

FAQ'S

Sectoral**Food Processing****1. Is Atta/Maida/Besan supplied in bulk liable to tax under GST?**

Outward supply of these goods, if effected without registered brand name, is exempt under GST. However, if the outward supply is made under a registered brand name and put up in unit container then it would be liable to tax @ 5%.

2. A registered person is sending semi-cooked food from his manufacturing unit at Gurugram to his branch in Delhi. Is he required to pay any tax?

In accordance with the provisions of Section 25(4) of the CGST Act, 2017, branches in different States are considered as distinct persons. Further, as per Schedule I, this constitutes supply made in the course or furtherance of business between distinct persons even if made without consideration. As it is an inter-State supply, the registered person is required to pay IGST.

3. What is FSSAI, 2006 and why this Act is needed?

FSSAI 2006 is an Act enacted to keep with changing needs/requirements of time and to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India. The Act was needed to bring out a single statutory body for food laws, standards setting and enforcement so that there is one agency to deal and no confusion in the minds of consumers, traders, manufacturers and investors which was due to multiplicity of food laws.

4. What is National Livestock Mission?

National Livestock Mission is an initiative of the Ministry of Agriculture and Farmers Welfare. The mission, which commenced from 2014-15, has been designed with the objective of sustainable development of the livestock sector. NABARD is the subsidy channelizing agency under Entrepreneurship Development & Employment Generation (EDEG) component of National Livestock Mission. This includes: 1) Poultry Venture Capital Fund (PVCF). 2) Integrated Development of Small

Ruminants and Rabbit (IDSRR). 3) Pig Development (PD). 4) Salvaging and Rearing of Male Buffalo Calves (SRMBC).

5. What is the Agricultural Marketing Infrastructure scheme?

It is common knowledge that there is a need to promote agriculture marketing infrastructure projects for reducing the involvement of intermediates and minimizing post-harvest losses. A robust agriculture marketing infrastructure will ensure better remuneration to farmers and supply of better quality products to consumers and processing industries. During the XII plan period, the estimated investment for marketing infrastructure and value chain development was \$ 8.61 billion . To address this need, the Department of Agriculture and Cooperation (DAC), Govt. of India has introduced the Agricultural Marketing Infrastructure (AMI) Scheme by merging the earlier GrameenBhandaranYojana (GBY) and the Scheme for Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization (AMIGS).

6. What is interest subvention to Small and Marginal Farmers against Negotiable Warehouse Receipts?

In order to discourage distress sale of produce by farmers and to encourage them to store their produce in warehouses against warehouse receipts, Government of India (GoI) had introduced a scheme in 2011-12 for extending concessional loans to the farmers against negotiable warehouse receipts. Post-harvest loans against Negotiable Warehouse Receipts (NWR) provided by banks to Small and marginal farmers (SF/MF) having Kisan Credit Cards, would be eligible for interest subvention, for a period of up to six months on the same rate as available to crop loan. SF/MF, who have not availed crop loans through banking system, would not be eligible. No additional subvention towards prompt repayment, as is available for crop loans, is envisaged under the scheme.

7. Can foreign investors, private equity arms of foreign firms become members in SPV and invest in creation of common infrastructure in form of equity?

Yes, such firms can join hands with Indian promoters to form the Special Purpose Vehicle and invest in the project by way of contributing equity. It may also be noted here that foreign direct investments in food processing sector is allowed under automatic route in India. However, adequate documents with regard to net worth and other relevant financial details in respect of such firms must be provided with the EOI proposal.

8. What types of industries/units are permitted in Mega Food Park?

Only food processing industries/units that make food products fit for human and animal consumption are permitted to be set up in the Mega Food Parks. Packaging facilities of food products as ancillary to the food processing industries will also be eligible for setting up in the Mega Food Parks. However, setting up of alcoholic beverage unit as an anchor unit will not be allowed.

9. What is 'eligible project cost' in Mega food park?

The 'eligible project cost' is the total project cost but excludes cost of land, preoperative expenses and margin money for working capital. However, interest during construction (IDC) as part of preoperative expenses and fee to PMC up to 2% of the approved grant would be considered under eligible project cost (refer para. 4.1 of guidelines, at the link).

10. For Mega food park, does the land needs to be changed from Agricultural to Industrial?

Yes, it is mandatory to have Change of Land Use (CLU). CLU is not required in case the land is already in a designated industrial area.

11. What is minimum land requirement for setting-up Mega Food Park?

The minimum land required for setting-up a Mega Food Park is 50 acres of contiguous land and free from any kind of encumbrance. The selection of land needs to be justified in terms of connectivity and availability of basic infrastructure such as approach road, power, water etc. as also in terms of availability of raw materials/market.

12. What are the commodities under the Warehousing development and regulatory authority?

The authority had approved 115 commodities including cereals, pulses, oil seeds, spices, rubber, tobacco, coffee, etc. for issuing negotiable warehouse receipts and also 26 perishable commodities for cold storage.

13. What are the major activities of Central Warehousing Corporation (CWC)?

CWC provides storage and warehousing facilities for more than 400 commodities to wide range of clients comprising of public and private institutions, cooperative societies, traders, farmers, importers/exporters, etc. besides providing the services for storage and warehousing, CWC also undertakes the following activities: i) Providing Pest Control Services at the door step of customers which include general pest control, disinfestation of aircrafts, rail coaches, fumigation of containers/ships, pre and post construction anti termite treatment, etc. ii) Providing infrastructure such as CFSs/ICDs/Air Cargo Complexes/Cargo/Terminal of ICP etc. for supporting the EXIM trade. iii) Providing handling and transport facilities at the request of the depositors. iv) Consultancy of warehouse construction and warehousing related activities. v) Training of farmers for safe storage of foodgrains at farm level and assisting them in securing cheap institutional credit.

14. How much grant-in-aid is provided for storage infrastructure under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?

For storage infrastructure including pack house and pre cooling unit, ripening chamber and transport infrastructure, grant-in-aid @ 35% for General Areas and @ 50% for North East States, Himalayan States, ITDP Areas & Islands, of the total cost of plant & machinery and technical civil works will be provided. Please visit the following link for more information.

15. How much grant-in-aid is provided for value addition and processing infrastructure under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?

For value addition and processing infrastructure including frozen storage/ deep freezers associated and integral to the processing, grant-in-aid @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands, will be provided. Please visit the following link for more details.

16. How much grant-in-aid is provided for irradiation facilities under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?

For irradiation facilities grant-in-aid will be provided @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands. <http://mofpi.nic.in/sites/default/files/cc-eng.pdf>

17. How much grant-in-aid is provided for value addition and processing infrastructure under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?

For value addition and processing infrastructure including frozen storage/ deep freezers associated and integral to the processing, grant-in-aid @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands, will be provided For more information, please click [here](#)

18. How much grant-in-aid is provided for irradiation facilities under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?

For irradiation facilities grant-in-aid will be provided @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands For more information, click [here](#)