



**CHAMBER FOR ADVANCEMENT
OF SMALL & MEDIUM BUSINESSES**

Handbook on
**Schemes for MSME of Uttarakhand
(Food Processing and Allied Sector)**

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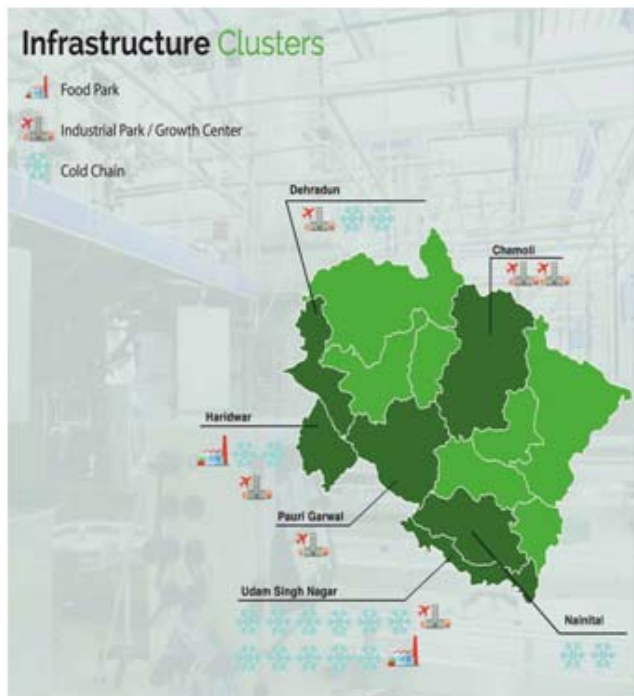
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ADVANTAGES FOR UTTARAKHAND IN THE FOOD PROCESSING SECTOR

- Uttarakhand being a Himalayan state enjoys a proven advantage, the State provides diverse agro climatic conditions from sub tropical, temperate to alpine, where farming is mostly carried out organically.



- Access to robust infrastructure, which includes two Mega Food Parks and four industrial clusters.
- Advantage of location due to proximity to states (UP, Delhi, Punjab) with high demand for fruits and vegetables.
- The state's geographical features and climatic conditions are ideal for growing temperate and subtropical fruit crops. Apple, pear, peach, plum, khumani, and walnut are grown in hilly locations, whereas mango, litchi, malta, santra, lemon, aonla, guava, and pomegranate are grown primarily in Tarai and valley areas.
- **Departmental Infrastructure:**
 - Department have 94 Government nurseries for production of quality planting material and seeds out of these 24 nurseries developed as State of art gardens.
 - 319 horticulture mobile teams (Input Centers) for distribution of horticulture inputs and dissemination of technology of the farmers.
 - 50-community fruit preservation cum training centers.
 - 03 pasteurized composed production center at Dehradun, Jyolikot and Bhimtal in Nainital for promotion of Mushroom.
 - 02 Horticulture training center at Chaubatia and Srinagar working at present and 2 new are being setup at Kashipur (USN) and Jarmola(Uttarkashi).
- The state also has a unique advantage of producing offseason vegetables in hilly areas with late production of litchi in Dehradun and Champawat districts (towards the end of season)
- The state has established a total of 148 significant food-processing units (which comprise all food sectors), of which 102 are based on horticulture.



CENTRAL GOVERNMENT SCHEMES AND POLICIES

1. Horticulture Mission for North East and Himalayan States

- ❖ **Objective:** To improve the production and productivity of horticulture crops by harnessing the potential of the region, the mission addresses the entire spectrum of horticulture from production to consumption through backward and forward linkages by adopting a cluster approach, covering production, post-harvest management, processing, and marketing with the active participation of all stakeholders. Special emphasis on “Low Volume, High Value, Less Perishable Horticulture Crops”
- ❖ **Eligibility:** NER and holly states Jammu & Kashmir, Himachal Pradesh and Uttarakhand can apply for these scheme
- ❖ **Key Benefit:** Credit Linked Back-ended capital investment assistance of 50 percent of cost.
- ❖ **Detailed information:** It Promotes holistic growth of horticulture sector, including bamboo and coconut through area based regionally differentiated strategies, which includes research, technology promotion, extension, post harvest management, processing and marketing, in consonance with comparative advantage of each State/region and its diverse agro-climatic features.
- ❖ **How to Apply:** For availing benefits and assistance under the scheme, farmers / beneficiaries should contact the Horticulture Officer of concerned district. Operational Guidelines, cost norms of different interventions being promoted under the mission, contact details of Mission Directors etc. are available on this web site.
- ❖ **For more Information:** <https://shm.uk.gov.in/pages/display/149-about-hmneh>



2. PRADHAN MANTRI KISAN SAMPADA YOJANA

❖ **Objective:** PMKSY's objective is to supplement agriculture, modernize processing, and reduce agriculture waste. PMKSY will result in the establishment of modern infrastructure with efficient supply chain management from farm gate to retail outlet as a result of its implementation. It will significantly increase the country's food processing sector's growth.

- It will help in providing better prices to farmers and is a big step towards doubling of farmers' income.
- It will create huge employment opportunities especially in the rural areas.
- It will assist to reduce wasting of agricultural output, increase processing levels, make safe and convenient processed foods available to customers at an affordable price, and increase the export of processed foods.

❖ **Eligibility:** Central & state PSUs / Joint Ventures / FPOs/NGOs/Cooperatives /SHG's /Corporate entity/ Proprietorship firms. Promoter's equity should not be less than 20 % of Project Cost in General Areas and 10% in NER & Difficult Areas (not applicable for Govt. proposals). Retailers of processed food having linkage at Farm Level or with food processors. Entrepreneurs desirous of entering into food processing/food retail value chain.

❖ **Key Benefits:** Under the PM Kisan SAMPADA Yojana, a capital subsidy in the manner of grants-in-aid ranging from 35% to 75% of the eligible project cost up to the maximum specified limit is provided under the various schemes to investors for undertaking logistic projects, infrastructure and setting up of food processing units in India. Grant-in-aid @50% of eligible project cost in general areas and @70% of eligible project cost in NE Region and difficult areas subjected to maximum of Rs.50 crores per project.

❖ **Detailed Information:** The following schemes will be implemented under PM Kisan SAMPADA Yojana:

Mega Food Parks:

- To provide modern infrastructure for food processing units in the country.
- To ensure value addition of agricultural produce including dairy, fisheries etc.
- To establish a sustainable raw material supply chain for each cluster.
- To facilitate induction of the latest technology.
- To address the need of small and micro food processing enterprises by providing plug & play facilities.
- To provide an institutional mechanism for producers, processors, and retailers to work together to build the supply chain.

Integrated Cold Chain and Value Addition infrastructure

- To reduce horticulture and non-horticulture produce post-harvest losses by providing financial help for the establishment of integrated cold chain, preservation, and value-added infrastructure without a break from the farm gate to the customer.

Creation/ Expansion of Food Processing/ Preservation Capacities (Unit Scheme)

- Creation/ expansion and / or modernization of processing / preservation capacities which will help in increasing the level of processing, value addition and thereby reduction of wastage.
- The setting up of new units and modernization/ expansion of existing unit will be covered under the scheme. The processing units undertake a wide range of processing activities depending on the processing sectors which results in value

addition and/or enhancing shelf life of the processed products.

Infrastructure for agro-Processing Clusters

- To create modern infrastructure for food processing closer to production areas.
- To provide integrated and complete preservation infrastructure facilities from the farm gate to the consumer.
- To create effective backward and forward linkages by linking groups of producers / farmers to the processors and markets through well-equipped supply chain.

Creation of Backward and Forward Linkages

- To create effective backward & forward linkages for perishable agriculture & horticulture produce through setting up of primary processing centers / collection centers at farm gate, distribution hub and retail outlets at the front end.
- To provide preservation facilities for enhancing shelf life of perishable agricultural produce resulting in better remunerative prices to farmers.

Food Safety and Quality Assurance Infrastructure

- To establish a surveillance system for monitoring the quality and composition of food.
- To analyze the samples received from processing industry and other stakeholders.

- To reduce the time for analysis of samples by reducing transportation time of samples.
- To ensure compliance of international and domestic standards on food in case of exports as well as imports.

Human Resources and Institutions

- The objective of the scheme is that end product/ outcome/findings of R&D work should benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz., additives, coloring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits.
- ❖ **How To Apply:** Applications under the scheme will be invited through EOI. Ministry of Food Processing Industries has introduced a system for online filing of applications on its website www.mofpi.nic.in. The homepage of the website provides a link “Apply Online and Track Status here”. After filing online application, applicant should take print out of the online application form and submit the same along with requisite fees.
- ❖ **For more Information:** <https://mofpi.nic.in/Schemes/pradhan-mantri-kisan-sampada-yojana>.



3. DAIRY PROCESSING AND INFRASTRUCTURE DEVELOPMENT FUND

- ❖ **Objective:** To encourage Milk producer companies to modernize milk processing plant milk facilities and to built robust milk chilling infrastructure to maintain milk and other products at various optimum temperatures.
- ❖ **Eligibility:** The eligible institutions will be referred to as '**Eligible End Borrowers**' under this scheme. Following are the eligible End Borrowers under the scheme:
 - Cooperative Milk Unions
 - State Cooperative Dairy Federations
 - Multi State Milk Cooperatives
 - Milk Producer Companies
 - NDDDB Subsidiaries
- ❖ **Key Benefits:**The scheme provides a funding support pattern in the form of an interest-bearing loan in which the Loan Component is maximum of 80% and end-borrower's component is minimum of 20%
- ❖ **Detailed Information:**
 - The tenure of the loan would be a maximum of 10 years from the date of the first release of funds. This would include the Moratorium Period of a maximum of 2 years on the repayment of the principal amount only. The Moratorium Period would be for the relevant project, and not for each release.
 - The rate of interest would be 6.5% per annum for the end-borrower, which is currently set by the NDDDB. The same would be effective throughout the repayment period. Therefore, interest will be calculated on a daily product basis, without compounding.
 - The End Borrower shall have to provide *State Government Guarantee* for repayment of loan under DIDF. However, the condition of requirement of State Government guarantee may be relaxed in the cases where End Borrower has sufficient collateral security, subject to the condition that such cases will be examined by NDDDB in consultation with NABARD for approval on case to case basis
- ❖ **How to Apply:**The End Borrower meeting the eligibility criteria will prepare a Detailed Project Report (DPR) as per the Model DPR along with all Annexures and will have to submit the DPR to NDDDB for consideration. The End Borrower should ensure all the pre-requisite information is provided as per the data template and proposal as per the model DPR.**For more Information:**<https://www.nddb.coop/didf>



4. CREDIT LINKED CAPITAL SUBSIDY SCHEME (CLCSS) OF MSME (CLCS & TU SCHEME)

- ❖ **Objective:** To facilitate technology to MSEs through institutional finance for induction of well-established and proven technologies in the specific and approved 51 sub-sector/products. Both up gradation projects (with or without expansion) and new projects are eligible.
- ❖ **Eligibility:** Any Micro and Small Enterprise (MSE) in rural and urban areas having valid Udyam Registration and availing institutional credit to buy new Plant & Machinery approved under the scheme. The subsidy is available to both existing and new enterprises.
- ❖ **Key Benefits:** The main objective is to help in up-gradation of technology in Tiny and SSI units in the specified products / Sub-sectors as notified by Govt. of India by providing 15% capital subsidy for investment up to Rs. 1 crores in eligible plant and machinery
 - By introducing this scheme, many non-productive industries were improved
 - Both the existing SSI Units and New SSI units which are registered are covered in this scheme
- ❖ **Detailed Information:** Special Benefits are applicable in case of SC/ST, Women, NER / Hill States / Aspirational Districts /LWE Districts. The subsidy shall be admissible for investment in acquisition /replacement of Plant & Machinery / equipment's & Technology up-gradation of any kind (Core plant & Machinery).
- ❖ **How to Apply:** Applicant meeting the eligibility criteria should approach to loan lending bank branch / PLI. On behalf of applicant, the lending bank branch will examine & apply
- ❖ for subsidy claim through a dedicated online application & tracking management System (MIS), the application will reach to the Ministry through 11 nodal Banks / Agencies. These are SIDBI, NABARD, SBI, BOB, PNB, BOI, TIICL, Andhra Bank, Corporation Bank, Canara Bank and Indian Bank.
- ❖ **For More information:** <https://clcss.dcmsme.gov.in/>



5. A SCHEME FOR PROMOTION OF INNOVATION, RURAL INDUSTRY AND ENTREPRENEURSHIP (ASPIRE)

- ❖ **Objective:** ASPIRE was launched to Promote entrepreneurship culture by promoting innovation and to set up a network of technology centers and to set up incubation centers to accelerate entrepreneurship in agro-industry.
- ❖ **Eligibility:**
 - National Small Industries Corporation (NSIC), Khadi and Village Industries Commission (KVIC), Coir Board or any other Institution / agency of GoI/State Govt. can set up LBI Private partner institutions and entities can also set up LBIs under PPP mode with aforesaid institutions like NSIC, KVIC, Coir Board or any other Institution /agency of GoI/State Govt.
 - Existing incubation centers currently operating under different Ministries and Departments of Government of India or institutions including National/Regional level institutions of GoI/State Govts. Existing incubator should have adequate expertise/ infrastructure to support incubation activity for promoting Innovation, Entrepreneurship, agro-based industry.
 - Eligible private institutions including Industry Associations, along with Academic Institutions, R&D laboratories, Universities, Government entities, Technology Parks, Technical institutions with a proven track record in promotion of technology based entrepreneurship in agro-rural landscape can set up new incubation centers.
- ❖ **Key Benefits:**
 - Set up Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs) to skill youths for own enterprises and incubation of innovative ideas
- **LIVELIHOOD BUSINESS INCUBATOR:** One time grant of 100% of the cost of Plant and Machinery, other than land and infrastructure, up to INR 100 Lakhs, for Government agencies. For PPP mode with Govt., one-time grant of 50% of cost of Plant & Machinery, other than the land and infrastructure, or INR 50.00 Lakhs, whichever is less.
- **TECHNOLOGY BUSINESS INCUBATOR:** One-time grant of 50% of cost of Plant & Machinery excluding the land and infrastructure or an amount up to INR 100 Lakhs, whichever is less. For existing TBIs, one-time grant of 50% of cost of Plant & Machinery excluding the land and infrastructure or an amount up to INR 30 Lakhs, whichever is less.
- ❖ **Detailed Information:** LBIs are set up to train/skill youths in various vocations/fields primarily in agro-rural space to enable them, either to set up own enterprises or seek wage employment in related fields/industries. TBIs are set up to promote youths to incubate new and innovative ideas in agro-rural space by providing basic incubation facilities.
- ❖ **How to apply:** The Eligible institution/Agency has to submit the proposal in a prescribed format given in the scheme guidelines to js.ari@nic.in or aspire-msme@gov.in for onward submission to the Scheme Steering Committee for approval.
- ❖ **For more Information:**
<https://aspire.msme.gov.in/ASPIRE/Home.aspx>



6. NABARD WAREHOUSING SCHEME

- ❖ **Objective :** This scheme objective is to provide affordable credit to the public as well as private sectors to facilitate augmentation of the existing agricultural warehousing infrastructure in the country.
- ❖ **Eligibility :** Agencies owned/ sponsored by State/ Central Govt, Panchayati Raj institutions, cooperatives (and their Federations), Farmers Producers Organizations (FPOs), Federations of Farmers Collectives, Apex marketing boards, Private Companies, Individual Entrepreneurs are eligible.
- ❖ **Key Benefits :** Loans will be provided for projects involving creation of storage infrastructure, with a minimum capacity of 5,000 MT, for agricultural and allied produce including construction of warehouses, silos, cold storage, Controlled Atmosphere (CA) Stores, other Cold Chain Infrastructure Activities like Pack Houses/ Integrated Pack Houses, Reefer Vans, Bulk Coolers, Individually Quick Frozen Units, Chilling/ Freezing Infrastructure, etc.
- ❖ **Detailed Information:** Primary & Collateral Security, Assignment/ Hypothecation of rental receivables and any other unencumbered receivables/ Debt Service Reserve as a default escrow account/ fixed deposit receipts/ bank guarantee or any other security acceptable to NABARD as collateral security)
- ❖ **How To Apply:** Loans will be provided in respect of only those storage projects, which not only conform to the norms laid down by the Warehousing Development and Regulatory Authority (WDRA), but also give an undertaking for obtaining accreditation/registration from WDRA on completion of the Infrastructure.
- ❖ **For More Information:** <https://www.nabard.org/content.aspx?id=571>



7. COLD CHAIN SCHEME

- ❖ **Objective:** The objective of the Scheme of Cold Chain, Value Addition and Preservation Infrastructure is to provide integrated cold chain and preservation infrastructure facilities, without any break, from the farm gate to the consumer.
- ❖ **Eligibility:** The integrated cold chain project is set up by Partnership / Proprietorship Firms, Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central / State PSUs, etc. subject to fulfillment of eligibility conditions of scheme guidelines.
- ❖ **Key Benefits:** It covers creation of infrastructure facility along the entire supply chain viz. pre-cooling, weighing, sorting, grading, waxing facilities at farm level, multi product/ multi temperature cold storage, CA storage, packing facility, IQF, blast freezing in the distribution hub and reefer vans, mobile cooling units for facilitating distribution of horticulture, organic produce, marine, dairy, meat and poultry etc. The scheme allows flexibility in project planning with special emphasis on creation of cold chain infrastructure at farm level.
- ❖ **Detailed Information:** Financial assistance (grant-in-aid) under the scheme is limited to a maximum of Rs. 10 crores per project in relation to technical civil works and eligible plant & machinery subject to the following:
 - 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.
 - 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 irradiation facilities grant-in-aid will be provided @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands.
- ❖ **How To Apply:** Applications under the scheme will be invited through EOI. Ministry of Food Processing Industries has introduced a system for online filing of applications on its website www.mofpi.nic.in. The homepage of the website provides a link “Apply Online and Track Status here”. After filing online application, applicant should take print out of the online application form and submit the same along with requisite fees.
- ❖ **For more information:** <https://mofpi.nic.in/Schemes/cold-chain>.



8. ISO 9000/ ISO 14001 CERTIFICATION REIMBURSEMENT SCHEME

- ❖ **Objective:** The ISO 9000/ISO 14001 Certification Reimbursement Scheme helps MSMEs acquire the specified ISO certification by providing them with financial aid. This Scheme is a step in the right direction, which would make MSMEs and SSIs competitive enough to meet the standards of the international market without worrying about raising funds for certification.
- ❖ **Eligibility:** Industries and organizations, which meet the eligibility criteria of the scheme, can apply for the scheme. Eligible organizations include the following -
 - Permanently registered small scale, ancillary, tiny or Small Scale Service Business Enterprises (SSSBE)
 - SSIs, ancillary, tiny or SSSBE units which have already acquired the ISO-9000/ISO-14001/HACCP certification
- ❖ **Key Benefits :** The scheme envisages reimbursement of charges for acquiring ISO-9000/ISO- 14001/HACCP certification to the extent of 75% of expenditure subject to a maximum of Rs.75,000 in each cases
- ❖ **Detailed Information :** International Standard Organization's, the ISO 9000 family addresses various aspects of quality management and contains some of ISO's best known standards. The standards provide guidance and tools for companies and organizations who want to ensure that their products and services consistently meet customer's requirements, and that quality is consistently improved
- ❖ **How to Apply :** Interested and eligible enterprises can avail the scheme by filling up an application form and submitting the form with their documents to specified addresses. The format for the application form, the list of documents required and the 'Checklist' for the scheme is available at www.dcmsme.gov.in . SSI units which are permanently registered should submit a fully filled in application form with the required documents to the Development Commissioner – MSME
- ❖ **For more Information :** https://my.msme.gov.in/MyMsmeMob/MsmeScheme/Pages/0_2_2.html#



STATE GOVERNMENT SCHEMES AND POLICIES

MSME POLICY 2015 (AS AMENDED IN 2019)

Categorization of industries for the purpose of quantifying incentives

Category	Included Region
Category A	Whole Districts of Pithoragrah, Uttarkashi, Chamoli, Champawat, Rudraprayag and Bageshwar
Category B	Whole District of Almora ► All hilly development blocks of District PauriGarhwal, TehriGarhwal (Excluding regions under category B+) ► All hilly development blocks of District Nainital and Dehradun (Excluding regions under category B+)
Category B+	Kotdwar, Sigaddi and adjoining plain regions of Dugadda development block of district PauriGarhwal ► Dhalwala, Muni Ki Reti, Tapovan and adjoining plain regions of Fakot development block of District TehriGarhwal ► Kotabagh development block of District Nainital ► Plain regions of Kalsi development block of District Dehradun
Category C	Regions located above 650 mtrs from sea level in Raipur, Sahaspur, Vikasnagar and Doiwala development blocks of District Dehradun ► Ramnagar and Haldwani development blocks of District Nainital
Category D	Whole Districts of Haridwar and Udham Singh Nagar ► Remaining area of District Dehradun and Nainital (which are not included in category 'B', 'B+' and 'C')

Interest Subsidy:	Capital Subsidy	Transport Subsidy
<ul style="list-style-type: none"> ● Category A: 10% (Max 8 lacs) ● Category B, B+: 8% (Max 6 lacs) ● Category C: 6% (Max 4 lacs) ● Category D: 5% (Max 3 lacs) 	<ul style="list-style-type: none"> ● Category A: 40% (Max 40 lacs) ● Category B, B+: 35% (Max 35 lacs) ● Category C: 30% (Max 30 lacs) ● Category D: 15% (Max 15 lacs) 	<ul style="list-style-type: none"> ● % of Annual Turnover (Per year/ unit) or Inbound/ Outbound Logistics Cost whichever is less ● Category A: 7% ● Category B: 5% ● Category B+: 5% (Max 5 lacs)

State Government has formulated MSME Policy 2015, to provide incentives for setting up of industries including food processing industries which has subsumed the Special Integrated Industrial Promotion Policy 2008 for Hilly & Remote Areas of Uttarakhand.

The salient features of the fiscal incentives and concessions provided under the Scheme are-

- a) Land development promotional scheme
- b) Special State Capital Production Incentive
- c) Interest subsidy
- d) Power Concession to new Industrial Units
- e) Grant towards transport subsidy in hilly areas
- f) State Government will provide grant-in-aid to set up the industrial unit @ 75 percent of expenditure with a ceiling of Rs. 2.00 lakhs per project towards payment of ISO certification, ISI mark, quality marking, BIS & FPO license, trade mark & copyright registration by the national and internationally approved agencies / institutions.

DEPARTMENTAL CONTACT DETAILS

	Directorate of Industries	SIIDCUL	State Horticulture Mission
Address	Directorate of Industries Industrial Area, Patel Nagar, Dehradun	State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd. (SIIDCUL), IT PArk, Sahastradhara Road, Dehradun	State Horticulture Mission, Dehradun, Uttarakhand
Phone	0135-2728227	0135-2708100	0135-2759799
E-mail ID	mpr@doiuk.org	contactus@siidcul.com	missionhortiuk@gmail.com

