

1.1 The objective of the scheme is to support creation of global food manufacturing champions; support Indian brands of value added food products in the international markets; increase employment opportunities for off-farm jobs, ensuring remunerative prices of farm produce and higher income to farmers.

2. Components: The scheme has three broad components.

2.1 The first component relates to provision of fiscal incentives to select large manufacturers of food products who commit to make prescribed minimum investments and achieve increase in sales as per the prescribed growth rates in the following four segments:

(i) Ready to Cook/ Ready to Eat (RTC/RTE) including millet based foods,

(ii) Processed Fruits & Vegetables,

(iii) Marine Products, &

(iv) Mozzarella Cheese.

2.2 The second component is for providing support to small and medium enterprises in the four segments who manufacture innovative/ organic products.

2.3 The third component of the scheme provides grant to companies for branding and marketing abroad to incentivize emergence of strong Indian global brands.

3. Eligibility

3.1 Food manufacturing entities willing to make minimum stipulated investment for expansion of processing capacity would be eligible for incentive under the scheme. Minimum investments for the eligibility of the applicants are given in the **Annexure-I**. The committed investment should be made in the product segment that the entity has been selected for in the years 2021-22 and 2022-23. Investment already made in the year 2020-21 would also be included in this.

3.2 Small & Medium Enterprises (SME) with Innovative/ Organic products would be provided incentive on increased sales above the Base year as is provided to large entities. Selection of SMEs and products would be based on the nature of product, stage of product & market development, business plan and potential for scalability as specified in their project proposal. The condition of minimum sales and committed investment will not be applicable in such cases.

4. Coverage of Food Products:

The scheme is applicable only for the sale of products whose entire manufacturing process takes place in India.

5. Incentives on Sales:

5.1 The incentive under the scheme would be paid for six years from 2021-22 to 2026-27 on incremental sales over the base year. The Scheme is fund limited, meaning that the selected entities would only be paid the incentive from the total funds allocated for the Scheme.

5.2 Base Year for calculation of Incremental sales would be 2019-20 for the first 4 years. For 5th & 6th years, the base year would be 2021-22 & 2022-23 respectively.

5.3 Incentive would be payable to the selected applicants on the incremental sales over the base year. The rates of incentive for each of the food segments are given in **Annexure-II**. The selected entities would need to achieve minimum Cumulative Aggregate Growth Rate (CAGR) each year to be eligible to receive the incentive.

5.4 The incentive payable for a particular year will be due for payment in the following year.

6. Financial Outlay:

Total financial outlay of the scheme during 2021-22 to 2027-28 is Rs. 10,900 crore.

7. Segment Allocation:

7.1 The indicative segment-wise financial allocation for sales based incentives under the scheme is at **Annexure-III**.

7.2 Inter-segment allocations and those for branding & marketing abroad are indicative and could be changed based on demand except that allocation for F&V segment shall not be reduced.

7.3 No company would get more than 25% of the total budget for that segment and no company should get less than 5% of the segment outlay. For processed Fruits & Vegetables segment, MoFPI may relax the norms of minimum 5% per company.

8. Branding & Marketing:

8.1 Support for promotion of Indian Brands envisages grant to the applicant entities for branding & marketing including in store branding and shelf space renting in large stores. The entities shall submit a five year programme for availing such assistance.

8.2 Government of India would provide 50% grant on the expenditure made by each company subject to a limit of 3% of turnover or Rs.50 crore per year, whichever is less.

8.3 For companies not getting incremental sales-based incentives, also grant would be provided at 50% of the total expenditure on branding and marketing abroad. This

grant would be subject to a limit of 3% of turnover or Rs 50 crore per year, whichever is less. Such entities shall agree to spend at least Rs.5 crore over a period of five years.

8.4 The Government of India grant would be back-ended and gradually tapering over the period of the scheme.

9. Application

9.1 Application will be invited through Expression of Interest (EOI). Application Window will be specified in the EOI.

9.2 The detailed guidelines of the scheme will be uploaded on the website of the Ministry. The Scheme guidelines would include list of products eligible for incremental sales based incentive in each product category, minimum Cumulative Aggregate Growth Rate (CAGR) to be achieved each year by the selected entities to be eligible to receive incentive, procedure for applying, etc.

Manoj Joshi

Manoj Joshi

Additional Secretary to Government of India

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To,

1. The Chief Secretaries of all the States / UTs
2. CEO, NITI Aayog, Yojana Bhavan, Sansad Marg, New Delhi.
3. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi.
4. Secretary, Department of Agriculture, Cooperation & Farmers Welfare, Krishi Bhawan, New Delhi.
5. Secretary, Department of Agriculture Research & Education, Ministry of Agriculture, Cooperation & Farmers Welfare, Krishi Bhawan, New Delhi.
6. Secretary, Department of Animal Husbandry, Dairying & Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying, Krishi Bhawan, New Delhi.
7. Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi.
8. Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Krishi Bhawan, new Delhi.
9. Secretary, Ministry of Micro, Small and Medium Enterprises, Udyog Bhawan, New Delhi.
10. Secretary, Department of Commerce, Udyog Bhawan, New Delhi.

11. Secretary, Department of Financial Services, Jeevan Deep Building, Sansad Marg, New Delhi.
12. Secretary, Department of Science and Technology, Technology Bhavan, New Mehrauli Road, New Delhi.
13. Secretary, Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi.
14. Secretary, Department of Rural Development, Krishi Bhawan, New Delhi.
15. Secretary, Ministry of Skill Development and Entrepreneurship, Shram Shakti Bhawan, Rafi Marg, New Delhi.
16. Secretary, Department of Promotion of Industry and Internal Trade, Ministry of Commerce, Udyog Bhawan, New Delhi
17. The Joint Secretary, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi
18. The Joint Secretary, Prime Minister's Office, South Block, Raisina Hill, New Delhi

Copy to:

1. The Vice Chancellor, National Institute of Food Technology Entrepreneurship and Management (NIFTEM), Plot No. 97, Sector 56, HSIIDC Industrial Estate, Kundli, Sonapat, Haryana 131028
2. The Director, Indian Institute of Food Processing Technology (IIFPT), Pudukkottai Road, Thanjavur, Tamil Nadu 613005

Copy to:

3. PS to Hon'ble Minister, FPI
4. PS to Hon'ble MOS, FPI
5. PSO to Secretary, FPI
6. PPS to AS&FA
7. PPS to AS
8. All Officers of MoFPI

Annexure-I

Eligibility of Applicants Under PLIS (Food Processing Industry)

Segment	Minimum Sales (₹ crore)	Minimum Investment (₹ crore)
RTE/ RTC	500	100
Processed Fruits & Vegetables	250	50
Marine	600	75
Mozzarella Cheese	150	10 MTPD plant-₹ 23 cr
Innovative/ Organic products of SME including FR Eggs, Egg products, Poultry Meat	Based on the proposal submitted by the Applicant	

Annexure-II

Rates of Incentives on Sales over Years

Year	RTC/ RTE	Processed F & V	Marine Products *	Mozzarella Cheese
2021-22	10%	10%	6%	10%
2022-23	10%	10%	6%	10%
2023-24	10%	10%	6%	10%
2024-25	10%	10%	6%	8%
2025-26	9%	9%	5%	6%
2026-27	8%	8%	4%	4%
* 10% Incentive Rate for Value Added Marine products for all 6 years. **Base Year for calculation of Incremental sales would be 2019-20 for the first 4 years. For 5th & 6th years, the Base year would shift to 2021-22 & 2022-23 respectively.				

Annexure-III

Segment-wise indicative outlay under Productivity Linked Incentive Scheme								(₹ Crore)
	RTC/ RTE Food s	Process ed F & V	Marine Product s	Mozzare la Cheese	Incentiv e on Sales	Brandin g & Marketi ng Abroad	Adm n Cost	Total
Total	4181	3582	993	283	9040	1500	110	10,900*
*This includes ₹ 250 crore (Approx 2% outlay) which has been earmarked for Innovative/ Organic products in the SME Sector, including Free range Eggs, Poultry Meat , Egg Products, which may come from any/ all of the Segments.								

