

Subsidy Scheme from Government of India for setting up of Agro processing Clusters (APC)

Introduction

Ministry of Food Processing Industries, Govt. of India has announced a very lucrative scheme for setting up of Agro Processing Clusters.

The scheme is popularly known as **“Creation of Infrastructure for Agro Processing Clusters”** under Pradhan Mantri Kisan Sampada Yojana.

Eligible Entities

Agro Processing Cluster Projects can be set up by entity such as Pvt. Sector/ Partnership Firms/ Proprietorship Firms/ Govt. Departments/PSUs/ FPOs/ Self Help Groups (SHGs) etc.

Salient Features

- ✓ At least 5 food processing units with a minimum aggregate investment of Rs. 25 Cr. will be set up in agro processing cluster.
- ✓ At least 10 acres of land for the project will be required for the project.
- ✓ The land should be arranged either by purchase or on lease for at least 50 years.
- ✓ New agro processing cluster will not be sanctioned in the same district where Mega Food Park has already been approved by Ministry.
- ✓ Expansion/Up gradation of Existing facilities is not eligible.
- ✓ Food processing industries that make food products fit for human & animal consumption (except alcoholic product) may be permitted to be set up in APC.
- ✓ Preference will be given to projects proposing preservation and/or processing of perishable food products.

Pattern of Assistance/Grant

- ✓ 35% of the eligible project cost in General Areas.

- ✓ 50% of the eligible project in difficult areas which includes - North Eastern States as well as for projects owned by SC/ST, FPOs and SHGs.

Note –

- In all cases maximum grant is Rs. 10.00 crore.
- SC/ST entrepreneurs having 51% stake will be treated as SC/ST proposals.

Eligible Components of the scheme

- ✓ **Basic enabling infrastructure** - it includes site development such as boundary walls, roads, drainage, electricity & water supply, ETP, weigh bridges, common office space, labour rest room etc.
- ✓ **Core Infrastructure** – it includes common facilities of capital intensive nature like food testing lab, IQF, cleaning, grading, sorting and packing facilities, dry warehouse, cold storage, ripening chambers etc.

Points to Remember

Particulars	Net worth criteria
For General Category	
Newly formed company	Net worth of individual promoters/directors/shareholders shall be at least 1.5 times of the grant
Existing Company	Net worth shall be ascertain based on the paid up share capital and reserves created out of profit and which shall be at least 1.5 times of the grant
Entities other than the companies (Proprietorship/Partnership firms/NGOs/Cooperatives/SHGs /LLPs/ FPOs)	Net worth will be ascertained on the basis of latest balance sheet of individual proprietor/partner(s)

Company/Firm/NGOs/ Cooperative /LLPs owned by SC/ST, FPOs/SHGs or proposals from difficult areas	Net worth shall be equivalent to the grant.
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Particulars	Funding pattern
Means of finance – General Category	1) Equity shall not be less than 20% of total project cost 2) Term Loan shall not be less than 20% of total project cost
Means of finance – SC/ST, FPOs, SHGs and difficult areas	1) Equity shall not be less than 10% of total project cost 2) Term Loan shall not be less than 10% of total project cost

Particulars	Timeline/installment of claim of subsidy
Timeline for completion and operationalization of projects – General Area	24 Months from the date of approval
Timeline for completion and operationalization of projects – Difficult Area	30 Months from the date of approval
Installments for claiming the subsidy	3 installments

If you have any query please feel free to contact the undersigned.

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