



Guidelines on Production Linked Incentive (PLI) Scheme for Food Processing Industry

PLISFPI



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Objective

Support the creation of global food manufacturing champions; promote Indian brands of food products; increase employment opportunities for off-farm jobs, ensure remunerative prices of farm produce and higher income to farmers.

Components

The objectives are sought to be achieved through the introduction of a Production Linked Incentive (PLI) Scheme. The scheme has three broad components.

- Incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) including millet-based foods, Processed Fruits & Vegetables, Marine Products & Mozzarella Cheese.
- Incentivising Innovative/ Organic products of SMEs across all the above four food product segments including Free Range - Eggs, Poultry Meat & Egg Products.
- Support for branding and marketing abroad to incentivize the emergence of strong Indian brands

Tenure of the Scheme

- The tenure of the Scheme is six years from Financial Year 2021-22 to Financial Year 2026-27.

- The Incentive payable for a particular year will be due for payment in the following year.
The Incentive payable for 2026-27 will be due for payment in 2027-28

Beneficiary Category

- **Category-I:** Applicants are large entities who apply for Incentive based on Sales and Investment Criteria. Applicants under this category could undertake Branding & Marketing activities abroad also and apply for Incentives under the scheme.
- **Category-II:** SMEs Applicants manufacturing innovative/ organic products who apply for PLI Incentive based on Sales.
- **Category-III:** Applicants applying solely for Incentive for undertaking Branding & Marketing activities abroad.

Eligibility

| Appendix-A: Eligibility Criteria for different Categories of Applicants | | |
|---|--|-------------------------------|
| Category-I: | | |
| Segments | Minimum Sales of All Food Products in 2019-20 (Rs Crore) | Minimum Investment (Rs Crore) |
| RTE/ RTC | 500 | 100 |
| Processed Fruits & Vegetables | 250 | 50 |
| Marine | 600 | 75 |
| Mozzarella Cheese | 150 | 10 MTPD Plant-Rs 23 cr |

| Category-II: | | |
|---|--|--|
| <ul style="list-style-type: none"> (i) Udyog Aadhar/ Udyami Registered; (ii) Achieved Minimum Sales of Rs 1 crore during 2019-20 for each of the innovative/ organic products proposed to be incentivised; (iii) Applicant for Organic Product shall be registered with APEDA for the organic product proposed to be incentivised. | | |

| Category-III: | | |
|---|--|--|
| <ul style="list-style-type: none"> (i) Only Indian Brands are covered for selling food products completely manufactured in India; (ii) Branding & Marketing shall be undertaken either by the Applicant directly or through its subsidiary or any other Agency. | | |

Support under the scheme shall be provided only to the Applicants engaged in manufacturing of food products in India & sales of such products covered under the target Segments. SME Applicants should engage in such activities for innovative/ organic food products

Under the Scheme, the following four Segments of food products are covered:

1. Ready to Eat/ Ready to Cook (RTE/RTC)
2. Fruits and Vegetable Products
3. Marine Products
4. Mozzarella Cheese

Benefits of Scheme

| Appendix-C: Rates of Incentives on Incremental Sales | | | | |
|--|----------|-----------------|-------------------|-------------------|
| 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, as specified at Appendix-B 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.