



GOVERNMENT OF GUJARAT

Establishment of Freeze Dried Fruit Processing Unit

Agro and Food Processing

Government of Gujarat



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The concept

The project envisages setting up of **Biodegradable Packaging for Food Products Manufacturing Unit** based on the raw material strength of Gujarat.

The manufacturing unit can focus on production, processing, marketing, exports, etc.

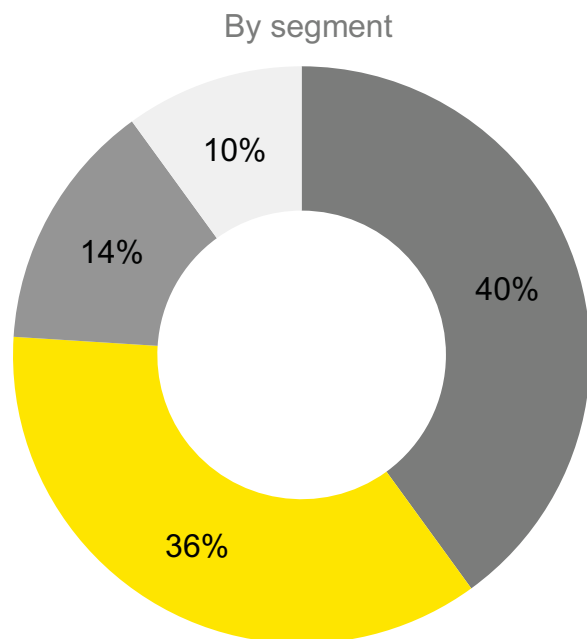
What is freeze dried fruit ?

Freeze drying—technically known as lyophilisation, or cryodesiccation is a dehydration process typically used to preserve a perishable material or make the material more convenient for transport. A freeze dried fruit is a dehydrated fruit derived from lyophilisation which can be stored for longer duration and can be consumed throughout the year.

- ▶ Freeze dried fruit is popular globally due to its availability and usage.
- ▶ As it can be easily transported, its an popular export commodity with HS code 20089999.
- ▶ The taste and composition of the fruit remains the same only the water content is removed.

Industry overview

Global Fruit and Vegetables Processing industry



- Canned fruit and vegetables
- Frozen fruit and vegetables
- Juices etc.
- Dried and dehydrated food

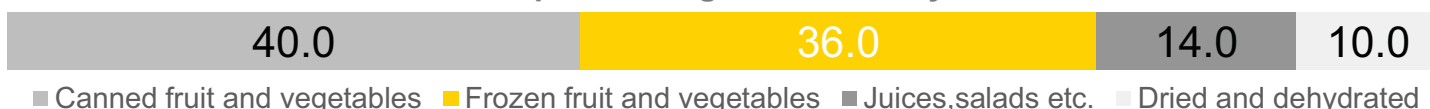
Source: IBIS World Industry Report 2016

The global fruit and vegetables processing industry trends are

- ▶ Sales of processed fruits and vegetables has increased in absolute numbers in past 5 years but the overall share in the industry revenue has been declining.
- ▶ Economic growth and rising incomes has been driving demand in developing economies for frozen fruit and vegetables, this segment has seen growth in overall contribution in revenue.
- ▶ For juices and related products, rising health-consciousness and the increasing value of time in developed economies is expanding demand for these products from OECD country consumers. The product segment's share of overall industry revenue has grown over the past five years.
- ▶ In, dried and dehydrated foods category the overall share in industry revenue has fairly remained constant due to its low cost and its inability to gain traction with rising middle income consumers.

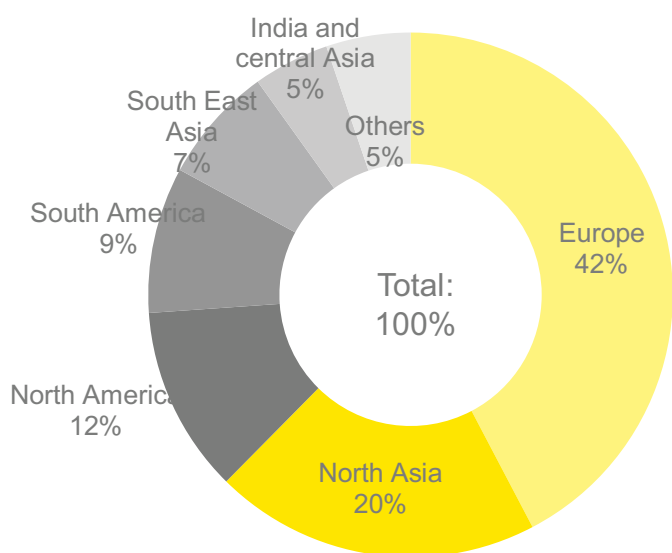
Global market overview – In the developed nations of the OECD, consumers have become more health conscious which has increased appetite for frozen dried fruits. In the developing world, the expansion of middle-classes have led to increased durable good ownership rates. As a result, economic growth and rising incomes have led to expanding demand for products within this segment from the past 5 years.

Processed food product segments industry revenue 2015/16



Source: IBIS World Industry Report 2016

Processed food production by region 2015/16



Source: IBIS World Industry Report 2016

Some key trends in global processed food production are-

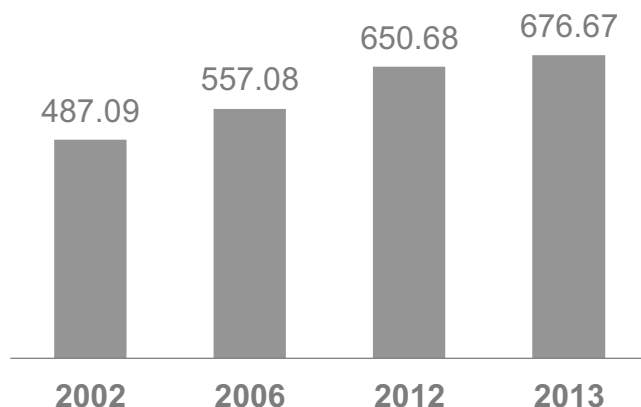
- ▶ Approx. 36% of the processed food industry revenue comes from frozen fruits and vegetables
- ▶ Low-tech fruit and vegetable processors, such as fruit driers, exist in almost every country
- ▶ High-tech, large-scale fruit and vegetable processing operations are concentrated primarily in Europe and Asia
- ▶ Presence of production zones in Europe and Asia have helped them remain at leading positions

Global fruit production

Country	Production 2002	Production 2013	CAGR
China	72.02	154.36	7.2%
India	43.23	82.63	6.1%
Brazil	36.53	37.77	0.3%
USA	30.29	26.98	-1.0%
Spain	16.08	17.69	0.9%
Mexico	14.29	17.553	1.9%
Italy	16.08	16.37	0.2%
Indonesia	11.44	16.003	3.1%

Source: Indian horticulture report 2015

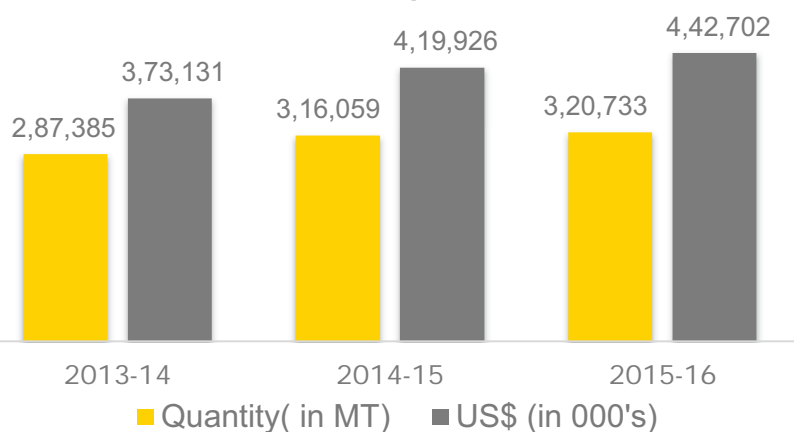
World fruit production (in million tonnes)



Source: Indian horticulture report 2015

Market potential for India

Processed fruits exports from India

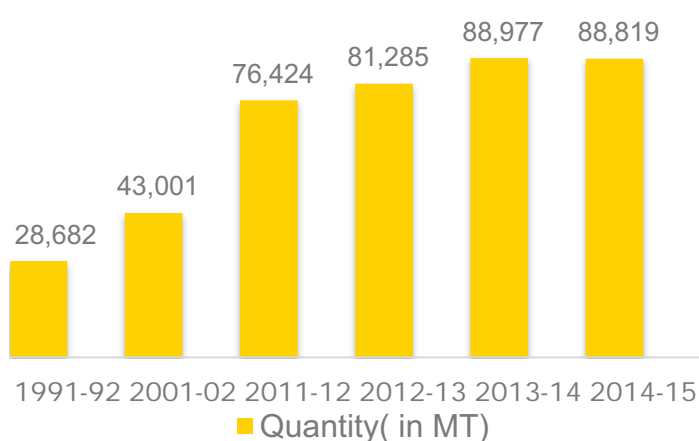


Source: AGRIEXCHANGE Database

- ▶ Exports from India have increased from US\$373.13 million in 2013 to US\$320.73 million in 2015, registering an increase of ~9% y-o-y basis.
- ▶ Top importers from India includes U.S.A, Netherlands, Saudi Arabia, U.K, Iran, France etc.
- ▶ The strategic advantage of location helps Indian exporters to export to high demand areas like Gulf countries

Fruit production - India

All India fruit production



Source: APEDA Agri exchange Database

- ▶ The total fruit production in India stands at 6% growth y-o-y basis.
- ▶ India is advantageous for agro based Industries, there are 127 agro-climatic zones in India.
- ▶ 42 planned mega food parks with a proposed investment of US\$ 1.46 Billion.
- ▶ 138 cold chain are proposed to boost cold storage facilities and related industries.
- ▶ The number of registered food processing units has increased from 36,881 in 2011-12 to 37,175 in 2012-13, registering a growth rate of 0.80%.
- ▶ Food constitutes the majority of domestic expenses in an Indian household, ranging from 38% to 50%

Major fruit producing states of India



Top 5 fruits producing states of India (2013-14)

States	% share
Maharashtra	15%
Andhra Pradesh	12%
Gujrat	9%
Tamil Nadu	8%
Uttar Pradesh	8%

Growth Drivers

Growing domestic requirement

- ▶ Rising disposable incomes within population.
- ▶ Growing middle class, rapid urbanization and emergence of high income young professionals.
- ▶ Changing life style habits towards more healthier alternatives.

Export opportunities

- ▶ Increasing integration of India economy with global economy.
- ▶ Proximity to key export destinations is leading the exports figures for India.
- ❖ High potential of growth as the emerging markets continue to grow at a much faster pace.

Supply side advantages

- ▶ Favourable conditions for horticulture and availability of wide variety of fruits and other crops.
- ▶ Large amount of aid and subsidies boosts food processing industry.
- ▶ Presence of sufficient water bodies and improved irrigation facilities help to optimizing the maximum potential of yield.

Emphasis on R&D and automation

- ▶ Government launched initiatives such as initiating/improving up Quality control/Food testing laboratory, R&D and promotional activity scheme.
- ▶ Under Modernisation/Expansion of Food Processing Industries Scheme 8 food testing laboratories have been setup in 2014-15 alone .
- ▶ In R&D 20 projects were completed in 2014-15 with allocation of US\$4.9 million.

Government support and Incentives

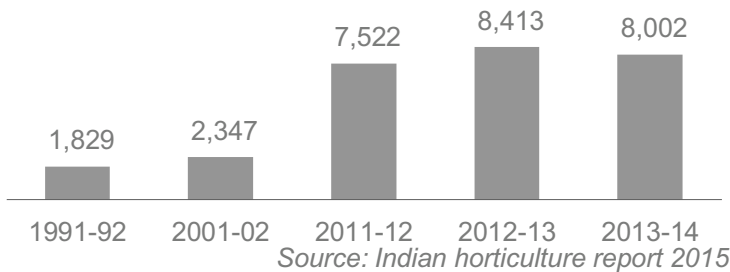
- ▶ Department of Agriculture, Cooperation and Farmers Welfare(DAC&FW) has been implementing a Central Sector Plan Scheme namely "Forecasting Agricultural Output using Space, Agro Meteorology and Land Based Observations (FASAL)". The mandate of FASAL scheme is to generate crop forecast in respect of 11 crops, including groundnut
- ▶ Upcoming mega food parks, agri-export zones to provide boost to FDI inflow into food processing sector.
- ▶ GoG has taken initiatives for creation of rural infrastructure such as Narmada Main Canal and Saurashtra Branch Canal and its distribution system.

Gujarat – Competitive advantage



Availability of raw material in vicinity

Fruit production in Gujarat
(in 000 tonnes)



- ▶ Fruit production in Gujarat is growing at a CAGR of 12% y-o-y from 1991 to 2014.
- ▶ Availability of all fruits and vegetables that are used in making freeze dried fruit powder/slices
- ▶ Gujarat is the 3rd largest producer of fruits in India with the highest productivity of 22 MT/Ha in 2013-14.

1

High raw material availability

Gujarat is the 3rd largest producer of fruits in the country and has the highest productivity. Majority of production is focused in Apples, Banana, Sapota, Mango and Papaya varieties

2

Agri-marketing infrastructure

Amendment of Gujarat APMC Act, in 2007 made provisions for direct procurement from fields, contract farming etc. The state has approximately 400 cold storages with a total capacity of approximately 12.70 Lakh MT .

3

Agriculture development

The state has witnessed above average growth rate of Gross State Domestic Product (GSDP) from agriculture and allied activities. During the period 2005-06 to 2011-12, the national average was ~4% while that for Gujarat was 5.5%.

4

Government support

Industries department, Gujarat government has aggressively engaged in liberalizing markets. Gujarat Agro Industries Corporation Ltd. (GAIC) is specific to food processing.

Fruit production pockets in Gujarat

Some of the popular fruit producing pockets in Gujarat are listed below with production figures are 2013-14.

Banana		Papaya		Mango	
District	Production (in MT)	District	Production (in MT)	District	Production (in MT)
Bharuch	10,92,634	Anand	2,12,520	Valsad	2,71,268
Anand	9,80,634	Kutch	2,12,017	Navsari	2,13,066
Baroda	6,95,247	Tapi	1,22,400	Junagadh	84,120
Surat	5,89,450	Baroda	95,750	Surat	64,400
Narmada	5,14,520	Sabarkantha	90,240	Kutch	62,415

Source: Indian horticulture report 2015, Ministry of Agriculture

Gujarat – Competitive advantage

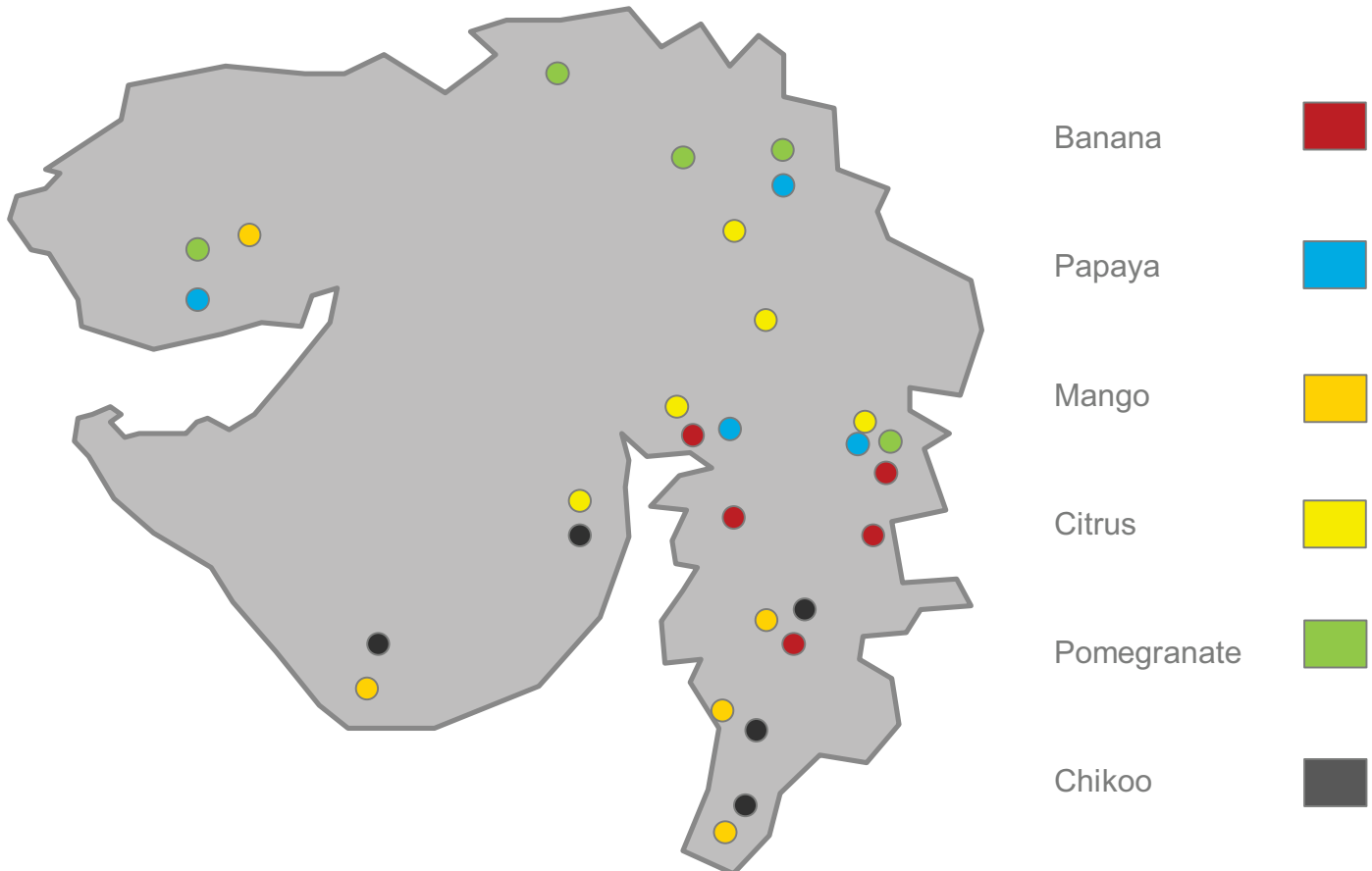


Citrus fruits		Pomegranate		Chikoo	
District	Production (in MT)	District	Production (in MT)	District	Production (in MT)
Mehsana	98,008	Kutch	23,310	Navsari	76,140
Bhavnagar	71,000	Banaskantha	12,920	Junagadh	46,570
Anand	68,764	Sabarkantha	12,750	Bhavnagar	39,060
Baroda	37,879	Baroda	7,110	Valsad	28,160
Kheda	31,206	Mehsana	4,730	Surat	22,210

Fruit production pockets in Gujarat

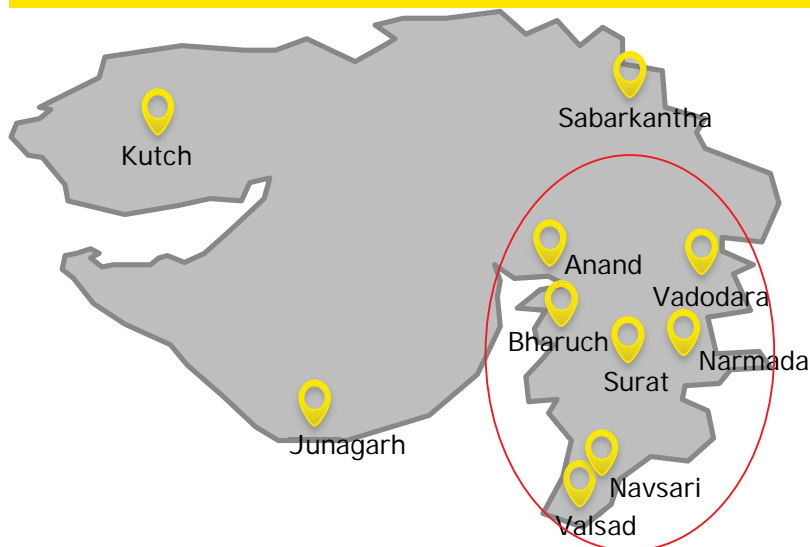
- ▶ Kutch has significant productivity of Pomegranate, mango and papaya
- ▶ Chikoo and mango is available in Junagadh
- ▶ Availability of pomegranate is more in Banaskantha and Sabarkantha
- ▶ In terms of availability of raw material, South Gujarat is more concentrated and various varieties of fruits can be made available from a radius of 250 kms from any point in South Gujarat.

Major fruit producing pockets of Gujarat



Project Information

Availability of raw material



- ▶ Main fruit producing areas are located in South Gujarat and in some pockets of Central Gujarat.
- ▶ Presence of Agriculture Export Zones for mangoes (Ahmedabad to Valsad)
- ▶ Presence of robust infrastructure in South Gujarat. Surat also has a nearby Adani Hazira Port, Hazira.
- ▶ The strategic advantage of location helps Indian exporters to export to high demand areas like Gulf countries

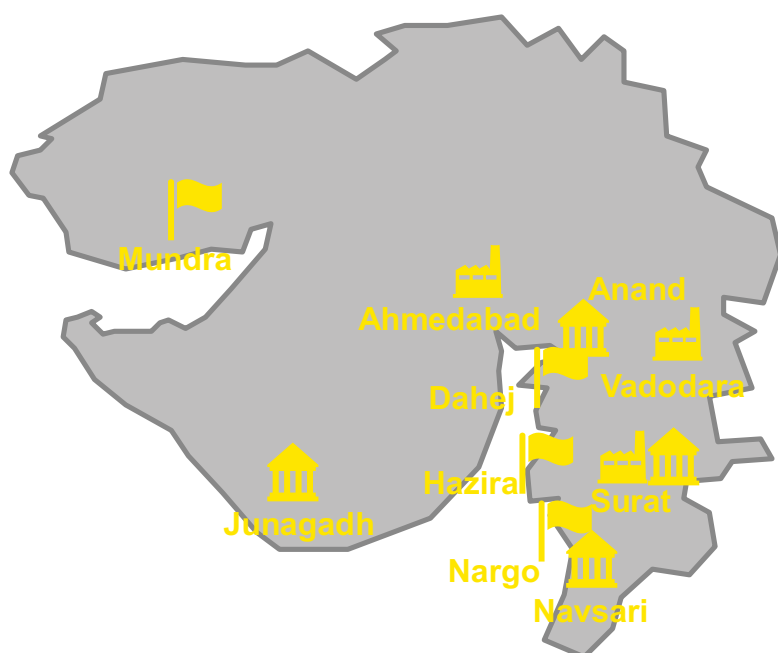
Approved mega food parks, ports and research Institutes

Some of agro based research institutes of Gujarat are-

- ▶ Navsari Agricultural University
- ▶ Gujarat Agriculture University, Surat
- ▶ Anand Agricultural University, Anand
- ▶ Junagadh Agricultural University, Junagadh

Some of the mega food parks of Gujarat are-

- ▶ M/s Anil Mega Food Park Pvt. Ltd., Vadodara,
- ▶ Gujarat Agro Infrastructure Mega Food Park, Surat,
- ▶ M/s Fanidhar Mega Food Park Ltd., Ahmedabad



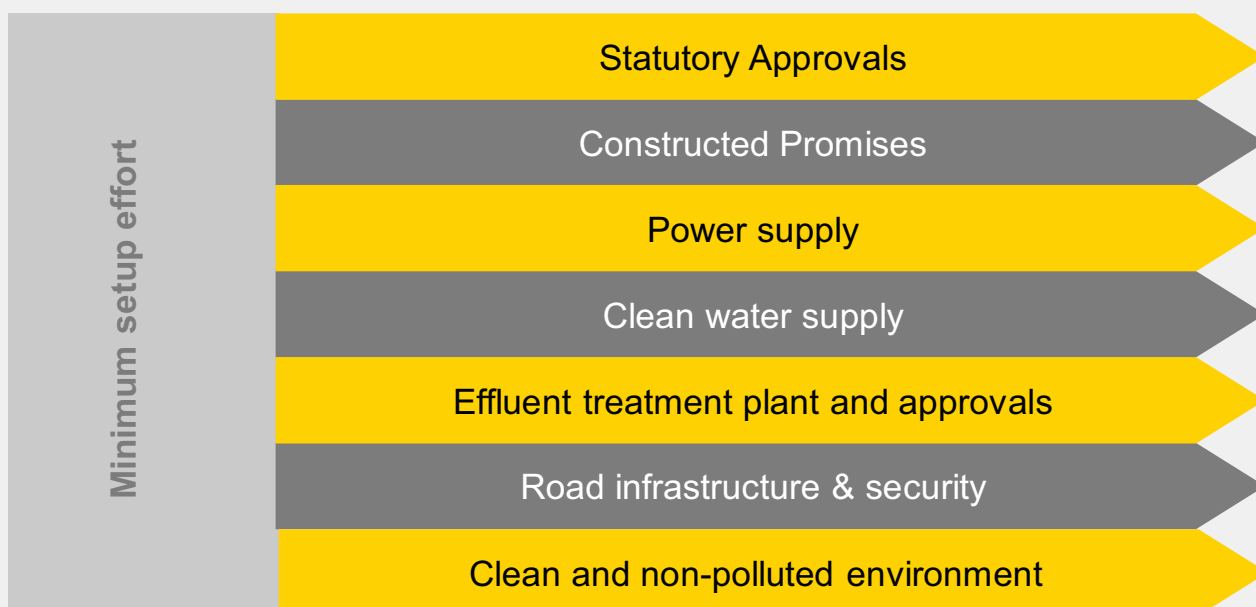
Some Major ports in Gujarat

GMB Ports	Private Sector Ports
Mangdalla	Nargo
Bhavnagar	Vansi Borsi
Veraval	Hazira
Dahej	Dahej
Jakhau	Mundra

Preferred location could be to be **Surat** as it lies in the productive region of South Gujarat and has a nearby port as well as mega food park.

Project Location

Gujarat Agro Infrastructure Mega Food Park, Surat is an industrial estate focussed exclusively at the food processing sector. The food park provides enabling infrastructure and mechanisms to strengthen the Agricultural value chain, bringing together Farmers, Food Processors and the End Consumers such as Wholesalers, Retailers & Exporters. The Park provides excellent infrastructure and facilities to enable the industry in reducing the input costs and meeting the regulatory and trade related compliances with respect to quality, environment and social standards.



Mega Food park is supported by

- ▶ Ministry of Food Processing Industries, Government of India.
- ▶ as Food and Agri Industrial Park by Industries Department, Government of Gujarat.

35 Kms from Surat Railway Station, 6 Kms. From NH8, Nearest Airport – Surat at a distance of 50 Kms

Incentives & Financial Assistance to industries In Gujarat Agro Infrastructure Mega Food Park

- ▶ Ministry of Food Processing Industries (MFPI) Approved Project - hence easier release of subsidy funds of MFPI Schemes to Food Processing Units.
- ▶ Zero stamp duty on land lease (exclusively to Gujarat agro infrastructure mega food park) term loan at concessional rate of interest from NABARD under food processing fund exclusively available to units in food parks.
- ▶ Lower import duty on imported machinery in mega food park.
- ▶ Exemption from income tax for 5 years from commissioning date.
- ▶ Benefit under Government of Gujarat's "Scheme of assistance to manufacturing sector"
- ▶ Short start-up time – ready availability of non-agriculture converted plots & sheds

Common facilities at the Food Park, Surat

Cold storage facility



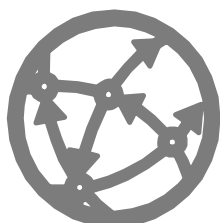
- ▶ Central Processing Centre: Cold storage facility of 3500 MT is available
- ▶ Primary Processing Centre: Cold storage facility totaling 2000MT is available
- ▶ For large units “pay as you use” facility is available.

Warehousing



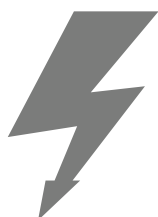
- ▶ Central Processing Centre: Cold storage facility of 5000 MT is available
- ▶ Primary Processing Centre: Cold storage facility totaling 5000MT is available
- ▶ catchment area on "Pay as you Use" basis especially with Automated Staking Facility is also available.

QC High-Tech laboratory



- ▶ A High Tech Laboratory is to be set for Units to use on "Pay as you Use" basis.
 - ▶ Testing Parameters
 - Physical
 - Microbiological Testing
 - Chemical Testing
 - Pesticides Testing

Solar power backup



- ▶ Solar Power Generation will take care of common maintenance of MFP
- ▶ Capacity of the plant : 1.2 MW
- ▶ This facility will be used for common facilities, common utilities, external lighting etc.
- ▶ The total generation will be 18 lac units

Other Facilities

- ▶ Food testing laboratory
- ▶ 4 reefer vans & 4 other vehicles
- ▶ Pulping line (frozen) with capacity of 1Tonne/Hr.
- ▶ Ancillary support systems
- ▶ IFQ line, capacity of 2 Tonne/Hr.
- ▶ Availability of plug and play sheds
- ▶ Larger plot sizes,2000-6000 sq. meters
- ▶ 50% ground coverage is permissible

Infrastructure availability/ connectivity



Rail

- ▶ Surat is connected with other districts of the state such as Rajkot, Vadodara and Ahmedabad by rail.
- ▶ Hazira port in Surat is ~16 kms away from the Surat railway station.

Proposed

- ▶ The Mumbai-Ahmedabad bullet train project will have Surat as one of the stations.
- ▶ In 2016, the Gujarat government assigned Delhi Metro Rail Corporation as a consultant for the proposed metro connectivity in Surat.
- ▶ Rail connectivity was proposed for Hazira and Nargol ports in the 2016 rail budget.



Road

- ▶ The city is connected to Delhi Mumbai Industrial Corridor (DMIC) which links Ahmedabad, Vadodara and Surat.
- ▶ Proximity to NH-8 and NH-6 further enhances connectivity in the city.
- ▶ Surat also has very good connectivity with other cities of the state such as Vadodara (154 km) and Ahmedabad (265 km).

Proposed

- ▶ Proposed four-lane highways which are expected to improve connectivity in Surat include – Dakor-Savli, Vadodara-Dabhoi & Surat-Olpad-Bardoli.



Air

- ▶ Surat domestic airport is well connected to various parts of the country. The city is located ~275 kms from the international airport at Ahmedabad.

Proposed

- ▶ In January 2015, Airports Authority of India gave an in-principle approval for cargo terminal at Surat airport worth INR70 million. The terminal is expected to be operational in 2017.
- ▶ In February 2016, Surat Airport Action Committee filed an online petition for an international airport at Surat.



Port

- ▶ The nearest port is Hazira which is 25 km from Surat.
- ▶ Additionally, Hazira port is well connected to Mundra port and Jawaharlal Nehru Port Trust (JNPT) – India's largest container port
- ▶ Thus, it provides a convenient textiles-related trade gateway to International (Europe, Africa, America and the Middle East) and domestic markets.

Utilities



Water

- ▶ Water for industrial purposes can be obtained from four sources viz. Gujarat Water Supply and Sewerage Board (GWSSB), an irrigation canal, dams, and surface reservoirs.

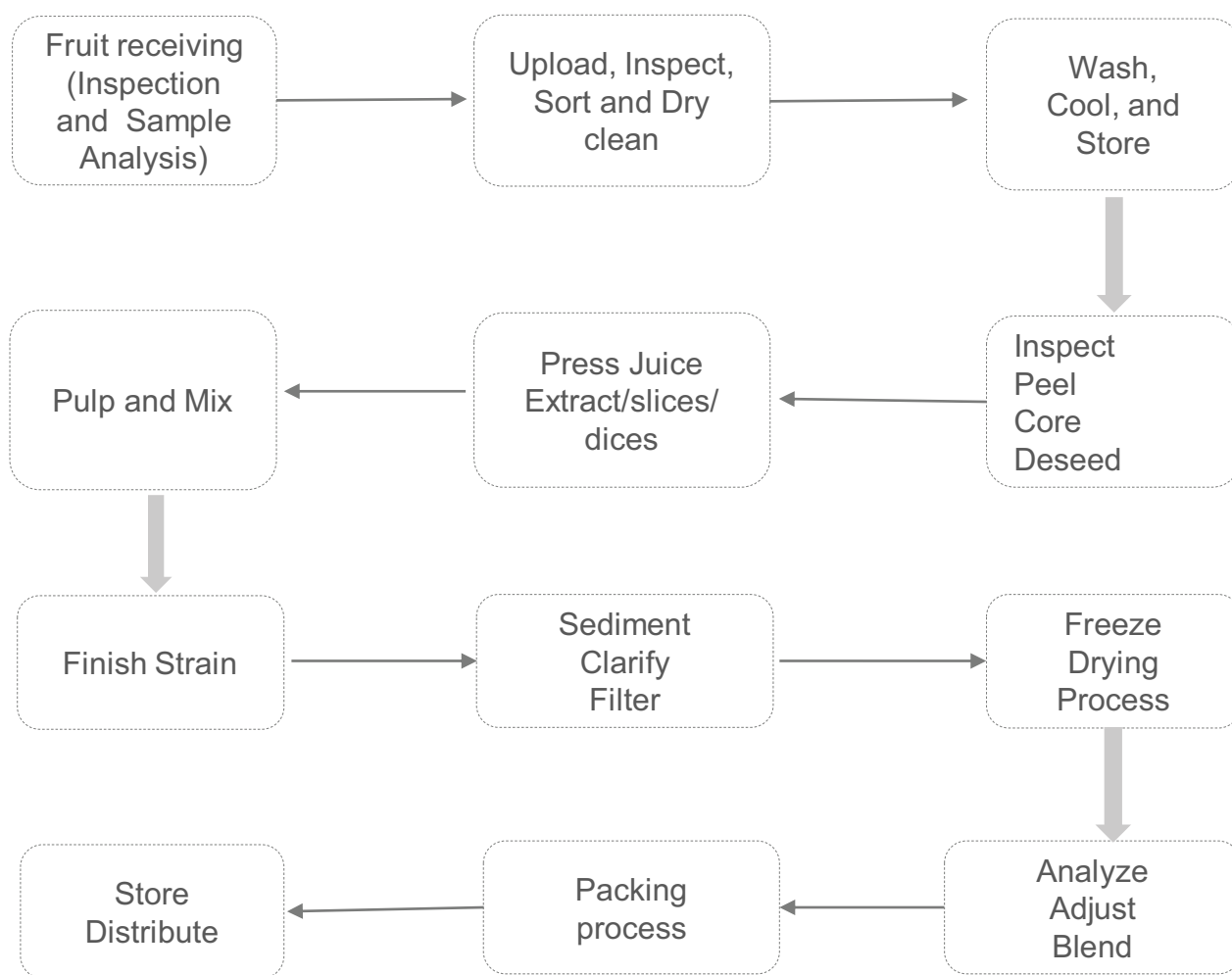


Power

- ▶ The main source for the power supply is Torrent Power Limited in Surat

The freeze drying process

The fully developed fruits are examined, washed, decolourized, peeled, pulped (in slice or partitioned), centrifuged and finally a uniform concentrate is prepared. The uniform concentrate is then freeze dried using various automated processes to dehydrate the concentrate fully.



The manufacturing of the fruit juice powder, fruit slices, bars and dices can be manufactured using the same process and then can be pre-cautious packaged in sterilized, storage packages which should preserve the chemical composition, taste, colour and fresh aroma of the natural fruit.

One of the main pre-requisite of the entire process is keeping the premises, equipment and packaging free from any contamination. The entire facility has to be made sterilized, along with that operators working on the machines should be properly dressed and trained to avoid any direct contact with the fruit concentrate or produce.



The involved machinery process of piping, schematic layout needs to be carefully examined and designed keeping in view the Goods Manufacturing Practices (GMP) and various control points. The safety limits for operation and various cutoff mechanism should be in place for safe operation of the machines.

Project Information

Key machinery suppliers

SN	Particulars	Quantity	Suppliers
1	Fruit Conveyor	1	Shriram Temp-x-changers (India), Makarpura GIDC, Vadodara
2	Fruit washer	1	Shriram Temp-x-changers (India), Makarpura GIDC, Vadodara
3	Inspection cum sorting conveyors	1	Shriram Temp-x-changers (India), Makarpura GIDC, Vadodara
4	Papaya peeling machine	1	Geeta food Engineering, Navi Mumbai
5	Bucket Elevator	1	Shriram Temp-x-changers (India), Makarpura GIDC, Vadodara
6	Fruit Mill / Pulper Machine	2	Shriram Temp-x-changers (India), Makarpura GIDC, Vadodara
7	Pulp strainer	2	Shriram Temp-x-changers (India), Makarpura GIDC, Vadodara
8	Sediment Filter	2	Process Master, Pune
9	Pulp/ Slice/ Dice Freeze Drier continuous type (1MT/Hr.)	2	GEA Process Engineering(India) Limited GIDC, Ranoli, Vadodara,
10	Fruit Powder/ Slice/Dice packing	1	GEA Process Engineering(India) Limited GIDC, Ranoli, Vadodara,
11	Pellet Truck for handling	1	Godrej & Boyce co. Ltd, Mumbai
12	Quality control equipments	Lot	Sunjay Tehnologies Pvt.Ltd- Mumbai
13	HT / LT Electrification including	Lot	Kirloskar Electricals Ltd, Mumbai /Ahemdabad

Other utility requirement



- ▶ 50 KL of water for washing fruits
- ▶ 120 HP connected power
- ▶ Availability of ammonia gas as refrigerant
- ▶ Ancillary support systems

Manpower requirement



- ▶ Managers: 4
- ▶ Supervisors: 4
- ▶ Operators: 8
- ▶ Assistants: 4
- ▶ Skilled workers: 4
- ▶ Unskilled workers: 12
- ▶ Others: 4

Project Information

Existing production units and key players

Company Name	Production Unit Location
 <p>adani wilmar For a healthy growing India</p>	Ahmedabad
 <p>Amul</p>	Anand
 <p>vimal Irresistible Taste</p>	Bardoli
 <p>Havmor ICE CREAM</p>	Ahmedabad
 <p>Vadilal</p>	Dharampur & Mansa
 <p>fresh pure</p>	Vadodara
 <p>DESAI FRUITS & VEGETABLES</p>	Navsari

Opportunities in freeze food segment

Unexplored segment with scope of tremendous growth	Prospective global production hub	Supply chain infrastructure
<ul style="list-style-type: none"> ▶ Distributed market is taking forward to lower operating standards and lesser addition of value at every stage. ▶ The current level of value addition on an average is estimated at 20%, Government plans it to increase up to 35% by the end of 2015. ▶ Preferred business model can be Public Private Partnership (PPP) model. ▶ Increased domestic demand growth set to double the expected household consumption of processed food. 	<ul style="list-style-type: none"> ▶ Due to cost advantage major production houses are looking at India as upcoming outsourcing hub. ▶ Availability of supply side essentials like raw material, support infrastructure, cost advantage etc. ▶ Availability of incentives by state Government and Central Government like investment in AEZ's, agro based food park, availability of easier credit. ▶ Encouragement to NRI investors. 	<ul style="list-style-type: none"> ▶ Combined efforts of industry and administration to increase productivity and efficiency. ▶ Combined potential of investment in food processing industry is US\$22 billion, 100% FDI is allowed in this segment. ▶ Increasing popularity of contract farming, contract farming can further be leveraged to reduce cost of production. ▶ Investment in supply chain infrastructure related activities presents a tremendous potential, government has been promoting investment in support infrastructure like cold storage etc.

Potential collaboration opportunities

Potential for collaboration in research exists with some of the state universities like

- ▶ Navsari Agricultural University
- ▶ Gujarat Agriculture University, Surat
- ▶ Anand Agricultural University, Anand
- ▶ Junagadh Agricultural University, Junagadh

Some of the National Institutes can also be leveraged for research and development

- ▶ National Institute of Food Technology Entrepreneurship and Management, Sonipat
- ▶ Indian Agricultural Research Institute (IARI), New Delhi



- ▶ Gujarat has 28 Industrial Training Institutes (ITIs) that offer industrial training courses on Textile and Garment industry with an intake of ~6,000 students per year.
- ▶ These institutes can be very useful in training of operators and hiring of skilled man force.

Preferred production categorization and packaging guidelines

The guidelines discussed here are mainly export oriented and is focussed mainly on US Department of Agriculture (USDA) grades for canned and frozen fruits based on there quality. In India fully export oriented units can sell 50% of their net production in the domestic market.

- ▶ **Grades of freeze fruit** - Based on this grading system a numerical score is being provided to every lot of the freeze fruit produced based on various qualities of the freeze fruit. The maximum possible score is 100.
- ▶ **Various forms of freeze fruits** – The final product of the freeze fruit can be in solid form or in the form of puree.
- ▶ **Packing of freeze fruit** – The most common way to pack freeze fruit was in various cans ranging from 30 ml to 10 kl. Different methods to pack frozen fruits are-
 - ▶ **IQF Style:** In this packaging method, the fruit is separately freeze before its being put into the container. This method of packaging has various names like “free flow” or “free flowing” or “dry pack”. Fruits can be made tasty by adding syrup but sugar is mostly being avoided.
 - ▶ **Block style:** In block style the finished good is packed into the container and then freeze to dehydrate the product. The weight of the fruit pushes the last layer and becomes a mixture of juice, crushed and whole fruit. It is also known as “straight pack”.
 - ▶ **Syrup:** In this method basically before freeze the fruit is mixed with the sugar syrup. The syrup serves the dual purpose of taste as well as of a protective covering of the fruit final product.
 - ▶ **Sugar added:** This method is also known as 4+1 method, in this method the sugar syrup and fruit is mixed in the ratio of 4:1.

Production and storage quality considerations

In order to maintain the quality parameters the fruits should be stored at 0° F and then blanched properly. The practice should be to use the freeze fruits within the ideal storage time. Some of the other key points to be cared for are-

- ▶ The fruits should be frozen as soon as they are harvested to prevent any initiation of chemical reaction or biological decay.
- ▶ The processed fruits should be treated with ascorbic acid or submerged in a vinegar solution to neutralize the enzymes use in the freeze process and remove the chances of vitamin C losses.
- ▶ If the freeze fruit comes in contact with air then it develops foul smell, so in order to prevent that the freeze fruit should be store in an air tight container.



In the production facility the workers in direct contact with the raw material, final product or any part thereof should maintain highest level of hygienic standards.

Proper precautions should be taken to prevent contamination of the final product.

Estimated project cost

Sample cost* of setting-up a freeze dried fruit production facility in Surat

The estimated financials are for a medium scale production unit, producing 900 Tonnes/Annum capacity. This capacity is suggested based on possible availability of raw-material and optimum size of project investment.

Project cost of freeze dried fruit plant (900 Tonnes/Annum)

Project components & specifications	Cost (INR crore)
Land (Area: 1.48 acres – 6,000 square meters)	1.66
Plant building cost Built-up area: 3,000 sq m Average rate: INR4,500 per sq m	1.35
Machinery cost	8.13
Utility and other equipment (Electricals, piping, water supply system, etc.)	0.50
Miscellaneous fixed assets (Furniture and fixtures, office equipment, etc.)	0.85
Contingencies	2.90
Preliminary and pre-operative expenses (Company formation, interest during construction, etc.)	1.20
Margin money for working capital	1.0
Total project cost	19.59

The total project cost setting up a freeze dried fruit plant in Surat, Gujarat, is approximately INR19.59 crore

- ▶ Unit will run only 1 shift of 9 hours and 180 days in a calendar year.
- ▶ The cumulative time to start production will be between 6 to 9 months
- ▶ The Debt to equity ratio would be 2.0:1
- ▶ The suggested plant utilization capacities are:
 - ▶ 1st year: 30% utilization.
 - ▶ 2nd year: 70% utilization.
 - ▶ 3rd year: 90% utilization

Approvals prior to establishment

- 1 Registration of concern with Registrar of Companies (ROC)
- 2 NOC (No objection certificate) from Local Gram Sabha/ MC etc. – essential requirement
- 3 Permission from State Pollution Control Board to establish production unit
- 4 Approval of Layout plan for construction of the production unit
- 5 Permission from Ground Water Survey and Development Authority (GSDA) for fulfilling water requirements from bore well
- 6 Registration with District Industry Centre (DIC) as Small and Medium Enterprise
- 7 Application to State Electricity Board/ Authority for a new connection and permission to draw the required amount of load

Approvals prior to establishment

- 1 Licence from FSSAI for the prospective sales of products
- 2 Permission to start production from State Pollution Control Board
- 3 Inspection and certification from boiler inspector depending on boiler size

Incentives from Government of India (GoI)

- ▶ Fully export oriented units can sell 50% of their produce in domestic markets.
- ▶ Export earnings exempted from corporate taxes.
- ▶ Zero import duty on plants and equipment's procured for export oriented units.
- ▶ Full excise duty exemption for equipment's used for cold storage construction.
- ▶ Repatriation of capital and profits permitted.
- ▶ Under Union Budget 2015-16, USD19.65 million has been allotted for Mega Food park Scheme

Incentives by Government of Gujarat

Gujarat government announced its **Agri Business Policy – 2016** with emphasis on promoting food processing industry by developing the entire value chain of exporting locally grown farm produces.

- ▶ Capital investment subsidy at 25% of eligible project cost subject to maximum INR50 million for cold chain, food irradiation processing plants and packaging houses
- ▶ Back ended interest subsidy at 7.5% on term loan with maximum amount of INR40 million for a period of 5 years for setting up infrastructure project in Agro & Food Processing sector (including packaging houses)

Major components covered in comprehensive Agro Business Policy 2016 - 2021

- ▶ Capital Subsidy on investment to agro and food processing industries
- ▶ Assistance of Back Ended Interest Subsidy on the Term Loan
- ▶ Freight Subsidy will be available to Micro, Small and Medium Enterprises (MSME)
- ▶ Assistance in Sample Testing
- ▶ Assistance for 'Quality Certification Mark'
- ▶ Financial Assistance for Skill Enhancement
- ▶ Reimbursement of VAT and Sales Tax
- ▶ Encouragement in Electricity Rate and Duty
- ▶ Refund on Registration Fee and Stamp Duty
- ▶ Assistance for Research and Development
- ▶ Assistance for Patent Registration

Ministry of Food Processing Industries, Government of India

<http://www.mofpi.nic.in/>

Gujarat Agro Industries Cooperation

<https://gaic.gujarat.gov.in/index.htm>

Agriculture and Co-operation Department

www.agri.gujarat.gov.in/index.htm

Gujarat Industrial Development Corporation

www.gidc.gov.in/

Industries Commissionerate

www.ic.gujarat.gov.in

This project profile is based on preliminary study to facilitate prospective entrepreneurs to assess a prima facie scope. It is, however, advisable to get a detailed feasibility study prepared before taking a final investment decision.

For further details:

iNDEXTb
INDUSTRIAL EXTENSION BUREAU
(A GOVT. OF GUJARAT ORGANISATION)
ISO 9001 : 2015 Certified

- Block No. 18, 2nd Floor, Udyog Bhavan, GH-4, Sector 11, Gandhinagar - 382 010 Gujarat, INDIA
- +91-79-23256009, 23250492 / 93
- +91-79-23250490
- indextb@indextb.com
- www.indextb.com



Gujarat Agro Industries Corporation

A Government Enterprise

Gujarat Agro Industries Corporation Limited
Gujarat State Civil Supplies Corporation Ltd Building
2nd Floor , "B" Wing , Sector 10A,
Gandhinagar – 382010, Gujarat, India
Phone / Fax : 079-23240208
Email: md-gaic@gujagro.org
<https://gaic.gujarat.gov.in/>