

**GUIDELINES FOR ENTREPRENEURS
FOR SETTING UP AGRO INDUSTRIES
IN GUJARAT**

I AGRO INDUSTRY :

Q. 1 What is an Agro Industry ?

ANS. The State Government has announced a new Agro industrial policy 2000.

This has defined agro industries as under :

“Agro industries are those units which add value to agriculture products/residues, both food and non-food, by processing into products which are marketable or usable or edible or by improving storability or by providing the link from farm to the market or part thereof. Agro industry also includes Hi-Tech and Bio-technology based agriculture. “Agricultural Product” means produce of agriculture, horticulture, sericulture, floriculture, fisheries and includes minor forest produce and live stock based products, except dairy and dairy based products. (Features of Agro industry are given in ANNEXURE-I).”

The scope of agro industries is enlarged for the first time, to include all elements of food chain from farm to the market grading, sorting, pre-cooling, packing, refrigerated transport, warehousing, cold storage, retail outlets for handling agriculture, horticulture and floriculture products.

II. PRODUCT SELECTION, EXTENT OF VALUE

ADDITION AND LOCATION :

Q.1 Which organisation can advise on product selection and extent of value addition ?

ANS. Gujarat Agro Industries Corporation Ltd. (GAIC), the Nodal Agency of the State Government can provide Commodity Profiles for important crops of Gujarat. The commodity profile include the latest available statistics on production, price trends, markets, exports, Gujarat’s competitive strengths and investment opportunities in the area of post-harvest facilities and processing of value added products.

Gujarat Industrial & Technical Consultancy Organisation (GITCO)/ Industrial Extension Bureau (iNDEXTb) can provide selected project profiles for investment in Agro and Food Processing Sector.

The entrepreneur can seek useful advice from following organisations. (Detailed information is at ANNEXURE-II).

Specialised project consultants can assist in preparation of Detailed Project Report (DPR). The list can be obtained from GAIC.

Research & Development (R&D) Institutions like Indian Council of Agriculture Research (I.C.A.R.), Council for Scientific and Industrial Research (C.S.I.R.), Central Food Technology Research Institute (C.F.T.R.I.) and Gujarat Agriculture University (G.A.U.) can provide information regarding available technology for processing agro products.

A brief list of relevant research institutions is available with GAIC.

Q.2 What are the considerations in selecting a location for the Agro Industry?

ANS. Most crucial factor is the availability of the raw materials. It ideally should be available within a radius of 60 kms. Besides main raw material, other supplementary raw materials for generating adequate number of days of plant operation have to be identified. In addition, water, power and other infrastructure facilities like access to road, railhead, ports and airport as well as the markets for the products have to be ensured.

In the Agro Industrial policy 2000, incentives are available to the Units in entire State except areas covered under jurisdiction of Municipal Corporation of Ahmedabad, Vadodara, Surat, Rajkot, Jamnagar and Bhavnagar. However, cold chain projects and retail outlets for perishables will be entitled for incentives in areas under jurisdiction of Municipal Corporation also.

III. INCENTIVES FROM THE STATE GOVERNMENT :

Q.1 What are the incentives/ subsidies available to the entrepreneur in Agro Industrial Policy 2000 ?

ANS. The new Agro Industrial Policy of the State offers following incentives to the entrepreneurs.

Financial Incentives	Quantum of Incentives
Interest Subsidy to agro Industrial units.	6% back ended subsidy for 5 years on the interest on term loan subject to a ceiling of Rs. 100 lacs
Interest Subsidy to agri Infrastructure Projects	6% back ended subsidy for 5 years on the interest on term loan, subject to a ceiling of Rs.400 lacs on term loan.
Assistance for Preparation of Project Report.	50% of the expenditure of the cost of the preparation of a project report for setting up Agro industrial unit, subject to a ceiling of Rs 5 lacs.
Assistance for setting up of Center of Excellence/ scientific crop development Institute.	50% of the initial capital investment as assistance, subject to a ceiling of Rs 500 lacs. If such an institute is established under the Company Law, the assistance shall be provided in the form of equity.
Assistance for Patent Registration.	Reimbursement upto 50% of the cost of patent registration, subject to a ceiling of Rs 5 lacs.
Quality Certification Mark Assistance.	50% of the actual expenditure subject to a ceiling of Rs 5 lacs is available to small and tiny Agro industrial units.
Air freight subsidy	25% subsidy shall be provided on air freight for exports of edible produces like mango, chikoo, banana, tomato and such other

products as specified by the State government from time to time, from the Sardar Patel International Airport, Ahmedabad, subject to a ceiling of Rs.10 lacs per beneficiary.

Assistance for sending samples abroad.

50% of the actual expenditure incurred for sending samples abroad subject to ceiling of Rs.50,000/-.

Assistance for Research & Development

50% of the expenditure incurred on research activity subject to ceiling of Rs.20 lacs.

Incentives are available to the new units as well as existing units undertaking technology upgradation, modernisation, expansion or diversification.

THESE INCENTIVES ARE IN ADDITION TO THE INCENTIVES/ ASSISTANCE PROVIDED BY THE CENTRAL GOVERNMENT ORGANISATIONS.

Please refer to the Government Resolution (GR) No.APN/1099/207/ I dated 2nd January, 2001 for further details.

The State Government will help in making available Government land wherever possible including agriculture farms on long lease at concessional rates for agro industries and agri infrastructure projects including centers of excellence.

IV. PROCEDURE FOR AVAILING INCENTIVES :

Q 1. How to avail incentives ?

ANS. 1.1 Agri Business Registration Number (ABRN) :

The entrepreneur is required to obtain ABRN with GAIC for availing assistance under different schemes of the policy. GAIC has prepared ABRN form to get general project information from the entrepreneur. Having registered, the details can be used by GAIC whenever application is received for various kinds of assistance available under the policy. Thus, ABRN will save inconvenience of furnishing details repeatedly and avoid duplication work. ABRN shall also help to

have continuous interaction with the entrepreneur.

1.2 Interest Subsidy :

The entrepreneur is required to furnish information in the application form for availing assistance for agro industrial project, agri infrastructure project and centre for excellence. He is required to prepare the detailed project report and get it appraised by the financial institution providing term loan for the proposed project. The interest subsidy shall be granted towards interest on term loan from nationalised banks and financial institutions recognised by Reserve Bank of India. In case the term loan is granted by a co-operative bank, the entrepreneur is required to get the project appraised by GITCO or such organisation nominated by GAIC. The cost of the appraisal shall be borne by the entrepreneur.

The entrepreneur shall get back ended interest subsidy after the project has commenced the commercial production and started repayment of the loan and interest to the bank/ financial institution. The certificate from the bank/ financial institution is required to be submitted before disbursement can take place. The interest subsidy payable to the entrepreneur will be sent directly to the bank / financial institution.

1.3 Other Subsidies :

GAIC has prepared forms for availing assistance for preparation of Project Report, Patent Registration, Quality Certification Mark, Air Freight subsidy, Sending samples in foreign country for exports, Research & Development. The entrepreneur is required to furnish the information in these forms alongwith enclosures to GAIC.

Application forms can be obtained from GAIC as well as District Industries Centre (DIC). The list of DICs is given in ANNEXURE-III. These forms are made available on line on Website of GAIC_____ and iNDEXTb_____.

1.4 Sanctioning Authority :

The Committee under the Chairmanship of Commissioner of Industries, shall sanction back ended interest subsidy to tiny and small scale agro industries, project report subsidy for obtaining patent registration, quality certification mark and air-freight charges.

The Empowered Committee under the Chairmanship of Chief Secretary shall take policy decisions for effective implementation of Agro Industrial Policy 2000 to accelerate investment in agro industrial sector in the State and sanction back ended interest subsidy to medium and large scale units, agri infrastructure projects, centre of excellence and R&D Projects.

The sanction letter shall be issued by GAIC.

1.5 Disbursement:

Payment of financial assistance shall be made by the office of the Commissioner of Industries

V EQUITY PARTICIPATION :

Q.1 How to get equity participation for the project from the State government organisations ?

ANS. GAIC is the Nodal Agency for facilitating investment in agro industries in the State. It (GAIC) has prepared guidelines for joint/ associate sector projects, which are at ANNEXURE-IV. The entrepreneur interested in joint/ associate sector, is required to furnish information in the application form prescribed for agro industrial project, agri infrastructure project and centre of excellence. GAIC may participate in equity of the project after evaluating it and after obtaining approval of the State Government. Detailed information may be obtained from GAIC.

VI INCENTIVES FROM THE CENTRAL GOVERNMENT ORGANISATIONS :

Q.1. Are there are any other incentives/ subsidies available from National Organizations ?

ANS. The entrepreneur can avail of incentives/ subsidies from Department of Food Processing Industries (DFFPI), National Horticulture Board (NHB), Ministry of Agriculture, and Agriculture & Processed Food Products Export Development Authority (APEDA), Ministry of Commerce, Government of India. The details are given in ANNEXURE-V.

VII. LOAN ASSISTANCE :

Q.1. What are the criteria that a Bank/ Financial Institutions will like while funding the project?

ANS. To fund a project a Bank/ Financial Institution looks into the technical viability, commercial viability, financial viability and economic viability. The project proposal which can generate net revenues so as to enable the entrepreneur to service the loans and get a reasonable return on his own funds has the chance of getting approved. At the same time, the project should not cause any undesirable consequences for the society at large, like pollution, degradation of soil and water resources.

An entrepreneur can get the project report prepared by GITCO, or by any reputed consultants. An illustrative list of reputed consultants is available with GAIC.

Q.2. How to go about arranging finance? Are there any State level financial institutions which can assist an entrepreneur ?

ANS. To get a project funded, the first step is to prepare a project report or get it prepared. This will give a clear idea of cost and revenue streams. Term Loans are available from the State level financial institutions viz. Gujarat State Financial Corporation (GSFC) and Gujarat Industrial Investment Corporation Ltd. (GIIC). GSFC provides term loan to projects up to Rs 240 lacs where as GIIC provides financial support to projects more than Rs 250 lacs. A brief write up is given in ANNEXURE VI.

The project can also get finance from nationalised banks and financial institutions recognised by the Reserve Bank of India.

Q.3. Are there other funding institutions from where an entrepreneur can get financial help ?

ANS. An entrepreneur can get finance from the all-India term lending institutions like Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Industrial Credit & Investment Corporation of India (ICICI), provided the project needs are Rs. 10 crores or more. In addition Small Industries Development

Bank of India (SIDBI) and National Credit Development Corporation (NCDC) also provide finances for Agro Industry. A brief write up on these institutions is given in ANNEXURE-VI.

VIII QUALITY CERTIFICATIONS REQUIRED :

Q.1. What are the quality certifications required for agro processing industry?

ANS. F.P.O: Any food (fruit and vegetables) processing unit has to register itself under Food Product Order (FPO). The unit has to manufacture products in conformity with the sanitary requirements and appropriate standard of quality and composition as specified, norms of minimum area required for manufacturing & storage, and minimum production permissible. Qualification of technical staff and minimum equipment are also specified and are subject to inspection under the act.

ISI Mark : The Bureau of Indian Standards (BIS) has evolved standards for monitoring the quality of finished products by laying down the specifications for each product and its testing methods and those units that comply with these standards and register themselves with BIS and agree to pay the prescribed fee are allowed to use the ISI logo on the product as mark of quality.

AGMARK : AGMARK is akin to the ISI mark but specific for food products and the Department of Agriculture marketing and inspection, Government of India (GOI), gives this certification. The Department has offices in every state to facilitate the entrepreneurs. Agmark certification is optional depending upon the need for quality assurance by the customers.

ISO 9000/ 14000: The ISO 9000 standard was developed by the International Organisation for Standardization (ISO), Geneva. It is an internationally recognised quality business system benchmark that can be applied to any business system in any environment.

The new and existing units in Agro industries can promote their quality / management systems with the view to strengthen their marketing and export capabilities by going for ISO 9000 certification. The ISO 9000 series of standards include a number of guideline standards and three Quality Assurance (QA) models viz. .ISO

9001,9002 & 9003. Now there is ISO 14000. The QA models are to be chosen depending upon the nature of activities undertaken by an organization.

HACCP : This is essential for the product which are to be Exported. The Hazard Analysis Critical Control Points (HACCP) concept is a preventive system of control , particularly with regard to microbiological hazards . It is a system approach for estimating the risks in producing a food product Hazard Analysis is the identification of sensitive ingredients, critical process points and the relevant human factors, as they affect product safety.

A list of APEDA recognised Certification Bodies is given in ANNEXURE-VII.

A list of APEDA recognised Laboratories is given in ANNEXURE-VIII.

APEDA provides assistance to exporters & producers for installing quality management systems. The subsidy is to the extent of 50% of the cost subject to a ceiling of Rs. 2 lacs per beneficiary for each system.

ORGANIC FOODS : Government of India, under the Ministry of Commerce launched the National Organic Programme in April 2000. National Organic Standards have been formulated under which the APEDA, Spices Board, Tea Board and Coffee Board have been designated as Accreditation Agencies. A list of APEDA recognised certifying agencies is given in ANNEXURE-IX.

IX. GOVERNMENT PERMISSIONS REQUIRED :

Q.1. What are the other Government permissions required for setting up agro industrial project in Gujarat?

ANS. Liberalization process at the national level is now gradually percolating at the grass root level. Still a few permissions from Government or Government organizations are required:

Government Permissions	Concerned Department
Permission for starting the agro industrial project	Industries Commissionerate, (offices in each district)
Approval of Factory Lay out	Town Planning Department \ Village Panchayat
NOC on Pollution Control	State Pollution Control Board
ISI Certification	Bureau of Indian Standards
Agmark Certification (optional- depending Upon the requirement of the customers for quality assurance)	Directorate of Marketing and Inspection, Ministry of Rural Development, GOI
Sales tax number from the State	Department of Sales Tax, (Government of Gujarat)
CST no from the Central Government	Department of Sales Tax (Government of Gujarat)
Professional tax no	Department of Sales Tax (Government of Gujarat)
License under Shop and Establishment Act	Municipal Corporation
Registration under PFA Act	Food and Drug Controllers Office
Boiler Inspection and verification of smoke Nuisance	Steam Boiler and Smoke Nuisance Department
Income tax no.	Income Tax Department
Electricity Connection & sanction load	GEB
Inspection & approval of electrical installations	Chief Electrical Inspector Commissioner of Electricity Duty.
Inspection and passing of heavy	RTO Office

vehicles \ reefer vans, mobile pre-cooling units	
Number, inspection and collection of excise duty	Department of Central Excise
Registration under Provident fund	Employees Provident fund Organization
Inspection of Weights, measures and packaging	Controller of Legal Metrology Department
Inspection of labs using sprits and alcohol in an industrial unit	Prohibition and Excise Department

However, all the permissions are not required from the day one but as the unit becomes operational, most of the above mentioned major permissions have to be obtained.

X. EXPORT-IMPORT POLICY :

Q.1. Are there any Export Zones meant for the Agro based products specifically and are there any references in Export- Import policy on this?

ANS. In chapter 16 of the Export- Import policy of GOI 1/4/97 to 31/3/2002, there are policies outlined to provide improved access to the produce/products of the Agriculture and allied sectors in the international market. State Governments are encouraged to identify product specific Agri zone for end to end development for export of specific products from a geographically contiguous areas and evolve a comprehensive package of services, such as pre/post harvest treatment and operations, plant protection, processing, packaging, storage and related R&D. APEDA supplements efforts of State government for facilitating exports.

FEATURES OF AGRO-INDUSTRY

Agricultural products means produce of Agriculture/Horticulture-Sericulture-Floriculture-Fisheries (except conventional technology process of crushing oil from edible oilseeds) and it also includes minor forest produce and live stock based products (except dairy and dairy- based products).

Hi-tech and Bio-technology based Agriculture means and includes project/s which involve any one of the processes such as Tissue culture, Production of Transgenic Plant, Mass Multiplication of parasites/predators, Fermentation plant for bio-fertilizers, Gene Mapping, Cloning and Genetic engineering, Green house, Aquaculture etc

The Agro industries processes raw materials which are subject to seasonality, perishability and variability. There are also cyclic variations in their availability. These unique features of Agro industries' necessitate the industries' integration with the farmers to source raw material supply. In addition to this, the decision of selecting an agricultural product depends upon the demand -supply position, procurement of proper machinery, appropriate technology, scale of operations and the profit margin.

In case of Agro Industry, product selection also depends on degree of processing envisaged. Agro Industry can be from simple handling and preservation of fresh fruits and vegetable to highly complex products like ready to eat foods etc. This is clearly shown in the following table:

I	II	III	IV
Manual-Mechanical*	Mechanical*	Mechanical-Chemical*	Chemical*
Types of Processing Activity			
Cleaning	Ginning	Cooking	Texturization
Grading	Milling	Pasteurization	Chemical
Packing*	Cutting	Canning	Alteration
Pre-cooling*	Mixing	Dehydration	
Refrigerated Vans*		Freezing	
Cold storage with multi-chambers*		Weaving	
Retail outlets*		Extraction	

Fresh Fruits	Cereal Grains	Assembly Dairy Products Fruits and Vegetable	Instant foods Textured Vegetable Products
Fresh Vegetable	Meat Spices	Meats Sauces	
Eggs	Animal Feeds	Textiles and Garments	
	Jute Cotton Lumber Rubber	Oil Furniture Sugar Beverages	

*This classification has been added by Dr.U.K. Srivastava. Chief Advisor, P. S. Management Consultants, Ahmedabad.

Source: Austin, James E Agro Industrial Project Analysis, John Hopkins University Press, Baltimore and London 1981,pp3-4.

As you move from level I towards level IV, the technology inputs required, the investment requirements, and complexity of management, specially marketing of finished products, becomes more and more complex. Level I also covers the entire cold chain from the farms to the consumers for handling fresh fruits, vegetables and flowers.

ANNEXURE-II

APPROPRIATE INSTITUTIONS FOR ADVICE ON PRODUCT SELECTION, VALUE ADDITION, INFRASTRUCTURE ASSISTANCE.

GUJARAT AGRO INDUSTRIES CORPORATION LTD. : GAIC is a State Government Enterprise engaged in proactively facilitating investments in agro industrial sector and providing agricultural inputs and services to the farmers. It also undertakes production and marketing of agro chemicals. It has established network of 500 rural outlets spread through out the State for delivering agriculture inputs and services. It has a vast experience of a multitude of activities of backward and forward integration in agriculture sector.

As the nodal agency for implementation of Agro Industrial Policy 2000, it is playing the promotional role in facilitating the setting up of projects both infrastructure and processing in agriculture sector. It also invites private investments in joint/ associate sector projects in the field of hi tech agriculture, horticulture and

floriculture, agri inputs and/ or marketing, exports and consultancy services related thereto. The guidelines for joint/ associate sector project is placed at Annexure : II.

GAIC is also the nodal agency for Department of Food Processing Industries (DFPI), Ministry of Agriculture, Government of India for promotion and development of Food Processing Industries in the State.

It has devised a set of forms for availing assistance under Agro Industrial Policy 2000.

INDUSTRIAL EXTENSION BUREAU (iNDEXTb): It is the key agency for investment promotion including NRI and foreign direct investment in the state. It provides the following services:

- 1 Assists the entrepreneurs from conception to commissioning of the projects and ensuring speedy implementation of projects.
- 1 Caters to the information needs of entrepreneurs.
- 1 Offers counseling assistance for taking investment decisions and undertaking formalities during the project implementation.
- 1 Assists in acquisition of infrastructure facilities.
- 1 Offers escort assistance.
- 1 Assists State Government in formulation of policies.
- 1 Advises concerned authorities in the form of feedback
- 1 Provides export intelligence service to the exporters through GITPC.(Gujarat International Trade Promotional Council)
- 1 Assists industries in technology up-gradation through TBIIP (Technology Bureau for International Industry Partnership)
- 1 Setting up a state-of-the-art industrial data bank
- 1 Prepares and publishes common literature on behalf of State Industries Administration.

The district-wise Agriculture and Horticulture profiles are available for use of entrepreneur with iNDEXTb. The industrial investment opportunities in the Agro sector have also been identified and quantified. These profiles include castor processing unit, castor oil derivatives, roller flour Mills, Groundnut protein isolates

(spray dried), extruded snack Foods, Rice milling, Floriculture , Mushrooms, Freeze dried food and vegetable products, Food irradiation, peanut butter, IQ shrimps, Brackish water Aquaculture. The Head office of iNDEXTb is in Udyog Bhavan, Sector-16,Gandhinagar-382 016 website:www.indextb.html

THE GUJARAT INDUSTRIAL AND TECHNICAL CONSULTANCY ORGANISATION LTD (GITCO): All India financial institutions, like ICICI, IDBI and IFCI, Gujarat State Industrial Corporations and leading nationalized banks, have jointly promoted GITCO with an objective to provide technical, managerial and marketing consultancy to new as well as existing entrepreneurs, financial institutions and State Government Organizations. Its major services relevant for Agro industrial entrepreneurs are as follows:

- 1 It helps entrepreneurs in scanning out various project opportunities and ultimately selecting a suitable one. It also maintains a large number of project profiles and publishes new project opportunities.
- 1 GITCO helps in preparing a comprehensive project report for funding by the financial institutions and it also prepares loan applications and undertakes necessary follow up.
- 1 GITCO also undertakes exclusive market surveys, may be regional or All India, for small and medium or large projects.
- 1 GITCO has also prepared a profile on Food Park and which can be used by the entrepreneurs .

PROJECT CONSULTANTS SPECIALISING IN AGRO INDUSTRIES:

There are a large number of reputed project consultants who specialize in the Agro industrial projects. They assist the entrepreneurs right from generation of idea to project formulation, funding and even implementation. A brief list of consultants who have done work in Gujarat is available with the Gujarat Agro Industries Corporation Ltd. for consultations by the potential Agro Industry entrepreneurs. Financial institutions also maintain a list of consultants who can assist the entrepreneurs.

Other important organizations assisting the entrepreneurs are:

INDUSTRIES COMMISSIONERATE: It’s role in promotion of new projects as well as in implementing industrial policies of the State and Central Governments is very crucial. It provides the following services:

- 1 Grants necessary permissions for starting an industrial project in Gujarat.
- 1 Approves various incentives under different packages of incentive schemes

to industrial projects.

- 1 Assists in acquiring requisite infrastructure facilities -land, water, power, natural gas, telecommunications, skilled manpower etc., by recommending to the concerned authorities after examining and evaluating their requirements.
- 1 Functions as the Secretariat for Single Window Clearance System.
- 1 Recommends allocation of raw materials such as molasses, alcohol, paraffin wax., palm fatty acid, pig iron, iron & steel, coal & coke furnace oil, LPG etc. based on the requirements of industrial units.
- 1 Provides assistance to industrial units for technological up-gradation and improving product quality
- 1 Supports R&D institutions.
- 1 Functions as the Central Stores & Purchase Organization for different departments/offices of the State Government thereby providing marketing assistance to SSI units.
- 1 Assists in rehabilitation of sick industrial units
- 1 Plays a leading role in promotion of industries ‘through direct assistance as well as effectively coordinating with industries corporations and other departments of the Government.

DISTRICT INDUSTRIES CENTRES: Each district has a District Industries Center. It provides information, opportunities to the entrepreneurs and assists them at various stages of the project cycle, right from the project report to actual implementation of the project at the grass root level and helps in arranging land, electricity etc. It is the first contact point for the entrepreneurs once he has selected a district for setting up an Agro Industry.(List of DICs is given in ANNEXURE-3)

Gujarat Industrial Development Corporation Ltd. (GIDC) is the nodal agency to be approached by entrepreneurs for land and infrastructure facility. GIDC provides infrastructure facilities like plots of land \ sheds, internal roads, effluent disposal facilities, arrangement of supply of water and power in the industrial estates. Amenities like fire stations, hotels, and canteens, banks, post offices, housing, schools, hospitals, shopping centers etc are made available in major, developed industrial estates.

ANNEXURE -III

GUIDELINES FOR JOINT / ASSOCIATE SECTOR PROJECTS

1. The project to be taken up, should be in the field of Agriculture, Horticulture, Floriculture Agri-inputs and/or marketing, Export and Consultancy services related thereto.
2. Projects based on Hi-Tech: GAIC may endeavor to promote projects which bring substantive improvement over the existing levels of technologies resulting into techno-economic benefits. Under this area , the corporation may also encourage projects which would pioneer new lines of manufacture and novel substitute products. Projects with new technology should be supported by satisfactory proof/evidence of proper technology.
3. Projects on marketing & export of agriculture, horticulture, floriculture and agro inputs products: Considering the free foreign exchange regime in vogue, it may be ensured that the products under this category are globally competitive with minimum tariff protection and/or with export incentive on a long term perspective.
4. Project should be within the State of Gujarat.
5. The exit route for disinvestment should be open to GAIC.
6. A project having backward/forward linkage and which optimizes facilities of our infra-structure /man-power should be given priority with existing production capacity of GAIC. In case of joint venture, which envisages utilization of corporation's facilities/infrastructure, it could be either on outright sale or lease basis as negotiated with the joint/associate sector entrepreneur. In case entrepreneur is not willing to take over the facility on wet basis, the corporation should consider agreeing to sale/lease on dry basis. The corporation should offer the employees of this unit VRS as framed and approved by the State government
7. Projects with the association of government agency/ public sector undertaking of state as well as central government along with the private entrepreneur should be given preference.

8. The guidelines framed by the Government of Gujarat for joint/associate sector be strictly followed.
9. Earnest Money Deposit should be deposited by the promoters at the time of signing of MOU, as under
 - 1. For projects costing upto Rs. 5 crores
EMD Rs. 50,000.
 - 1. For projects costing more than Rs. 5 crores
EMD Rs. 1,00,000.

ANNEXURE-IV

LIST OF DICs

<p>1 General Manager Zilla Udyog Centre 1st floor,Bachut Bahvan Relief Road Ahmedabad Tel:079-5508302,5508339</p>	<p>2 General Manager Zilla Udyog Centre Narmada Bhavan Jail Raod Vadodra Tel:0265-423246</p>
<p>3 General Manager Zilla Udyog Centre Rajmahal Road Compound Amreli. Tel: 02792-20529</p>	<p>4 General Manager Zilla Udyog Centre Nagrik Society, Dr. Mehssa no Banglow, Hospital Road Kutchh-Bhuj Tel: 02831-50501</p>
<p>5 General Manager Zilla Udyog Centre</p>	<p>6 General Manager Zilla Udyog Centre</p>

Sardar Bagh,
Junagarh
Tel: 0285-31325

7 General Manager
Zilla Udyog Centre
Compound of the
Collector's Office
Godhra, Panchmahal
Tel: 02672-42271

9 General Manager
Zilla Udyog Centre
Behind Main Post Office
Palace Road
Himmatnagar, Sabarkantha
Tel: 02772-40948; 41991

11 General Manager
Zilla Udyog Centre
Near the Polytechnic
Vidyanagar/Bhavnagar
Tel: 0278-426603

13 General Manager
Zilla Udyog Centre
GIDC Estate
Modera Road
Mehsana
Tel: 02762-54924

15 General Manager
Zilla Udyog Centre
Multistory Complex
Behind Falshruti Society
Bharuch
Tel: 02642-40981

Behind the Collectors
Office, Surendranagar
Tel: 02752-30465

8 General Manager
Zilla Udyog Centre
Zoravar Mahal
Palanpur
Banaskantha
Tel: 02742-52395

10 General Manager
Zilla Udyog Centre
First Floor, Block 1/2
Multistory Building
Rajkot
Tel: 0281-474376

12 General Manager
Zilla Udyog Centre
Near Vallabh nagar
Pinj Road
Nadiad- Kheda
Tel: 0268-55003

14 General Manager
Zilla Udyog Centre
Lalbagh Compound
Multistory building
Jamnagar
Tel: 0288-78894

16 General Manager
Zilla Udyog Centre
Daman Ganga Bhavan
Dharampura Road
Valsad
Tel: 02632-54283

17 General Manager
Zilla Udyog Centre
A-7, Multistory building
Nanpura
Surat
Tel: 0261-472014

19 General Manager
Zilla Udyog Centre
Talim cum Production Centre
Chapra Road
Navsari

21 General Manager
Zilla Udyog Centre
GIDC Community Hall
Dalsar, District Dahod
Tel: 02673-20271

23 General Manager
Zilla Udyog Centre
3rd Floor, C.M. Super market
Junagang Bazar
Patan
Tel: 02766-33821

18 General Manager
Zilla Udyog Centre
Sector 11, Multistory
building
Near Pathik Ashram
Gandhinagar
Tel: 02712-20465

20 General Manager
Zilla Udyog Centre
Professors Colony
Rambagh Society
Rajpipla,
District Narmada

22 General Manager
Zilla Udyog Centre
Kamaldeep
Station Road
Porbandar

24 General Manager
Zilla Udyog Centre
Milk Producers and
Consumers Cooperative
Society
Subhash Road
3rd Floor, Apna Bazar
Anand

ANNEXURE- V

Incentives / Subsidies available from National Institutions

Schemes operated by Department of Food Processing Industries (FPI), under Ministry of Agriculture, GOI.

Scheme	Benefits
1. For setting up / expansion/ modernization of food processing industries has four components	It can be in the form of a grant or loan and ranges from 25% of cost of capital equipment & technical civil works to 50% depending upon type of organization (private sector ,joint, assisted sector, PSU, NGO, Co-operative) up-to Rs 50 lacs to Rs200 lacs depending upon type of unit and in general or difficult areas.
1-1 Setting up / expansion/ modernization of food processing units.	50% depending upon type of organization (private sector ,joint, assisted sector, PSU, NGO, Co-operative) up-to Rs 50 lacs to Rs200 lacs depending upon type of unit and in general or difficult areas.
1-2. Modernization of pulse milling units.	50% of the cost of dryer and dust control system up-to Rs 5 lacs in all areas, as grant.
1-3. Setting up of mobile fruit & vegetable processing units.	50% of the project cost up-to Rs 40 to 60 lacs as grant.
1-4. Dissemination of low cost preservation technology	Actual cost of technology up-to Rs 5lacs as grant or loan depending upon the type of unit.
2. Scheme for development / modernization of meat processing	50% of the cost of capital equipment and technical civil works upto Rs 75lacs in general areas and 75% of cost upto Rs 100 lacs in difficult areas, as grant or loan..
3. Scheme for development of poultry and egg processing for both domestic and export markets.	50% of the cost of capital and technical civil works upto Rs 50-75 lacs in general areas and 75% of such cost upto 100 lacs in difficult areas as grant or loan.

R&D in FPI

4. For undertaking specific R&D projects, Updating, processing, packing, storage technologies to meet international standardization of various factors, R&D work for better quality and packaging of milk products, development of value added products from non-conventional marine resources, setting up common Quality Control laboratory, development of new cost effective packaging for food products based on traditional foods, common food grains.

Agriculture universities, Research Institutions, Industry Associations, NGOs, Private, Public and Joint sector companies doing R&D are eligible.

5. Development of infrastructure facilities has 3 components

5.1 Establishment of post-harvest infrastructure and cold chain facilities for food-processing and integrated projects of mushrooms, hops, gherkins, and baby corn with objectives of setting up pre-cooling facilities, refrigerated transportation system and retail outlets, etc.

5.2 Establishment of food processing industrial estates/food parks to create common facilities for QC, cold storage and warehousing.

5.3 Infrastructure facilities for preservation, land processing of

100% of the project as grant to laboratories / IITs/ Universities/ NGOs and other similar non-profit organizations and 1/3rd of the project cost as grant to public sector /joint sector/Assisted sector/Private sector.

50% of the cost of capital equipment and technical civil works up to Rs.25/ 50/150 lacs in general areas and up to Rs.50/75/200 lacs in difficult areas, as grant or loan.

Up to Rs. 4 crores for the creation of common facilities as grant to PSU/Joint / Assisted /Private sector/ NGOs / Cooperatives.

Depending upon the type of unit , 50% of the cost of capital equipment and

fish	technical civil works and up to Rs. 25 lacs in general areas and up to Rs. 50 Lacs in difficult areas as grant or loan.
6. Development and modernisation of meat processing to achieve good quality, hygienic production of meat and meat products	Depending upon the type of unit ,upto 50% to 75% of the cost of capital equipment and technical civil works and upto Rs. 75 lacs in general areas and 75% of such cost up to Rs. 100 to 200 lacs in difficult areas as grant or loan
7. Human resource development in food processing industries specifically in rural areas through FPTCs - Food Processing and Training Centers, Grain Processing Industries , meat processing, training of traditional fisher persons, etc. & creation of infrastructure facilities.	To FPTCs, depending upon whether it is single product line centre or multi product line center, Rs. 2 to Rs. 7.50 lacs for fixed capital cost and Rs.1 to 2 lacs as revolving seed capital, as grant. In specific cases, assistance upto Rs. 4000 per trainee , grant upto Rs. 50 lacs to HRD institutions such as colleges and universities.
8. Setting up of innovative dairy projects, such as whey protein, protein concentrates, extraction of minerals, casein etc.	50% of cost of capital equipment and technical civil works, upto Rs. 75 lacs in general areas and up to Rs. 100 lacs in difficult areas as loan
9. Generic advertisement on processed foods and marketing assistance, to build awareness among consumers about advantages of processed foods.	50% of the cost of campaign upto Rs 25 lacs as grant , disbursement depending upon the type of Organisation.
10. Strengthening of nodal agencies, for installation of basic office hardware	Grant of Rs. 3 lacs for purchase of hardware. Additional sum upto Rs. 50,000 also available

In addition, there are various other schemes operated by department of food processing Industries under Ministry of Agriculture for:

- 1 Strengthening of traditional fish processing technologies & marketing
- 1 Utilization of low value fish to make value added products
- 1 Development/improvement of marketing , quality control, storage, & transport of meat & meat products.
- 1 Strengthening of backward linkages of food processing industries
- 1 Promotion of food processing industries.
- 1 Setting up of demonstration units/pilot projects.

National Horticulture Board (NHB) Schemes

1. Development of commercial horticulture through production and post harvest management The NHB schemes are varied and depend upon whether the project is production/processing/ marketing related and range from bee-keeping to Bio-technology, horticulture covering a vast spectrum of components (such as herbs, aromatic, medicinal plants, biotechnology tissue culture, bio pesticides, organic foods, pre-cooling units \ cool stores, reefer vans, containers, retail outlets, auction, platform, Horticulture ancillary units etc)	Back-ended subsidy varies from 20 % of the project cost with a maximum of Rs 25 lacs..
2. Capital investment subsidy for construction/ modernization/ expansion of cold storage and other storages for horticulture produce.	In collaboration with NABARD& NCDC projects up-to 5000 MT capacity and not exceeding Rs 2 crore with 25% promoter's contribution, 50% term loan & 25% capital investment subsidy.
3. Technology development and transfer . This includes introduction of new technologies, expert	100 %financial assistance up-to Rs 10 lacs/ project for production related and Rs 25 lacs to R&D efforts and actual/

services from abroad, seminars ,study tours etc.	limited reimbursement of expenses.
1 Establishment of nutritional gardens in rural areas. Distribution of fruit plant & vegetable seeds in minikits etc.	Rs 250 fee per minikit per family
5. Market Information service for Horticulture crops. Information of wholesale prices, arrivals ,trends .	100% financial assistance
6. Horticulture promotion service. Techno-economic feasibility studies, develop strategies etc.	100% financial assistance and studies through professional consultants.

Agricultural and Processed Food Products Export Development Authority (APEDA)-Under the Ministry of Commerce, Government of India.

APEDA has a number of financial assistance schemes:

1. For feasibility studies, surveys, consultancy & data base up-gradation	50% to 100% of the cost subject to ceiling of Rs 2 lacs to Rs 10 lacs
2. For infrastructure development, such as purchase of specialized transport units for meat, horticulture and floriculture sector, packaging material, sheds for intermediate storage & grading, fumigation etc.	25% to 50% of the cost subject to a ceiling of Rs 2.50 to 5 lacs per beneficiary.
3. Scheme for export promotion and market development, including supply of samples, literature, buyer-seller meet, exhibitions abroad etc.	40% to 100% of the cost subject to specific ceilings.
4 Scheme for packaging development including standards and design for domestic and export markets.	50% or Rs 5 lacs of cost of development
5. Scheme for assistance to promote quality and quality control	50% of the cost subject to a ceiling of Rs 2 lacs per beneficiary.

Other than the main schemes listed above, there are also schemes for up-gradation of meat plants, organization building and HRD, R&D etc.

ANNEXURE-VI

Loan Assistance from Financial Institutions

A. State level

Gujarat State Financial Corporation: It provides finance for industrial units in Gujarat and the Union Territories of Dadra and Nagar Haveli. It provides the following services:

- 1 Provides financial assistance upto Rs. 24 million (Rs. 2.4 crores) for acquiring fixed assets like land, factory building, plant & machinery including technical know-how fees and pre-operative expenses for setting up new projects.
- 1 Offers term loans to existing units for expansion, diversification, renovation, modernization, procurement of quality control equipment, pollution control equipment and energy saving devices.
- 1 Operates schemes like lease and hire purchase finance, bill discounting facility, merchant banking activity, working capital term loan, factory etc.
- 1 Financial assistance offered under different schemes as General Term Loan, Special capital, Seed Capital, Equipment Finance and Modernization.

Gujarat Industrial Investment Corporation LTD: It provides financial assistance to medium and large units. Financial assistance to large units is made available in consortium with other Central and State Level financial institutions. It provides the following key services:

- 1 Financial assistance is considered for projects with capital outlay ranging from Rs. 25 million (Rs 2.5 Crore) or more by GIIC alone or in consortium with other institutions \ banks.
- 1 Financial assistance is also available for expansion diversification and modernization of existing units.
- 1 Other financial packages include securities working capital loan, leasing, hire purchase, bill discounting etc.
- 1 As a catalyst, it promotes projects in joint/associate sectors with equity participation.
- 1 It is a nodal agency for financing infrastructure projects.

Working capital facilities have to be generally obtained from the commercial \ Cooperative Banks. Gujarat State Financial Corporation also has a scheme for providing a term loan for working capital based on the past turnover performance and projected turnover.

B. All-India Institutions

Industrial Development Bank of India

IDBI is a diversified financial service provider for the corporate sector. IDBI offers a wide range of products and services, which include project loans, Rupee as well as foreign currency (FC), equity financing, corporate finance (including short term/ working capital loans and structured financing products), venture capital, equipment leasing, bills finance, refinancing of industrial loans as well as various fee-based services.

IDBI processes projects of Rs 10 crores and above. The Bank has set up new products and services committee to coordinate the development, marketing and delivery of their products and services. The Bank has launched equity support scheme to extend equity support to facilitate early financial closure of deserving projects, which are unable to tap the capital market with equity issues.

The regional office of IDBI in Gujarat is at IDBI Complex, Near Lal Bunglow, Off. C.G. Road, Ahmedabad-380 006 Website: www.idbi.com

Industrial Finance Corporation of India Ltd.

IFCI's financing operations includes (1) Project financing, (2) Financial Services and (3) Comprehensive Corporate Advisory Services. Project finance is provided by way of medium /long term credit for setting up new projects, expansion/ diversification schemes and modernization/ balancing schemes of existing projects. IFCI provides assistance tailor made to meet specific needs of the clients through equipment finance equipment credit, equipment leasing, suppliers buyers credit, leasing & hire purchase, corporate loans, short term loans and working capital term loans. It processes the project of Rs 10 crores and above.

The regional office of IFCI in Gujarat is at IFCI Bhawan, C.G. Road P.B No4049, Ahmedabad-380 009 website [www. ifcilt.com](http://www.ifcilt.com)

Industrial Credit investment Corporation of India

The Industrial Credit and Investment Corporation of India Ltd (ICICI) was founded by the World Bank, with a view to encourage and assist industrial development and investment in India. Though ICICI has by now evolved into a diversified financial institution, its principal business activities include medium-term and long term project financing for the infrastructure and manufacturing sector. ICICI finances projects with a minimum of Rs10 crores and above .

They have a special cell at Mumbai for assisting Agro industries at C-15,G-Block,Bandra-Kurla complex, Mumbai phone 653 6425/653 6468.

ICICI has also been assigned the task of implementing ACE programme (Agricultural Commercialization and Enterprise) .USAID has provided funds to Government of India to finance activities that assist the development of a dynamic private agricultural business sector in India. The objectives are to improve investment environment for private agribusiness in post farm horticulture by improving linkages between producers, processors and marketers, flow of horticulture products to targeted domestic and export market etc. The ACE programme encourages projects with a high demonstration effect. Technical assistance is also available, up-to 50% as grant. The four areas are identification of new technologies, advise on practices prevailing abroad for import of fresh / processed fruits and vegetables, provide solution to technical problems in existing plants, and establish information services.

The Zonal office of ICICI in Gujarat is located at JMC House, 9th Floor,Opp.Parimal Garden, Ambawadi, Ahmedabad-380 006. Website: www.icici.com

Small Industries Development Bank of India. (SIDBI)

SIDBI (earlier part of IDBI) has many schemes for direct assistance such as Project Finance scheme where the eligible borrowers are private limited companies and term loans for not less than Rs1.5 crores are processed. The debt equity ratio should not exceed 2:1.SIDBI also has a scheme for financing activities relating to marketing of SSI products where the eligible borrowers are existing SSI units and new units on a selective basis.. SIDBI entered into MOU with IIT, Kanpur and Birla Institute of Technology, Ranchi for setting up of innovation and incubation centers for SSI units. The minimum loan amount would be Rs 10 lacs

SIDBI also implements a GOI credit-linked capital subsidy scheme(CLCSS) for technology up-gradation of SSI units to face the challenges of liberalization. The Scheme provides capital subsidy of 12% on loans advanced to SSI units by scheduled commercial Banks and National SIC Ltd.

The regional Office of SIDBI in Gujarat is at 1st floor Navjeevan Amrit Jayanti Bhawan, off. Ashram Road,Ahmedabad-380 014.Wesite www.sidbi.com

National Cooperative Development Corporation

The National Cooperative Development Corporation (NCDC) was established in 1963 as a statutory Corporation under the ministry of Agriculture to plan promote, develop and finance agriculture and Agro based industrial cooperative enterprise.

NCDC supports programmes for production, processing, marketing, storage, export and import of agriculture produce, food stuff, certain other notified commodities, supply of consumer goods and collection of forest produce etc Loans and grants are given to state governments for financing primary and secondary level cooperative societies and direct to the national level cooperatives.

NCDC is endowed with in-house technical and managerial capabilities in the areas of cooperation, organization and methods, finance management, costing, Economic Analysis, Projectisation, management & Information systems, feasibility studies for sugar oilseeds, textiles, food, fruits and vegetables, dairy, poultry and live stock, fishery, handloom etc besides civil engineering refrigeration and preservation to help cooperatives to identify/ formulate projects and successfully implement them.

NCDC gives financial assistance in form of margin money to raise working capital finance (100%loan), working capital to regional/state level marketing federation (100%loan), term loan for creation of infrastructure facilities like godowns, cold storage, equipment financing, purchase of transport vehicles, boats and other tangible assets,100% subsidy is given for preparation of project reports/feasibility studies.

Regional Office of NCDC in Gujarat is located at 387 1st floor Laxmi chambers Sector-16,Gh road ,Gandhinagar-382 016. website www.ncdc.nic.in

ANNEXURE-VII

List of APEDA recognised certification Bodies for HACCAP

1. Quality Assurance Services
702, Balarama, Bandra-Kurla Complex
Bandra (East) Mumbai-400 051
Tel: 022- 643 9801/ 6422531
Contact person Dr S.Sakrikar,General Manager
2. International Standards Certification (ISC)
541, Clove Centre, 7, Moledina Road,
Pune-411 001
Tel: 020-637662/637665
Contact person : Mr.F.J Dastoor,Chairman
3. NSF International Strategic Registrations Ltd,
789,N.Dixboro Rd.
Ann Arbor, MI 48105 USA
Tel: 001- 734 8276800
001-NSF-9000 (to free)
Contact person: Mr. Randy Dougherty,President.
4. Bureau Of Indian Standards
Manak Bhavan
9,Bahadur Shah Zafar Marg,
New-Delhi-110 002
Tel: 011- 323 0131/323 3375/323 9402
Contact person : Mr. A R Banerjee,Director
(Quality System Certification)

ANNEXURE-VIII

APEDA Recognised Laboratories

1. Shriram Institute for Industrial Research (SIIR)
17,University Road, Delhi-110 007
Tel: 011-725 7267, 725 7860,725 7230
2. Shriram Institute for Industrial Research (SIIR)
Plot 14 &15 Sadarmangla, Industrial Area, White Field Road
Banglore-560 048, Tel: 080-841 0189/841 0165
3. Vimta Labs Ltd.
142 I.D.A Cheralapally, Hyderabad-500 051, Tel: 040-7124141
4. Jai Reasearch Foundation,
Post Box No 30 G.I.D.C., Vapi-396 195, Gujarat. Tel 02638- 23484
5. SGS India Ltd.
304-305 1st Floor, Anna Salai,Teynampet
Chennai - 600 018. Tel: 044 4335552/4338157/4338158
6. SSG India ltd.
General Laboratory Calcutta - Behala Commercial Complex -II
1St Floor ,620 D.H.Road, Calcutta- 700 034
Tel: 033- 446 3275,458 33893

ANNEXURE-IX

Certifying Agencies for Organic Food Exports.

1. Mr Umesh Chandrasekahar
Institute of Marketocology (IMO)
78,1st Floor,11th Cross, Indiranagar I stage
Banglore- 560 038 Tel: 080 528 5883
2. SKAL India
3rd Floor, Monarch Chambers, 122,Infantry Road
Banglore-560 001 Tel: 080-286 0338
3. ECOCERT International
Forster Str,87, D-37520 Osterode
Tel: (49) 5522 953093
Email: iris.foerster@ecocert.de