

**Operational Guidelines**  
**for**  
**Horticulture Cluster Development Programme**



**National Horticulture Board**  
**Ministry of Agriculture & Farmers Welfare, Government of India**  
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## OPERATIONAL GUIDELINES

### Horticulture Cluster Development Programme

#### 1. Introduction

- 1.1 Horticulture has emerged as one of the potential agriculture enterprises that will accelerate the growth of the Indian Economy. India is the second largest producer of horticulture crops globally, accounting for more than 10% of the world's production of fruits and vegetables. During the year 2019-20, the country recorded its highest ever horticulture production of 320.77 million tonnes from an area of 25.66 million hectares. Various central and state-led initiatives have had a positive impact on the horticulture sector in terms of increase in production, productivity and value realisation of the produce.
- 1.2 However, India's share of horticulture export in global trade stands at 1.7% and 0.5% for vegetables and fruits respectively, which is significantly lower than other producer countries. Further, there is significant import of horticulture produce, which needs to be addressed. Moreover, various studies on the fruit and vegetable subsectors in India have indicated post-harvest losses ranging from about 1.8% to 18%, on account of inadequate infrastructure for post-harvest handling of produce and value addition.
- 1.3 The above factors highlight that there is further need to enhance the adoption of global best-practices to improve productivity, to develop post-harvest and marketing infrastructure, to invest in value addition activities and to amplify the use of innovative technologies in order to increase the sector's domestic and global market share. The cluster development approach, based on the geographic specialisation of a horticulture crop, can address the above concerns holistically and sustainably.
- 1.4 With a view to enhance global competitiveness of the Indian horticulture sector, the Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India has announced a new programme for Horticulture Cluster Development. It is a Central Sector programme implemented by the National Horticulture Board. The programme aims to achieve holistic growth and development of identified horticulture clusters to make them globally competitive.
- 1.5 A **horticulture cluster** is defined as a regional/ geographical concentration of targeted horticulture crops, offering scope for specialisation in production, post-harvest management, marketing and exports. These clusters provide **growth and development opportunities to stakeholders**.
- 1.6 The Cluster Development approach will facilitate in realising suitable economies of scale in production and post-harvest activities and is required to help in better price realisation and empowerment of the farming community to enhance their income through building competitiveness across the entire value chain.
- 1.7 The Cluster Development Programme (CDP) is designed to leverage geographical specialisations of horticulture clusters and promote integrated and market led development of pre-production, production, post-harvest, logistics, branding and marketing activities. MoA&FW has identified 53 horticulture clusters, of which 12 have been selected for the pilot launch of CDP. The list of

identified clusters is annexed as Annexure – I. Based on the learning, output and outcome of the pilot implementation, the programme will be scaled up to cover all the 53 clusters.

- 1.8 The approach of developing crop specific clusters in different agro climatic zones of the country would also help in dealing with various supply side issues like quality planting material, soil health management, adoption of Good Agricultural Practices and innovative technologies to promote market led production apart from addressing the gap in information sharing on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) issues for export markets.
- 1.9 The cluster based approach is expected to address the concerns and common challenges of all the stakeholders in a **cluster**. While individuals and institutions within a cluster will compete, they are also expected to collaborate and complement each other to function as an optimally aggregated group, optimising resources and achieving the desired impact through focused interventions.

## 2. Objectives

The main objectives of the CDP are to:

- a) Address the concerns of the horticulture value chain, from pre-production, production, post-harvest management and value addition to logistics, marketing and branding, in an integrated manner for accelerating competitiveness in the domestic and export market.
- b) Reduce harvest and post-harvest losses by developing/ expanding/ upgrading the infrastructure for post-harvest handling of produce, value addition and market linkages.
- c) Facilitate the introduction of innovative technologies and practices to help enhance the global competitiveness of focus cluster crops.
- d) Facilitate in dovetailing of resources, including convergence of various government schemes in order to entrench stakeholders in the global value chains.
- e) Build the capacity of stakeholders and enhance farmers' income through cluster specific interventions, including brand promotion.

### 3. Salient Features

**3.1** The programme will focus on all stakeholders in the value chain including farmers/ producers, traders, aggregators, agribusiness enterprises, logistic players, retailers, processors, exporters and other public and private service operators.

**3.2** CDP will support integrated interventions to enhance the competitiveness of targeted clusters. The interventions shall be implemented through specialised Implementing Agencies (IAs). To effectively leverage their specialisation, the interventions have been classified into the following three verticals:

- a. **Pre-production and production:** It will support capacity-building of farmers and farm proximate interventions covering the crop life-cycle, including planting material, crop-care practices and farm mechanisation till the harvest of the crop.
- b. **Post-harvest management and value addition:** It will support interventions at the cluster level, ranging from post-harvest handling of crop to storage, value addition and packaging.
- c. **Logistics, Marketing and Branding:** It will support interventions to link cluster produce with consumption markets and includes seamless logistics for efficient evacuation, cluster branding and outreach in the domestic and export markets.

**3.3** The focus activities/ interventions for each vertical will be as under:

#### **I. Pre-production and Production**

- i. Leverage and/or promote the creation of Farmer Producer Organisations / Farmer Producer Companies (FPOs/FPCs) and build their capacities through training and awareness, as well as necessary credit linkages.
- ii. Assist in the provision of disease-free quality planting material and address the related issues through the import of germ plasm and seed varieties, as well as through the establishment of tissue culture labs and high-tech nurseries.
- iii. Assist in area expansion, introduction of new and improved varieties of high-value horticultural crops and promotion of high-density plantations.
- iv. Promote the adoption and dissemination of Good Agricultural Practices including Integrated Nutrient Management (INM), Integrated Pest Management (IPM) and Crop Care Practices, to improve global competitiveness.
- v. Assist in the adoption of new and advanced farm machinery and technologies, use of farm management software and related innovations, promote advanced digital solutions, such as geo-tagging, weather and disease forecast, by leveraging Internet of Things (IoT), Blockchain for traceability, Information Technology (IT) and Remote Sensing.
- vi. Assist in the development of production-related infrastructure for protected cultivation, micro-irrigation, precision farming, etc.

- vii. Facilitate the establishment of labs for soil testing, plant nutrient testing, Maximum Residue Levels (MRL), etc., by dovetailing of relevant schemes.
- viii. Collate and disseminate real-time market intelligence to support farmers/ FPOs with inputs on market-driven production.
- ix. Facilitate the development of compliance architecture in horticulture clusters vis-a-vis importing markets. These include Sanitary and Phytosanitary Measures (SPS), MRL, Technical Barriers to Trade (TBTs) and standardised protocols and regulatory requirements.
- x. Develop Information, Education and Communication (IEC) material for knowledge dissemination to promote diversification of horticulture production through technology and knowledge transfer by way of awareness campaigns, workshops and exposure visits.
- xi. Any other activity/ intervention required within the vertical that will enhance the holistic development of the cluster.

## **II. Post-Harvest Management and Value Addition**

- i. Facilitate farmers/ FPOs in creation of decentralised infrastructure at the farm gate for post-harvest handling of produce, including collection centres at primary processing by establishing the necessary credit linkages especially through Agri Infra Fund.
- ii. Establishment, expansion and modernisation of cluster-level infrastructure for post-harvest management including collection centres, reefer vans, integrated pack-houses, ripening chambers, pre-cooling units, cold rooms, primary processing and value addition.
- iii. Establishment, expansion and modernisation of cluster-level cold storage infrastructure including multi-temperature and controlled atmosphere cold storages.
- iv. Facilitate the development of packaging standards and other ancillary facilities including packaging required for post-harvest handling of produce.
- v. Any other activity/ intervention required within the vertical that will enhance the holistic development of the cluster.

## **III. Logistics, Marketing and Branding**

- i. Assist in the development of transport, cold chain and other logistics infrastructure from farm gate to the domestic market and up to the exit point for export markets.
- ii. Promote the use of alternative multi-modal means for seamless transport leveraging - Krishi Udan, Kisan Rail, Inland Waterways, Dedicated Freight Corridors, etc., by the creation of appropriate infrastructure, wherever required.
- iii. Facilitate the development of sea protocols for long distance transportation.

- iv. Establish market linkages in identified domestic and export markets including use of e-commerce platforms and digital marketing.
- v. Develop and promote distinct 'Cluster Brands' for identified clusters on common agreed values, such as nutritional and nutraceutical values of variety, Good Agricultural Practices (GAP), food safety and environmental sustainability, among others.
- vi. Assist in the promotion of cluster produce through GI registration, marketing campaigns (print/electronic), road shows/ buyer-seller meets, product sampling in target markets.
- vii. Collate and disseminate market intelligence with inputs on real-time market needs including export protocols.
- viii. Any other activity/ intervention required within the vertical that will enhance the holistic development of the cluster.

#### **4. Implementation Framework**

**4.1** The implementation structure of the programme is detailed as under:

- a. National Horticulture Board (NHB) shall provide financial assistance and supervise the overall implementation of the programme.
- b. A Government/Public Sector Entity recommended by State/Central Government shall be appointed as a Cluster Development Agency (CDA) for each identified cluster for the implementation of the CDP.
- c. CDA will establish a Cluster Development Cell (CDC) with a dedicated team of officers within the CDA for smooth implementation of the programme.
- d. The Implementing Agency/ Agencies (IAs) will be selected through Call for Proposals in an open and transparent manner for the different verticals of the Cluster, namely:
  - Pre-production and Production
  - Post-Harvest Management & Value Addition
  - Logistics, Marketing & Branding
- e. The Programme Management Unit (PMU) of NHB shall provide technical assistance to NHB and CDA for the effective implementation of the Cluster Development Programme.

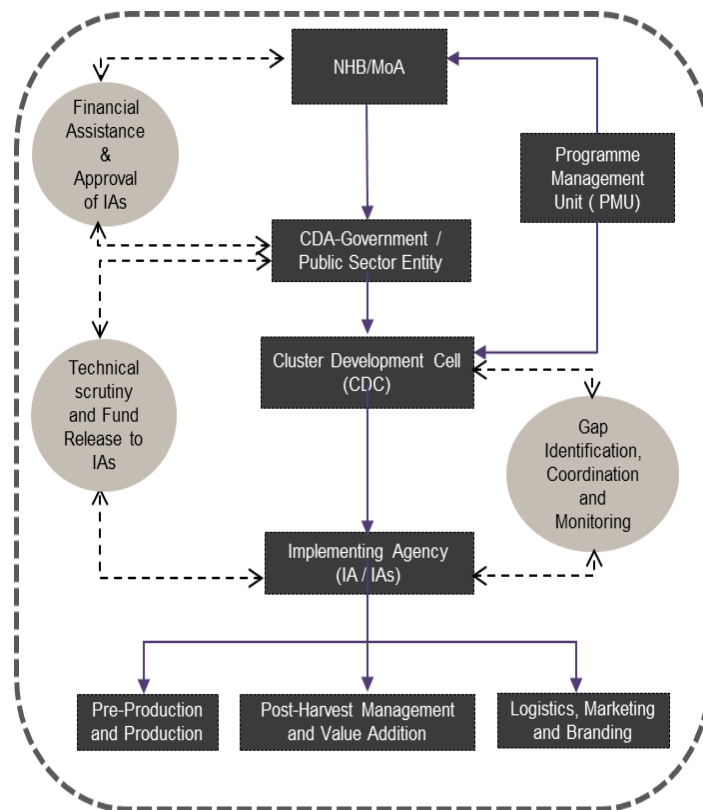


Figure: Programme Implementation Structure

## 5. Cluster Development Agency (CDA)

The Cluster Development Agency will be a Government/ Public Sector Entity appointed by NHB on the recommendation of Central/ State Government in each identified cluster for the implementation of the Cluster Development Programme, subject to the fulfilment of the eligibility criteria.

### 5.1 Eligibility Criteria for CDA

The eligibility criteria for CDAs will be as under:

a. **Relevant experience in horticulture and value chain development –**

The area of experience may include supply/ production of planting material, orchard management practices, post-harvest management, value addition, facilitation of market linkages, trade promotion etc.

b. **Availability of relevant manpower and resources –**

The entity should have a team of officers/ professionals in the field of agriculture/ horticulture promotion, value chain, post-harvest management and marketing with a reasonable strength of manpower.

c. **Net-worth of the recommended entity must be positive –**

Net-worth will be ascertained for the last three consecutive financial years from the audited balance sheet of the Agency as per the norms of the Institute of Chartered Accountants of India (ICAI) which computes net-worth of a public enterprise as paid-up share capital and reserves created out of profits.

**d. Ongoing interventions within the cluster –**

Preference shall be given to the entity having their presence / outreach in the cluster and having implemented/ ongoing interventions across the value chain in one or more of the verticals of the cluster applied for.

**5.2** Public sector entities that can be considered for the role of CDA include State Agriculture Marketing Boards, Horticulture Development Agencies, Marketing and Processing Corporations, Export Promotion Agencies and other Public Sector Undertakings of Central/State Governments. The order of priority for selection of a CDA is as follows:

- a. Any government / public sector entity recommended by the State Government fulfilling all the eligibility criteria will be preferred as CDA.
- b. The State Government may also recommend entity (ies) established under Public Private Partnership/Joint Venture arrangement (as per GOI definition) between Central/ State Government and Private Sector as CDA, subject to meeting all the eligibility criteria.
- c. In the eventuality of a State Government recommended entity (ies) not meeting the eligibility criteria for the CDA of a cluster, NHB may appoint a similar Central Government entity or NHB may itself play the role of CDA.

**5.3** Upon selection of the CDA, a Tripartite Agreement/ MoU will be executed between NHB, State Horticulture Department and the CDA for mutual cooperation and facilitation in programme implementation.

**5.4 Role of CDA**

**5.4.1** CDA will establish a Cluster Development Cell (CDC) with a dedicated team of officers with the requisite background and experience within CDA for the following activities:

- a. Participatory Gap Assessment and preparation of Cluster Gap Assessment Report covering all verticals of the cluster
- b. Floating of a composite Call for Proposals based on the Cluster Gap Assessment Report for selection of Implementing Agencies
- c. Technical Evaluation of proposals received from the applicant agencies for different verticals as per the laid down eligibility and scoring criteria
- d. Submit the recommendation of Evaluation Committee to the Approval Committee for final selection of Implementing Agencies
- e. Release of financial assistance to IAs based on progress of the implementation and monitoring of milestones as defined in the programme guidelines
- f. Dovetailing of resources from other relevant schemes and initiatives of central/state government in the cluster
- g. Regular supervisions and monitoring for more effective and timely implementation of projects



- h. Facilitate collaboration and co-ordination between the respective IAs implementing the different verticals
- i. Dissemination of learning to other horticulture clusters in the State through publications and stakeholder workshops

**5.4.2** CDC will be headed by a Project Director not less than the rank of a Class 1 officer. The dedicated team of CDC shall comprise a minimum of 3 officials having relevant experience and expertise across all the verticals of CDP. The PMU shall also provide technical support to CDAs, assist in programme outreach, cluster gap assessment, inviting Call for Proposal for IAs, appraisal of proposals etc.

## **6. Implementing Agency (IA)**

**6.1** The CDA will float a composite Call for Proposal for all verticals of the cluster, based on the Cluster Gap Assessment Report. Implementing Agencies for different project verticals will be selected in an open and transparent selection process in accordance with relevant General Financial Rules (GFR).

**6.2** Entities eligible for becoming IAs include Farmer Producer Organisations (FPOs/FPCs) and their federations, Cooperatives/ Societies, Partnership Firms, Proprietorship Firms, Companies, State Agriculture and Marketing Boards and Federations and other Public Sector entities of Central/ State Governments.

### **6.3 Eligibility Criteria for IAs**

a. The applicant entity should have a net-worth<sup>1</sup> of minimum two times of the proposed equity contribution as per the latest audited balance sheet.

In case a new entity is proposed to be established as Implementing Agency, the following will be applicable:

(i) The Net-worth of proposed shareholders shall be considered. Each shareholder should meet minimum net-worth requirement of two times of their proposed equity contribution, as per the latest audited balance sheet or CA certificate, as applicable.

(ii) Each shareholder should have a minimum 10% equity contribution and lead promoter identified within the applicant entity should have a minimum equity contribution of 26%. All the shareholders/ partners of the new entity shall be jointly responsible and liable to fulfil all its obligations in respect of the project. The lead promoter cannot be changed during project period.

b. IA should contribute at least 20% of the eligible project cost as promoters' contribution.

c. IA must bring at least 20% of eligible project cost as term loan from scheduled commercial banks/ RBI approved Financial Institutions (FIs).

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<sup>1</sup> Refer Annexure – III for detailed definition and documents in support of net-worth.

- d. In-principle<sup>2</sup> or final term loan sanction by bank along with the bank appraisal note.
- e. IA must have relevant experience as an agri/ horti input supplier/ producer/ aggregator/ trader/ food processor/ exporter/ retailer/ logistics provider, etc., depending on the vertical applied for.
- f. The applicant entity and/or its shareholder(s)/partner(s)/director(s)/key management person has not defaulted on its debt obligations in the last three years and should not appear in the RBI list of wilful defaulters or any such list by a competent authority in their respective jurisdiction. The applicant entity or its shareholder(s) have not been classified as 'non-performing asset' or such similar classification by any lender.

#### **Note**

- a. In the case of a central/ state government entity, the requirement of term loan will not be mandatory, provided the IA meets the contribution through its own resources.
- b. In the case of a central/ state government entity, the loan/ financial contribution sanctioned<sup>3</sup> by the state government will also be considered as a term loan.
- c. The date of in-principle sanction/ final sanction letter should be after the date of publication of Call for Proposals.
- d. New entity shall mean legal entity registered under the provisions of applicable act for the purpose of setting of project under the programme guidelines.

#### **6.4 Roles and Responsibilities of IAs**

- a. Preparation of the Detailed Project Report (DPR)<sup>4</sup>
- b. Achieve financial closure as per approved means of finance
- c. Obtain all statutory approvals/clearances required for the project
- d. Receive financial assistance under the programme and ensure its utilisation in a transparent and judicious manner
- e. Dovetail and integrate initiatives of other ministries/ departments for holistic cluster development
- f. Upload monthly progress report along with photographs/ videos of the project on the portal
- g. Maintain proper books of accounts of the project implementation and maintenance of infrastructure after the commissioning of the project
- h. Ensure effective and timely implementation of the project within specified timelines and coordinate with other IAs in the cluster and the CDA
- i. IAs shall follow CVC guidelines and procurement manuals of Ministry of Finance

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<sup>2</sup> In case of in-principle sanction letter, the final term loan sanction letter should be submitted within 2 months from the date of issue of final approval letter.

<sup>3</sup> The applicant entity shall provide State Government sanction order as per the budget outlay in this respect.

<sup>4</sup> Detailed Project Report shall consist of technical, commercial, financial, operation and management aspect of the project for the proposed vertical in the cluster.

#### 6.4.1 Coverage of Cluster Development Programme

The Programme will promote identified clusters as well as assist in the development of additional potential clusters. The clusters have been classified into - Mega, Midi, and Mini clusters based on area coverage as under:

Sl. No.	Cluster Category	Parameter
		Area* of cluster in Hectares
1.	Mega	More than 15,000 Ha
2.	Midi	More than 5,000 Ha to 15,000 Ha
3.	Mini	Up to 5,000 Ha

*\*area under focus crop in the cluster*

### 7. Pattern of Assistance

7.1 Financial assistance will be provided based on the three different categories of clusters as defined above, in terms of - Mega, Midi, and Mini Clusters. The quantum of financial assistance admissible for each cluster has been listed below:

Sl. No.	Type of Cluster	Amount of financial assistance admissible per cluster (INR in crore)
1.	Mega	Up to 100
2.	Midi	Up to 50
3.	Mini	Up to 25

7.2 The actual financial assistance for each vertical shall be decided based on the Cluster Gap Assessment and DPRs submitted by the IAs. A maximum of 40% of the total financial assistance can be utilised within a single vertical based on the requirement of the Cluster as indicated in the Cluster Gap Assessment. This limit may be relaxed in case of an integrated project by a single Implementing Agency. However, the maximum financial assistance for the cluster as a whole shall remain as specified in clause 7.1.

7.3 NHB shall provide financial assistance to the CDA in an Escrow Account to implement the programme and CDA will further disburse the eligible amount of financial assistance to the IAs in a dedicated Trust and Retention Account (TRA), on achievement of the milestones prescribed for release of financial assistance, strictly as per the provisions of the programme guidelines and in accordance with relevant General Financial Rules (GFR).

7.4 Considering the complexities and challenges associated with horticulture projects, the IA may dovetail assistance available under various other schemes of the

central/ state government to improve the viability of the projects. The IA cannot avail financial assistance for same project component / activity of the project from any other Ministry or Department of the Government of India or State Government or their agencies.

- 7.5** The IA shall also be eligible for financing facility available under Agriculture Infrastructure Fund (AIF) in addition to financial assistance under any other scheme of centre or state government for the components eligible under AIF.

## 8. Applicable Cost Norms

- 8.1** The quantum of financial assistance shall be decided based on NHB/ MIDH<sup>5</sup> or any other applicable cost norms for various components unless otherwise specified. The basis of cost norms of the various components for determining the eligible project cost shall be as follows:

S.No.	Components	Ministry/ Department
1	Formation of FPOs and capacity-building of farmers/ FPOs	Ministry of Agriculture and Farmers Welfare (MoA&FW)
2	Farm-level interventions including micro-irrigation	
3	Farm machinery and custom hiring centres	
4	Irrigation infrastructure and organic farming including GAP	
5	Post-harvest and value addition infrastructure	MoA&FW/ MoFPI <sup>6</sup> / APEDA <sup>7</sup>
6	Logistics and Marketing	

### Notes:

- Any expenditure incurred before the approval of the project shall not be eligible for financial assistance.
- Any other component, apart from those mentioned in the programme guidelines, can be covered as per the existing cost norms of the relevant Ministry/ Department depending upon the need of the Cluster, based on Cluster Gap Assessment.
- Wherever cost norms are not available, especially in the case of digital/ innovative interventions/ branding, etc., NHB shall determine the cost of these components.
- In case of any revisions/ amendments in the NHB/ MIDH or any other applicable cost norms, the latest norms shall be applicable for determining the project cost.

<sup>5</sup> Mission for Integrated Development of Horticulture

<sup>6</sup> Ministry of Food Processing Industries

<sup>7</sup> Agricultural and Processed Food Products Export Development Authority

- e. All equipment/ plant and machinery for the project should be new. Reconditioned/ refurbished equipment/ plant and machinery will not be eligible for financial assistance.

## 9. Eligible Components

The actual configuration of the components will vary depending upon cluster requirements, the Cluster Gap Assessment Report and the DPR submitted by the IA. The indicative list of eligible components determining eligible project cost is as follows:

Project Vertical	Programme Components
<b>1. Pre-production and Production</b>	<ul style="list-style-type: none"> <li>• Formation and promotion of FPOs</li> <li>• Capacity-building of Farmers/FPOs</li> <li>• Awareness campaigns/ Exposure visits</li> <li>• Hi-tech nurseries and tissue culture labs</li> <li>• Quality control labs</li> <li>• Procurement/ import and distribution of quality planting material</li> <li>• Adoption and dissemination of Good Agricultural Practices</li> <li>• Promotion of crop-care practices, including Maximum Residue Levels (MRL), INM and IPM practices</li> <li>• Micro-irrigation, farm mechanisation and advanced farming techniques like precision farming, high-density plantation, usage of drones etc.</li> <li>• Adoption of new technologies and advanced farm machinery for enhancing efficiency</li> <li>• Real-time market intelligence, IT/Digital innovations, IoT infrastructure, traceability, blockchain, remote sensing, weather station and farm management software etc.</li> <li>• Development and dissemination of IEC material</li> <li>• Technical assistance from various National and International organisations/ universities/ other institutes</li> <li>• Any other activity / components required within the vertical for holistic cluster development</li> </ul>
<b>2. Post-harvest Management and Value Addition</b>	<ul style="list-style-type: none"> <li>• Establishment/expansion/modernisation of cluster-level infrastructure such as collection centres, reefer vans, integrated/pack-house, ripening chambers, pre-cooling units, cold rooms, primary processing and value addition</li> <li>• Cold storage infrastructure including multi/temperature-controlled atmosphere cold storages and other related utilities</li> <li>• Packaging standards and other ancillary facilities required for post-harvest handling of produce</li> </ul>

Project Vertical	Programme Components
	<ul style="list-style-type: none"> <li>• Other utilities/ ancillaries and material handling equipment related to the project</li> <li>• Any other activity / components required within the vertical for holistic cluster development</li> </ul>
<b>3. Logistics, Marketing and Branding</b>	<ul style="list-style-type: none"> <li>• Development of transport, cold chain and other logistic infrastructure from farm gate to the domestic market and up to the exit point for export markets</li> <li>• Appropriate packing, storage and material handling infrastructure to promote the use of alternative multi-modal means for seamless transport leveraging Dedicated Freight Corridors, Krishi Udan, Kisan Rail, Inland Waterways, etc.</li> <li>• Establishment of market linkages in identified domestic and export markets</li> <li>• Develop and promote distinct 'Cluster Brand' for identified clusters on common agreed values, such as nutritional and nutraceutical values of variety, Good Agricultural Practices (GAP), food safety and environmental sustainability, among others</li> <li>• Leverage e-commerce platforms and digital marketing for bringing efficiency and as an alternate mode of market outreach</li> <li>• Facilitate the development of sea protocols for long distance transportation</li> <li>• GI registration, marketing campaigns (print/electronic), road shows/buyer seller meet, product sampling in target markets</li> <li>• Collation and dissemination of market intelligence with inputs on real-time market needs including export protocols</li> <li>• Other utilities/ ancillaries and material handling equipment related to the project</li> <li>• Any other activity / components required within the vertical for holistic cluster development</li> </ul>

**Notes:**

- a. The above is only an indicative list and CDA and IA may suggest additional components as per the requirement of each cluster. The components suggested by IA will invariably need the approval from the CDA.
- b. Components of up to 5% of the approved project cost can be changed with prior intimation to CDA. Any deviations/ changes beyond 5% in the approved project components, changes in means of finance etc. shall be considered by Approval Committee based on the recommendation of CDA.

## **10. Ineligible Components**

The following components will be considered as non-technical civil work / ineligible components and will not be considered for financial assistance under the CDP:

- i. Cost of land
- ii. Site development (excavation, filling, etc.)
- iii. Approach road/Internal roads
- iv. Administrative office building/guest house etc.
- v. Compound wall
- vi. Canteen/restaurants etc.
- vii. Preliminary and Pre-operative Expenses including Interest During Construction (IDC)
- viii. Fuel, consumables, spares and stores
- ix. Second hand/ old machines
- x. Reconditioned and refurbished plant & machinery
- xi. Expenditure on painting of machinery
- xii. All applicable taxes, insurance, working capital and margin money for working capital
- xiii. All types of service charges, carriage and freight charges
- xiv. Stationery items
- xv. Operational cost including rentals, salaries, cost of raw material, maintenance cost, etc.
- xvi. Other components not related to the project vertical

## **11. Call for Proposals for the Selection of IAs**

- 11.1** CDA will invite a composite Call for Proposals for all verticals of a cluster, based on the Cluster Gap Assessment Report.
- 11.2** Applicants will have the flexibility to apply for a single vertical, multiple verticals or an integrated project covering all the verticals of the CDP for financial assistance.
- 11.3** The applicants are required to submit complete proposals, along with a DPR and other relevant documents, as prescribed in the application format, as per Annexure II. The list of documents to be submitted by the applicant is provided in Annexure III.

## **12. Evaluation and Approval Committees**

### **12.1 Evaluation Committee**

CDA shall constitute an Evaluation Committee (EC) to conduct the technical evaluation of proposals received in response to Call for Proposals, for recommendation to the Approval Committee.

The EC will be headed by the Chairperson of CDA. The composition of the EC shall be as follows:

- i. Head of the CDA Organisation – Chairperson
- ii. Representative of State Horticulture Department – Member
- iii. Representative of the Department of State Government dealing with food processing/ industries - Member
- iv. Representative of the Department of State Government dealing with agriculture marketing/ trade/ exports - Member
- v. Representative of the District Collector of the Cluster District(s) – Member
- vi. Representative of National Horticulture Board in the Cluster State - Member
- vii. Representative of the bank/financial institution granting the term loan for the project - Member
- viii. Representative of National Research Centres of ICAR/ State Agriculture University/ Centre of Excellence working for the focus crop – Member
- ix. Project Director, CDA – Member Secretary

## **12.2 Approval Committee**

NHB shall constitute an Approval Committee (AC) for final selection of IAs after taking into consideration the recommendation of Evaluation Committee and presentation made by the IAs.

The AC will be headed by the Managing Director, NHB. The composition of the AC shall be as follows:

- i. Managing Director, National Horticulture Board - Chairperson
- ii. Joint Secretary, MIDH, Ministry of Agriculture & Farmers Welfare - Member
- iii. Joint Secretary, Marketing, Ministry of Agriculture & Farmers Welfare - Member
- iv. Joint Secretary, Agri Trade/APEDA, Ministry of Commerce - Member
- v. Joint Secretary, Ministry of Food Processing Industries - Member
- vi. Horticulture Commissioner, Ministry of Agriculture & Farmers Welfare - Member
- vii. Secretary/Principle Secretary I/C of Horticulture of the cluster state - Member
- viii. Project Director, Cluster Development Agency - Member
- ix. Joint Director, Cluster Development, NHB - Member Secretary

## **13. Approval Process**

- 13.1** CDA will conduct a Technical Evaluation of the proposals on a scale of 100 points as per the scoring criterion given in the Annexure - IV. Thereafter, the EC will consider the Technical Evaluation of proposals and submit its recommendation along with technical scores for consideration of the Approval Committee.



- 13.2** The applicants recommended by EC will be invited to make presentations of their proposals before the AC.
- 13.3** AC will evaluate the presentations on a scale of 50 as per the scoring criterion given in Annexure - IV.
- 13.4** AC will prepare a merit list of proposals based on the combined scores awarded by EC and AC for the final selection.
- 13.5** Proposal scoring the highest marks in each vertical of a cluster will be accorded the final approval.
- 13.6** Proposals scoring the second and third highest marks in each vertical shall be kept in the waitlist. If the selected IA is unable to implement the project, the waitlisted applicants shall be given the opportunity in the order of merit.

#### **14. Role of Programme Management Unit (PMU)**

The Programme Management Unit appointed for CDP shall undertake the following activities:

- i. Assist NHB in organising workshops/ media campaigns and other outreach activities for sensitising potential stakeholders about the programme.
- ii. Assist in the preparation of a Memorandum of Agreement (MoA) to be signed between CDA and IAs outlining roles and responsibilities.
- iii. Assist in the preparation of a draft Tripartite Agreement/ MoU to be signed by NHB-CDA-State Horticulture Department.
- iv. Prepare model DPRs, which can be used by IAs as reference for the preparation of vertical-specific DPRs.
- v. Assist NHB in the real-time monitoring and evaluation dashboard for streamlining the implementation process and undertaking corrective action, whenever required.
- vi. Assist in periodic review, supervision and monitoring of project implementation in specific clusters and in the overall implementation of the programme.
- vii. The PMU shall also assist the CDAs in following activities:
  - a. Undertaking necessary liaison, outreach and coordination with State Government and their agencies
  - b. Analysing gaps in the cluster and preparation of the Cluster Gap Assessment Report covering all verticals of the CDP
  - c. Ensuring end-to-end coverage of all interventions covering entire value chain of the targeted crop
  - d. Drafting and inviting the Call for Proposals based on Cluster Gap Assessment
  - e. Evaluation of proposals including DPR and other requisite documents received from IAs for various verticals
  - f. Drafting and issuing of approval letters to the IAs and their onboarding
  - g. Coordination among all IAs for smooth project execution

- h. Identifying and dovetailing the schemes of Central/ State Government
- i. Undertaking site visits to verify physical and financial progress, verification of requisite documents submitted by IAs for release of financial assistance as per the programme guidelines

## 15. Release of Funds by NHB to CDA

- a. **For administrative expenses:** CDA can utilise up to a maximum of 5% of the financial assistance approved for the cluster as administrative expense. However, purchase of vehicle and construction of buildings will not be permitted out of these funds. Proportionate payment to CDA during the first year shall be paid in advance on a half-yearly basis, subject to the submission of utilisation certificate. Payout towards administrative expenses from the second year onwards will be linked to actual progress of the cluster, monitored through achievements of milestones as defined in the programme guidelines.
- b. **For disbursements to IAs:** On approval of the project, NHB shall release an amount of 30% of the maximum financial assistance approved for the cluster in an Escrow Account of CDA. Any further disbursements to the CDA shall be on submission of utilisation certificate for the assistance already released and physical and financial progress of approved projects. The CDA shall make disbursements to IAs on achievement of specific milestones as per the conditions for release of financial assistance provided under clause 16.

## 16. Release of Funds to IA

**16.1** The financial assistance will be released by CDA to IAs subject to the fulfilment of conditions prescribed for each instalment, as listed below.

**16.1.1** First instalment of **30%** of the total approved financial assistance will be released within 12 months from the date of approval, subject to the fulfilment of the following criteria:

- i. Establishment of a Trust and Retention Account (TRA) and signing of the TRA Agreement with any Schedule Bank
- ii. Submission of the final Term Loan sanction letter from the scheduled commercial banks/ FIs
- iii. Submission of surety bond on non-judicial Rs.100 stamp paper
- iv. PFMS (CGA) Registration of IA
- v. Submission of invoices/receipts/work orders with regard to expenditure of at least 30% of the eligible project cost on the approved project components.
- vi. Submission of a bank/financial institution certificate with regard to the disbursement of 30% of term loan by the lending bank.
- vii. Submission of TRA statements for verification of promoters' equity, term loan and project expenditure.
- viii. Achieving minimum coverage of 30% of targeted area as per the approved DPR.

- ix. Statutory auditor certificate confirming the actual expenditure on the project, along with means of finance in the prescribed format, duly certified by a Statutory Auditor and countersigned by the promoter. It should ensure that at least 30% of the promoters' contribution and 30% of the term loan have been utilised on the eligible project cost by IA. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given.
- x. Submission of recommendation by PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the programme guidelines in order to release the financial assistance.
- xi. All the statutory approvals/clearances required for project establishment are to be obtained.
- xii. Any other condition which may be specified from time-to-time.

**16.1.2** Second instalment of **30%** of the total approved financial assistance under the programme will be released within 24 months from the date of approval, subject to fulfilment of the following criteria:

- i. Utilisation certificate as per the format of GFR-19 of the first instalment of financial assistance, duly certified by the chartered accountant
- ii. Utilisation/ expenditure of the first instalment of financial assistance released in the Excel sheet uploaded in EAT MIS process
- iii. Submission of invoices/ receipts/ work orders with regard to the expenditure incurred on the project, related to the proof of proportionate expenditure by IA from the term loan, and equity equivalent to the financial assistance amount released as second tranche of the first instalment
- iv. Submission of a bank/ financial institution certificate with regard to the disbursement of 60% of term loan by the lending bank
- v. Submission of TRA statements for verification of promoters' equity, term loan and project expenditure
- vi. Achieving minimum coverage of 60% of targeted area as per the approved DPR
- vii. Completion of 35% of the components as per the approved DPR
- viii. Statutory Auditor certificate confirming actual expenditure on the project along with means of finance in the prescribed format duly certified by the Statutory Auditor and countersigned by promoter. It should ensure that at least 60% of the promoters' contribution and 60% of the term loan, along with financial assistance released, have been utilised on the eligible project cost by IA. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given.
- ix. Submission of recommendation by PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall

confirm fulfilment of conditions as per the programme guidelines in order to release the financial assistance.

- x. Any other condition which may be specified from time-to-time

**16.1.3** Third instalment of **30%** of the total approved financial assistance under the programme will be released within 36 months from the date of approval, subject to fulfilment of the following criteria:

- i. Utilisation certificate as per the format of GFR-19 of the second instalment of financial assistance duly certified by the statutory auditor
- ii. Utilisation/expenditure of the second instalment of financial assistance released in the Excel sheet uploaded in EAT MIS process
- iii. Submission of invoices/ receipts/ work orders with regard to the expenditure incurred on the project, with regard to proof of proportionate expenditure by IA from term loan, and equity equivalent to the financial assistance amount released as the second instalment
- iv. 100% coverage of targeted area as per the approved DPR
- v. Completion of 70% of the components as per approved DPR
- vi. Submission of a bank/ financial institution certificate with regard to the disbursement of 90% of term loan by the lending bank
- vii. Submission of TRA statements for verification of promoters' equity, term loan and project expenditure
- viii. Statutory Auditor certificate confirming actual expenditure on the project along with means of finance in the prescribed format duly certified by the Statutory Auditor and countersigned by the promoter. It should ensure that at least 90% of the promoters' contribution and 90% of the term loan, along with financial assistance released, have been utilised on the eligible project cost by IA. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given.
- ix. Submission of recommendation by PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the programme guidelines in order to release the financial assistance.
- x. Any other condition which may be specified from time-to-time

**16.1.4** Fourth and final instalment of **10%** of the total approved financial assistance under the programme will be released within 48 months from the date of approval, subject to the successful completion of project and fulfilment of the following criteria:

- i. Utilisation certificate as per the format of GFR-19 of the third instalment of financial assistance duly certified by the statutory auditor
- ii. Utilisation/ expenditure of the third instalment of financial assistance released in the Excel sheet uploaded in EAT MIS process

- iii. 100% completion of project in all respects
- iv. Submission of invoices/ receipts/ work orders related to the expenditure incurred on the project
- v. Submission of a bank/financial institution certificate with regard to the disbursement of 100% of term loan by the lending bank
- vi. Submission of bank statements related to the 100% contribution of promoters' equity, term loan and financial assistance accounts for verification of contribution and expenditure
- vii. Statutory Auditor certificate confirming actual expenditure on the project along with means of finance, duly certified by the statutory auditor and countersigned by the promoter. It should establish that 100% of the promoter's contribution, 100% of the term loan and the third instalment of financial assistance have been utilised in the project. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given.
- viii. Joint inspection/ site visit by a team comprising members of NHB, CDA, PMU, bank and any other concerned department of the government
- ix. Submission of recommendation by PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the programme guidelines in order to release the financial assistance
- x. Valid consent to operate from central/ state pollution control board, wherever applicable
- xi. Valid clearance/ approval for power and water connections, if applicable
- xii. Declaration of the completion of project and start of commercial operation, duly certified by the bank, wherever applicable
- xiii. Registration certificate of logo and trademark for the cluster/value chain brand developed, wherever applicable
- xiv. Accreditation certificate for nurseries and labs, wherever applicable
- xv. Registration certificate of reefer vans, wherever applicable
- xvi. FSSAI licence, wherever applicable
- xvii. Registration/ license with Warehousing Development & Regulatory Authority (WDRA)/APEDA, wherever applicable
- xviii. Any other condition which may be specified from time-to-time

## Note

- a. All the requisite documents for the release of financial assistance shall be self-attested by the authorised signatory of the IA. The IA should submit signed and stamped CA certificate for details of expenditure, Certificate from Chartered Engineer (Civil) for civil works and Chartered Engineer (Mechanical) for plant and

machinery or any other relevant certificates indicating item-wise progress on approved components, cost, quantity, manufacturers/ suppliers and comment on quality and status of implementation, duly countersigned and stamped by the promoter, if applicable.

- b. Financial assistance shall be provided for the project subject to availability of the funds and continuation of the programme.
- c. During the period of project implementation, if the IA account turns into a non-performing asset, in accordance with the guidelines/notifications of Department of Financial Services (DFS) / Reserve Bank of India (RBI), NHB on confirmation from the CDA may close the project on an 'as is where is' basis and recall the entire amount of financial assistance. NHB also retains the right to curtail/ recall the financial assistance along with the applicable penal interest in case of unsatisfactory use of the financial assistance including compromise with the quality of components as envisaged, or partial/ incomplete implementation of the project.
- d. A dispute redressal mechanism forum shall be set up under NHB to resolve any disputes which arise during the implementation of the project. The decision of NHB in such matter shall be final.

## 17. Timelines

- i. The timelines for completion and operationalisation of the project will be 48 months, as detailed below, from the date of issue of the final approval letter, unless extended by the Competent Authority.
- ii. Schedule for completion of project milestones:

S. No.	Particulars	Maximum time period
1	Final approval to release of first instalment	12 months
2	First instalment to release of second instalment	12 months
3	Second instalment to release of third instalment	12 months
4	Third instalment to release of fourth and final instalment	12 months
	<b>Total</b>	48 months

- iii. The IA shall ensure project completion as per the stipulated timelines committed, while seeking financial assistance for the project. In case of non-adherence of timelines, except in case of force de majeure or reasons beyond the control of IA, the NHB may consider imposing appropriate penalty. For each month's delay beyond the scheduled timeline as specified under clause 17(ii), the penalty amounting to 1% of instalment due for release shall be applicable, however, shall not exceed more than 10% of the instalment to be released to IA. Approval Committee may extend the timelines on justifiable reasons on case-to-case basis or waive off the penalty based on the project progress and merit of the case.

- iv. The project can be cancelled in case of non-adherence to the timelines, unless extended by the Approval Committee constituted at NHB.

**Note:** In case of discord with respect to interpretation of any of the provisions of these guidelines, the decision of the NHB shall be final.

## 18. Programme Monitoring

- i. A State-Level Monitoring Committee will be constituted under the Chairmanship of the Chief Secretary/ Agriculture Production Commissioner/ Additional Chief Secretary Horticulture with the Project Director, CDA as its convener. It is envisaged that the Monitoring Committee will meet at least once in a quarter to take stock of progress and to remove bottlenecks, if any.
- ii. CDA shall submit a quarterly progress report of the IAs including details of physical and financial progress, number of farmers benefitted, area of the cluster impacted, brand creation for the cluster produce, etc. to the Central Monitoring Committee. A Central Monitoring Committee headed by MD, NHB will meet quarterly to review the implementation of CDP in each cluster. The Central Monitoring Committee shall be assisted by PMU at the NHB headquarters for the regular supervision and monitoring of the programme.
- iii. For overall supervision and guidance at the National Level, a Steering Committee will be constituted under the Chairmanship of the Secretary, Agriculture Cooperation and Farmers Welfare, GoI, having participation from all relevant stakeholders with the Managing Director, NHB as its Member Secretary. The Steering Committee will meet at least once in six months.
- iv. Projects under the programme shall be monitored based on the implementation schedule submitted by IA within the overall timelines.
- v. The IA shall regularly update progress on the online dashboard monitoring system, along with a bi-monthly progress report, including recent photographs of the work.
- vi. IA of the relevant verticals shall be closely monitored on the progress for implementing compliances, best practices, branding and marketing and other set procedures defined.
- vii. CDA and NHB shall obtain periodical feedback from FPOs/ Cooperatives/ IA and other stakeholders on the implementation of the programme to adopt mid-course corrections, where necessary.
- viii. The scheme will also be evaluated for its efficacy by an independent agency engaged by NHB, after a period of 5 years from its commencement.
- ix. The PMU shall assist both CDA and NHB in the above activities.

“Disclaimer- The programme guidelines are subject to revision from time to time as per the policy directions from Government of India.

## List of Identified Crops and Clusters for Pilot Phase

SI No.	Crop	Identified cluster	State
1	Apple	1. Shopian 2. Kinnaur	Jammu & Kashmir Himachal Pradesh
2	Mango	1. Lucknow 2. Kutch 3. Mahbubnagar	Uttar Pradesh Gujarat Telangana
3	Banana	1. Anantapur 2. Theni	Andhra Pradesh Tamil Nadu
4	Grapes	1. Nashik	Maharashtra
5	Pineapple	1. Sepahijala	Tripura
6	Pomegranate	1. Solapur 2. Chitradurga	Maharashtra Karnataka
7	Turmeric	1. West Jaintia Hills	Meghalaya



**APPLICATION FORM**

Application for:

<b>Name of Cluster</b>	
<b>Focus crop</b>	
<b>Vertical (s)</b>	

**1. General details of the Applicant:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
i.	Name of applicant with complete contact details - address, Tel/Fax No., Mobile No., E-mail	
ii	Name of Lead promoter with complete contact details (Name/ Designation/ Tel. No./ Email address)	
iii.	Legal status of applicant (FPO/ Cooperative/ Producer Group/ Company/ Partnership Firms/Proprietorship Firm/ State Agriculture and Marketing Board and Federation/ Central/State Government Organisation and their entity etc.)	
iv.	Applicant is a new entity or an established entity (specify with registration details)	
v.	Registration No./CIN	
vi.	PAN/ TIN/ TAN	
vii.	GST No.	

**2. Financial details of the Applicant:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
i.	Cumulative Net worth of the Applicant entity*	
ii	Average turn-over of the Applicant entity in the last 3 years in the horticulture sector**	1 <sup>st</sup> Year: 2 <sup>nd</sup> Year: 3 <sup>rd</sup> Year: Average:
iii.	Average export turn-over of the Applicant entity in the last 3 years in the horticulture sector**, if applicable	1 <sup>st</sup> Year: 2 <sup>nd</sup> Year: 3 <sup>rd</sup> Year: Average:
	Net current assets of the Applicant entity**	

S. No.	Particulars	Details
iv.	(Net current asset is the aggregate amount of all current assets, minus the aggregate amount of all current liabilities, to be ascertained as per the latest audited balance sheet)	
v.	Debt Equity ratio of the Applicant entity** (The debt-to-equity (D/E) ratio is calculated by dividing entity's total liabilities by its total shareholder equity, to be ascertained as per the latest audited balance sheet.)	

\* In case a new entity is proposed to be established as Implementing Agency:

- a. Net-worth of proposed shareholders shall be considered. Each shareholder should meet minimum net-worth requirement of two times of their proposed equity contribution, as per the latest audited balance sheet or CA certificate, as applicable
- b. Each shareholder should have a minimum 10% equity contribution and lead promoter identified within the applicant entity should have a minimum equity contribution of 26%. All the shareholders/ partners of the new entity shall be jointly responsible and liable to fulfil all its obligations with respect to the project. The lead promoter cannot be changed during the project period.

\*\*In case a new entity is proposed to be established as Implementing Agency, turnover, net current assets and Debt Equity ratio of the lead promoter shall be considered.

### 3. Details of the Director(s)/ Promoter(s)/ Partner(s) of the Applicant:

S. No.	Name of Director(s)/ Promoter(s)/ Partner(s)*	Address	Tel/Fax No./ Mobile No./ E-mail	Aadhar No.	PAN No.	Shareholding pattern (%age)	Net-worth (in Crore)
Please add additional rows, if required							

\*Lead Promoter of the Applicant to be specified

### 4. Relevant experience of the Applicant entity/ lead promoter (in case of new entity) as agri/ horti input supplier/ producer/ aggregator/ trader/ food processor/ exporter/ retailer/ logistics provider etc.

S. No.	Name of the Applicant entity/ lead promoter	Number of years of experience	Details of Projects/ Activities	Details of relevant experience in the Vertical applied for	Supporting Document(s) attached, if any (Yes/No)
Please add additional rows, if needed.					

The following details shall be provided for the vertical of Logistics, Marketing and Branding and Integrated project:

<b>S. No.</b>	<b>Particulars</b>	<b>Detailing</b>	<b>Supporting Documents to be submitted with DPR</b>
1.	Detail the possession of existing brand/ trademark name in the horticulture sector		Details of brand/trademark
2.	Detail the export linkages/ trade experience in number of countries. Please specify country wise volume and value of business		APEDA registration and trade/ sale invoice/ trade document with different countries

**5. Past experience of the Applicant / lead promoter (in case of new entity) in the Cluster/ Value Chain of the vertical/verticals applied for:**

<b>S. No.</b>	<b>Particulars</b>	<b>Detailing</b>	<b>Supporting Documents to be submitted with DPR</b>
1.	Years of working experience in the cluster in the relevant vertical (in Pre-Production and Production, Post-Harvest Management and Value Addition and Logistics, Marketing and Branding)		Relevant supporting documents of work done in cluster
2.	Year wise details of volume and value of the focus crop handled in the cluster for last three years		Buyback and sale invoices
3.	Year wise farmers (in nos.) and area coverage (in Ha) in the cluster for last three years		MoU/ Agreement with farmers

**6. Specify the number of Verticals applying for and Select the Vertical(s). In case the applicant is applying for multiple Verticals, specify the details of investment in each vertical:**

<b>S. No.</b>	<b>Particulars</b>	<b>Applying for the vertical (Yes / No)</b>	<b>Investment (in Rs Crore)</b>
1.	Pre-Production and Production		
2.	Post-harvest management and Value addition		

S. No.	Particulars	Applying for the vertical (Yes / No)	Investment (in Rs Crore)
3.	Logistics, Marketing and Branding		

## 7. Profile of the Proposed Project:

### (i) Cluster Profile

S. No.	Item	Details
1.	Name of the Cluster	
2.	Name of Districts and Block	
3.	Focus Crop	
4.	Total area coverage of cluster in Ha	
5.	No. of Farmers in the cluster	
6.	Base line indicators- 1. Existing Productivity in Cluster (MT/Ha) 2. Income per Ha for farmers (in Rs.) 3. GAP Certification (%age of farmers covered) 4. Existing Market linkages (names of brands operating in the cluster) 5. Existing export volumes from the cluster (in MT) 6. Existing Infrastructure (details in numbers and capacities)	

### (ii) Project Profile

S. No.	Particulars	Details
1.	Objective of the Project	
2.	Major Interventions in the Project	
3.	Proposed Project is an expansion or a new project (please specify with details)	
4.	Project Implementation Period (No. of years)	
5.	Proposed area coverage in the target cluster to be covered in the project (in Ha) and in percentage of the total cluster area (an undertaking to be submitted along with the details of area coverage to be mentioned in the DPR)	
6.	Farmers covered in the project directly (in numbers)	
7.	Production to be handled in the project (in MT)	
8.	MoUs/ Agreement with farmers / FPOs for	

	availability of appropriate land in line with the project requirements/DPR (number and percentage of farmers covered)	
<b>9.</b>	<p><b>Land related details:</b></p> <p>a. Possession of appropriate land in line with the project requirements/ DPR (applicable for post-harvest management and value addition vertical and Integrated project)</p> <p>b. Possessed land has approval for industrial use/NA (applicable for post-harvest management and value addition vertical and Integrated project)</p> <p>c. Suitability of project location (s) from proposed operation and connectivity (Distance in Kms)</p> <ul style="list-style-type: none"> <li>- State/National highway</li> <li>- In-land Container Depot</li> <li>- Railway yard</li> <li>- Sea Port</li> <li>- Airport</li> <li>- Freight Corridor</li> </ul>	
<b>10.</b>	Total cost of the project with year-wise expenditure plan (in case of integrated project). Please detail out vertical wise investment	
<b>11.</b>	Amount of term loan sanctioned from scheduled commercial bank/ RBI approved Financial Institutions (FIs). Please specify the term loan approved is In-principal sanction or Final sanction.	
<b>12.</b>	Proposed investment on capacity building of the farmers/ FPOs with respect to Good Agricultural Practices, IoT, Crop/Farm Management Solutions, Digital Innovations etc. (applicable for pre-production and production vertical and Integrated project) with details. (value in Cr and in percentage of eligible project cost)	
<b>13.</b>	Dovetailing with other schemes of Central/State government in the project (approval letter from relevant department to be enclosed)	
<b>14.</b>	<p>Expected outputs/outcomes (indicate details)</p> <p>I. Expected Incremental increase in farmer's income</p> <p>II. Increase in crop productivity in MT per Ha.</p> <p>III. Reduction in cost of production</p> <p>IV. Quality of produce enhancement (GAP certifications done for the farmers)</p>	

V. Increased price realisation for produce VI. Increase in volume of exports VII. New infrastructure created VIII. New Cluster brand created	
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**(iii) Proposed components under the project:**

**A. Pre-Production and Production**

S. No.	Component Details	New/ Upgradation	Area Coverage (Ha)	Number of farmers covered	Time Period for Implementation	Basic Cost (in Rs. Cr)	Taxes and other misc. cost (in Rs. Cr)	Total Cost (in Rs. Cr)
<b>Pre-Production</b>								
e.g.	Nursery							
<b>Production</b>								
e.g.	HDP, Promotion of GAP, INM, IPM Spraying, etc.							
Please add additional rows, if needed.								

**B. Post-Harvest Management and Value Addition:**

S. No.	Component	New/ Upgradation	Time period	Capacity	Basic Civil Cost	Basic Plant & machinery cost	Taxes & others Misc. Cost	Overall Cost (in Rs. Cr)
e.g.	Integrated Packhouse, Cold storage etc.							
1.								
Please add additional rows, if needed.								

**C. Logistics, Marketing and Branding:**

S. No.	Component	New/Upgradation	Capacity/Numbers/Other Details	Time Period	Basic Cost	Taxes & Other Misc. Cost	Overall Cost (in Rs. Cr)
e.g.	Reefer Vans						
1.							
Please add additional rows, if needed.							

**(iv) Project location details (specify the details of each project component in the Vertical (s))**

- (a) Targeted Area (Village/ Block.....)
- (b) Proposed location of land for cluster development (Name Village/ Dist./ State)
- (c) Area of land required (In Ha)
- (d) Status of possession (Owned/ Leased/ MoU)
- (e) Status of Land Use Conversion (CLU), if applicable
- (f) Coordinate Details (Longitude & Latitude) / Geotag Photographs

**(v) Whether any subsidy has been availed for the proposed components of the project/activity from Central Govt./ State Govt. or any of its agencies.**

Yes/No

**(if YES, please indicate clearly in detail along with supporting documents in the DPR)**

.....  
 .....

**(vi) Proposed dovetailing of assistance for the project planned/activity from various schemes of the Central Govt. or State Govt.**

Yes/No

**(if YES, please indicate clearly in detail along with supporting documents in the DPR)**

.....  
 .....

## 8. Project Financials and Business Plan:

### (a). Proposed Project Cost Details (share vertical wise details, if applicable)

S.No.	Components	Amount (Rs. in crore)
i.		
ii.		
iii.		
iv.		
v.		
vi.		
	<b>Total Project Cost</b>	

### (b). Proposed Means of Finance

S.No.	Source	Amount (Rs. in crore)
i.	Applicant's contribution/ equity	
ii.	Term loan	
iii.	Financial assistance under CDP	
iv.	Unsecured loan	
	<b>Total</b>	

*Note: - Detail out the additional financial assistance proposed to be leveraged from other Central/ State Government schemes*

### (c). Basic Revenue Projections (for 10 years)

S.No.	Item	Year 1	Year 2	Year 3	Year 5	Year 7	Year 10
i.	Days of operation of each of the facilities per annum						
ii.	Breakup of Revenue earnings from different Facilities per annum						
iii.	Total Annual Turnover						
iv.	Cost of operation per annum						
v.	Gross profit						
vi.	Profit before taxation						
vii.	Profit after tax						

### (d). Financial Parameters (as per Bank Appraisal Note)



S No.	Particulars	Details (Ratio/percentage)	Ref Page No.
i.	Internal Rate of Return (IRR) - with grant - without grant		
ii.	Return on Investment / Capital Employment (ROI = PAT/Project Cost)		
iii.	Avg. Debt Service Coverage Ratio (DSCR)		
iv.	Break Even Point (BEP)		
v.	Debt-Equity Ratio		

## 9. Project Implementation Schedule

## 10. Project Impact

(i) Projected Output and Outcome Year-wise

S.No.	Year	Output (Implementation of various project activities/components)	Outcome (Increase in farmer income, yield, price realization, exports etc.)
1.	Year – 1		
2.	Year – 2		
3.	Year – 3		
4.	Year – 4		

(ii) Employment Generation Projections

a. Direct Employment: .....

b. Indirect Employment: .....

**Declaration** – This is to certify that the above information has been verified and is true as per my knowledge concern.

I also confirm that the applicant entity and/or its shareholder(s)/ partner(s)/ director(s)/ key management person has not defaulted on its debt obligations in the last three years and should not appear in the RBI list of willful defaulters or any such list by a competent authority in their respective jurisdiction. The applicant entity or its shareholder(s) have not been classified as 'non-performing asset' or such similar classification by any lender.

**Signature of the authorised representative of the Applicant**

**Date:** \_\_\_\_\_ **Place:** \_\_\_\_\_

Note – All the information provided above in the application format shall have referencing (mention clause and page number) with the DPR enclosed

## The list of information to be covered in the Call for Proposals for Final Approval

**(A) Detailed Project Report:** Table of Contents for the Detailed Project Report to be submitted by the Applicant for the targeted vertical (other items to be added as per the project requirement)

### 1. Project Snapshot

1.1 Brief of the proposed project with references as per the Detailed Project Report

### 2. Proposed Cluster Profile

2.1 Details of the cluster including information like cluster map, total area under the focus crop, number of farmers associated, block-wise production analysis etc.

2.2 Value Chain assessment of the focus crop

2.3 Need-Gap analysis (for the opted vertical i.e., Pre-production & Production, Post-harvest Management & Value Addition and Logistics, Marketing & Branding)

2.4 Details of logistics scenario in the cluster

2.5 Identification of Strengths, Weaknesses, Opportunities and Threats of the cluster

2.6 Global best practices and quality standards being adopted for the selected crop

### 3. Applicant Profile

3.1 Names and brief profiles with annual turnover of the proposed promoters/ shareholders of the applicant along with their contact details (specify the name and contact details of the coordinating member for the project)

3.2 Indicate the nature and location of existing operations of the applicant

3.3 Relevant experience of the applicant in the focus cluster/ value chain, as per the selected vertical of the programme

3.4 Details of past experience in domestic and export trade (if applicable). The experience may be detailed out for Logistics, Marketing and Branding Vertical as specified below

3.4.1 Possession of existing brand/ trademark (domestic and export) name in the horticulture sector

3.4.2 Presence/ trade experience in a number of countries, elaborate

3.5 Financial details of the applicant entity such as net-worth, net current asset and debt equity ratio and turnover along with audited Balance sheets for the last 3 years or Chartered Accountant (CA) Certificates. In the case of companies, CA certificates need to be certified by their statutory auditor(s).

3.6 A brief note as to why the applicant is keen to undertake the development

of the cluster project, their vision, etc.

- 3.7 In case of formation of a new Entity, the details of the Entity, including the shareholding pattern
- 3.8 Any other relevant information that would establish the credentials and suitability of the promoters in the context of the scheme

#### 4. Proposed Project Profile

- 4.1 Project Rationale for the proposed project
- 4.2 Area coverage under the project for the focus crop in the target cluster
- 4.3 Details of interventions in the project vertical opted for, as per programme guidelines
- 4.4 Details of the proposed project components with area required, estimated capacities, and cost for various facilities/ activities. In case of upgradation of existing facilities, details of existing components to be specified.
- 4.5 Availability of requisite land (ownership/ on lease for 15 years) as per the project need, location and connectivity details along with its GPS co-ordinates
- 4.6 Structure of the project in terms of proposed strategy/ methodology for project implementation
- 4.7 Details of farmers covered under the buyback arrangement in terms of area and quantity of the focus crop, if applicable
- 4.8 Details of dovetailing of resources
- 4.9 Along with the above, it is mandatory to provide vertical-wise information in the DPR as mentioned below:

S.No.	Vertical	Particulars
1	Pre-Production and Production	Proposed investment in the project on capacity-building of the farmers/ FPOs. Details of MoU/ Agreement with farmers/ farmer organization/s in the target cluster area for domestic and export linkages. Highlight the area and number of farmers directly covered in the cluster
2	Post-harvest Management and Value Addition	Details of MoU/ Agreement with farmers/ farmer organization/s in the target cluster area for buyback arrangement of raw material commodities. Highlight the area and number of farmers directly covered in the cluster
3	Logistics, Marketing and Branding	Details of MoU/ Agreement with farmers/ farmer organization/s in target cluster area for domestic and export linkages. Highlight the area and number of farmers directly covered in the cluster

## **5. Project Financials and Business Plan**

- 5.1 Summary of the estimated cost of each of the components of the project vertical for funding by the Government as outlined in the programme
- 5.2 Proposed means of finance to fund the project: promoter's equity, term loan from Nationalized/ Scheduled banks, financial assistance sought etc.
- 5.3 The amount of financial assistance needed for the project, as per the cost norms as defined in the programme guidelines
- 5.4 Specify and share the details with respect to the Convergence with other schemes of Central/State governments
- 5.5 Proposed Business Plan – Estimated revenue sources and assumptions, estimated operating costs and assumptions, Projected profit and loss statements, Balance sheets, and cash flows based on these assumptions
- 5.6 Key financial indicators such as RoCE, BEP, NPV, IRR & DSCR based on the above financial assumptions

## **6. Strategy for branding, marketing and export promotion of the target crop in the cluster, if applicable**

## **7. Details with respect to statutory compliances, risk mitigation strategy etc.**

## **8. Project Implementation Plan with year wise outputs and expected outcomes**

### **(B) The list of the documents to be submitted along with the DPR for obtaining Final Approval**

- a) Application form duly filled by the applicant in the prescribed template (Refer Annexure II)
- b) The applicants are required to submit a Demand Draft of ₹\_\_\_\_\_ (Rupees \_\_\_\_\_ only) as a refundable security deposit and ₹\_\_\_\_\_ (Rupees \_\_\_\_\_ only) as non-refundable cost of Call for Proposals document in favour of “\_\_\_\_\_”. (The hard copies of the demand draft shall be submitted by the applicant to the CDA)
- c) Certificate of incorporation/ registration of the applicant, Memorandum and Articles of Association in case of Company/ Bye-laws of the Society, Co-operative/ Registered partnership deed, PAN card, TAN, GST, etc.
- d) Annual Audited Balance sheet for the last three years of the applicant/ shareholders/ partners/ lead promoter (as applicable)
- e) In-principle/ Final term loan sanction letter from any Scheduled Commercial Bank/ RBI-approved Financial Institution
- f) A detailed bank appraisal note from the Scheduled Commercial Bank/ RBI-approved Financial Institution

- g) Land documents - Documents in support of land title being in possession of the IA or registered Sale deed or registered lease deed, for a minimum period of 15 years, if applicable
- h) Documents in support of land title in the name of the applicant or land lease, duly registered with the competent authority. The applicant shall submit the Change in Land Use (CLU) for the proposed project, if applicable.
- i) Copy of MoUs/Agreement with farmers / FPOs
- j) Relevant experience in Export – Invoices/ Bill of lading/ Letter of Credit/ Import Export Code (IEC) copies / Contract copies/ Purchase Order related to exports of focus crop, if applicable
- k) Proposed Area coverage in the target cluster– Undertaking confirming the area covered under the focus crop for the proposed interventions in the cluster
- l) Statutory Auditor certificate in support of net-worth, net current assets, debt equity ratio, turnover etc. of the proposed project along with the supporting documents suggested as per the programme guidelines
- m) CA certified project cost details and means of finance
- n) Board resolution for confirmation of authorised signatory and for participation as Implementing Agency
- o) Mandate form from Bank
- p) Quotations for Plant and Machinery
- q) The proposed component-wise cost breakup of civil work by the Chartered Engineer, if applicable
- r) The Proposed component-wise cost breakup of plant and machinery by the Chartered Engineer (Mechanical), if applicable
- s) Undertaking to be submitted by the applicant in the prescribed format

**(C) Documents in support of net-worth of the applicant**

The net-worth in the case of Companies will be calculated based on the definition of net-worth in the Companies Act 2013.

**1. Private Ltd./ Public Ltd. Companies/ Cooperatives:**

- a) The net-worth will be ascertained based on the paid-up share capital of the company and reserves created out of profits.
- b) Share application money would be considered towards calculation of net-worth, provided the same has been converted into paid-up capital within the stipulated time as per the Companies Act, but in any case, it should have been converted

into paid-up capital before the submission of the proposal.

- c) A computation of net-worth based on latest audited standalone financial statements of the Company, as duly certified by the Statutory Auditor of the company, needs to be submitted along with the application.
- d) In case of Pvt. Ltd./ Public Ltd. Companies where a significant portion of its net worth stands invested in equity shares of unlisted companies or is shown as loans & advances to various parties with nil or negligible income/revenue, then following additional documents would be required to be submitted by the applicant to ascertain the net worth:
  - i. Details of Investments made in unlisted companies by the applicant company,
  - ii. Audited Financial Statements (AFS) for the previous year or latest provisional Balance Sheet of the companies wherein the investment has been made,
  - iii. Details of loans & advances along with reasons/justification for the same. In case it is observed that the equity contribution made by the promoter company has been utilised by the investee company in creating tangible assets/ Capital work in progress in projects which are under execution then such investments in shares would be considered at face value.
  - iv. However, in case it is observed that the investment by the promoter company is further being reinvested by the investee company in equity shares of unlisted companies or given away as long term/short term advance to individuals/related party/other companies and the investor company has nil/negligible income/ revenue, then no additional clarification shall be asked for and the net worth of such promoter company shall be considered after deducting such investments/loans & advances

## **2. Proprietorship/ Partnership firms**

The net-worth of all entities other than companies will be ascertained on the basis of the latest Balance sheet of the individual proprietor/ partner(s) i.e., assets minus all liabilities, duly certified by the Chartered Accountant (CA) for compliance with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI). The following components will be considered towards net-worth: - Assets include cash, current value of investments, land and building (supported by valuation report at circle rate, circle rate notification and land ownership documents), bonds, cash value of life insurance, current total balance of savings, current or fixed deposit accounts.

### **The following methodology shall be adopted for determining the net-worth:**

- a) Net-worth would be the sum of the net-worth of individual partners and the partnership firm (avoiding duplication of the investment in the partner's capital account of the firm) and the investments of each individual partner towards the partnership firm.
- b) If the applicant is an ongoing partnership/ proprietorship firm and the applicant has submitted an audited Balance sheet of such a partnership/ proprietorship firm, the net-worth based on the audited Balance sheet will be taken into consideration. However, if the net-worth as per the Balance sheet is insufficient, then the CA-certified statement of Assets and Liabilities of the individual Partners/ Proprietors will be taken into consideration, provided the assets are supported

with relevant documents as per the guidelines.

- c) In case the proposed applicant is a new entity then the CA-certified statement of Assets and Liabilities of the individual Partners/ Proprietors will be taken into consideration, provided the assets are supported with relevant documents as per the guidelines.
- d) However, since in a partnership/ proprietorship firm, liability of the partners/proprietors is unlimited, the applicant should submit a CA-certified “Nil Liability Statement” or Statement of “Assets and Liabilities” of the individual partners/ proprietors and the net liabilities based on these statements will be deducted while ascertaining the net-worth.
- e) The aforementioned net-worth components need to be supported by relevant documents.
- f) Shares of unlisted companies will be considered at face value for net-worth and shares of listed companies will be considered based on the average market price of the share for a period of 6 months prior to the date of submission of the proposal.
- g) Assets such as car, jewelry, antiques, gold etc. will not be considered for net-worth.
- h) Loans and advances given to group companies/ related concerns/ individuals will also not be considered towards computation of net-worth.
- i) The applicant(s) will have to give a self-certification regarding the details of the encumbrance of the property submitted by them towards the net-worth.

**3. In case a new entity is proposed to be established as Implementing Agency, the following is applicable:**

- a) Net-worth of proposed shareholders shall be considered. Each shareholder should meet minimum net-worth requirement of two times of their proposed equity contribution, as per the latest audited balance sheet or CA certificate, as applicable.
- b) Each shareholder should have a minimum 10% equity contribution and lead promoter identified within the applicant entity should have a minimum equity contribution of 26%. All the shareholders/ partners of the new entity shall be jointly responsible and liable to fulfil all its obligations in respect of the project. The lead promoter cannot be changed during project period.
- c) The turnover, Debt Equity ratio and net current assets of the lead promoter shall be considered.

**Criteria for Technical Evaluation of Call for Proposals by the EC for  
Pre-production and Production Vertical**

Sl. No.	Criteria	Max. Score
<b>Applicant's profile (50 marks)</b>		
<b>1.</b>	<b>Cumulative net-worth<sup>8</sup> of applicant entity*</b>	
	Net-worth more than 4 times of the proposed equity contribution	15
	Net-worth more than 3 times but less than 4 times of the proposed equity contribution	10
	Net-worth more than 2 times but less than 3 times of the proposed equity contribution	5
<b>2.</b>	<b>Average turnover of applicant entity in the last three years in horticulture sector**</b>	
	Mega cluster: >= Rs. 50 crore Midi cluster: >= Rs. 25 crore Mini cluster: >= Rs. 10 crore	15
	Mega Cluster: Rs. 25 Cr < Rs.50 crore Midi Cluster: Rs. 10 Cr < Rs. 25 crore Mini Cluster: Rs. 5 Cr < Rs. 10 crore	10
	Mega Cluster: Rs. 10 Cr < Rs. 25 crore Midi Cluster: Rs. 5 Cr < Rs.10 crore Mini Cluster: Rs. 1 Cr < Rs. 5 crore	5
<b>3.</b>	<b>Net current assets<sup>9</sup> of the applicant entity</b>	
	More than 50% of the proposed equity contribution	10
	Between >30% – 50% of the proposed equity contribution	5
	Between 10% - 30% of the proposed equity contribution	3
<b>4.</b>	<b>Debt Equity Ratio<sup>10</sup> of the applicant entity</b>	
	Ratio less than 2	10

<sup>8</sup> Net-worth to be ascertained as per the latest audited balance sheet/CA certificate

<sup>9</sup> Net current assets is the aggregate amount of all current assets, minus the aggregate amount of all current liabilities, to be ascertained as per the latest audited balance sheet

<sup>10</sup> The debt-to-equity (D/E) ratio is calculated by dividing entity's total liabilities by its total shareholder equity, to be ascertained as per the latest audited balance sheet.



Sl. No.	Criteria	Max. Score
	Ratio between 2 – 3	5
	Ratio more than 3	3
<b>Project Profile (50 marks)</b>		
5.	<b>MOUs/ Agreement<sup>11</sup> with farmers / FPOs for availability of appropriate land in line with the project requirements/DPR</b>	
	Covering more than 25% of farmers targeted in line with the DPR	5
	Covering 10-25% of farmers targeted in line with the DPR	2.5
6.	<b>Proposed area coverage in the target cluster</b>	
	Mega cluster: Area coverage > 25% Midi cluster: Area coverage > 30% Mini cluster: Area coverage > 35%	15
	Mega cluster: Area coverage > 15-25% Midi cluster: Area coverage > 20-30% Mini cluster: Area coverage > 25-35%	10
	Mega cluster: Area coverage > 5-15% Midi cluster: Area coverage > 10-20% Mini cluster: Area coverage > 15-25%	5
	<b>7. Proposed investment on capacity building of the farmers/ FPOs with respect to Good Agricultural Practices, IoT, Crop/Farm Management Solutions, Digital Innovations etc.</b>	
	More than 25% investment of the eligible project cost	10
Between 10 – 25% investment of the eligible project cost	5	
8.	<b>Leverage investment (equity and term loan) in the eligible project cost</b>	
	More than 2.5 times of the financial assistance sought	15
	More than 2 and <= 2.5 times of the financial assistance sought	10
	More than 1.5 and <= 2 times of the financial assistance sought	5
9.	<b>Special strength</b>	
	Dovetailing with other schemes of Central/State governments (Approval letter from relevant department of Central/State Government for availing financial assistance is to be submitted) <sup>12</sup>	2.5

<sup>11</sup> MoUs/ Agreements verified by the State Horticulture Department to be submitted as supporting document

<sup>12</sup> The project approved under other Central/State Government Schemes should be within the cluster.

Sl. No.	Criteria	Max. Score
	Applicant has obtained final term loan sanction from scheduled commercial banks/ RBI approved Financial Institutions (FIs).	2.5
	<b>Total Score</b>	<b>100</b>

\*In case a new entity is proposed to be established as Implementing Agency, the following is applicable:

- a. Net-worth of proposed shareholders shall be considered. Each shareholder should meet minimum net-worth requirement of two times of their proposed equity contribution, as per the latest audited balance sheet or CA certificate, as applicable.
- b. Each shareholder should have a minimum 10% equity contribution and lead promoter identified within the applicant entity should have a minimum equity contribution of 26%. All the shareholders/ partners of the new entity shall be jointly responsible and liable to fulfil all its obligations in respect of the project. The lead promoter cannot be changed during project period.
- c. The turnover, Debt Equity ratio and net current assets of the lead promoter shall be considered.

\*\*FPOs/FPCs will have 50% relaxation with respect to turnover criteria and years of experience.

**Notes:**

- a) Source of Data for number of farmers/ area in the cluster should be as per the State Government/ Government of India/ Cluster Gap Assessment Report
- b) All financial documents submitted by the applicant entity should be duly certified by the Statutory Auditor.
- c) The MoUs/ Agreement shall be verified by the State Horticulture Department.

*Minimum qualifying marks is 60 out of 100.*

**Criteria for Evaluation by Approval Committee (AC)**

Sl. No.	Criteria	Max. Score
1.	IA presentation	50
	<b>Total Score</b>	<b>50</b>

**Criteria for Technical Evaluation of Call for Proposals by the EC for  
Post-Harvest Management and Value Addition**

Sl. No.	Criteria	Max. Score
<b>Applicant's Profile (50 Marks)</b>		
<b>1.</b>	<b>Cumulative Net-worth of applicant entity*</b>	
	Net-worth more than 4 times of the proposed equity contribution	15
	Net-worth more than 3 times but less than 4 times of the proposed equity contribution	10
	Net-worth more than 2 times but less than 3 times of the proposed equity contribution	5
<b>2.</b>	<b>Average turnover of applicant entity in the last three years in horticulture sector**</b>	
	Mega Cluster: >= Rs. 50 crore Midi Cluster: >= Rs. 25 crore Mini Cluster: >= Rs. 10 crore	15
	Mega Cluster: Rs. 25 Cr < Rs.50 crore Midi Cluster: Rs. 10 Cr < Rs. 25 crore Mini Cluster: Rs. 5 Cr < Rs. 10 crore	10
	Mega Cluster: Rs. 10 Cr < Rs. 25 crore Midi Cluster: Rs. 5 Cr < Rs.10 crore Mini Cluster: Rs. 1 Cr < Rs. 5 crore	5
<b>3.</b>	<b>Net current assets of the applicant entity</b>	
	More than 50% of the proposed equity contribution	10
	Between >30% – 50% of the proposed equity contribution	5
	Between 10% - 30% of the proposed equity contribution	3
<b>4.</b>	<b>Debt Equity Ratio of the applicant entity</b>	
	Ratio less than 2	10
	Ratio between 2 – 3	5
	Ratio more than 3	3
<b>Project Profile (50 Marks)</b>		

<b>5.</b>	<b>A. Possession of appropriate land<sup>13</sup> in line with the project requirements/ DPR</b>	
	Land in possession as owner or as registered lease for a period of minimum 15 years	10
	Land identified with lease agreement or agreement to sale	5
	<b>B. Possessed land has approval for industrial use/NA</b>	
<b>6.</b>	<b>Suitability of project location(s)<sup>14</sup> and its connectivity with road, railways etc.</b>	
	If land is in close proximity to State/National Highway/Freight Corridors/Golden Quadrilateral/ Sea Port/Railway Yard/ ICD. Marks may be awarded as follows: a. Within 2 Kms – 5 marks b. Between 2 to 5 Kms – 3 marks c. Between 5 to 10 Kms – 2 marks	5
<b>7.</b>	<b>MoUs / Agreement linkages with farmers/FPOs in target cluster area</b>	
	More than 25% farmers	10
	Between 15% - 25% farmers	5
	Between 10% -15% farmers	3
<b>8.</b>	<b>Leveraging investment (equity and term loan) in the eligible project cost</b>	
	More than 2.5 times of the financial assistance sought	15
	More than 2 and <= 2.5 times of the financial assistance sought	10
	More than 1.5 and <= 2 times of the financial assistance sought	5
<b>9.</b>	<b>Special Strength</b>	
	Dovetailing with other schemes of Central Government / State Governments (Approval letter from relevant department of Central/State Government for availing financial assistance is to be submitted)	2.5
	Applicant has obtained final term loan sanction from scheduled commercial banks/ RBI approved Financial Institutions (FIs).	2.5
	<b>Total Score</b>	<b>100</b>

<sup>13</sup> English/ Hindi version of land documents and approvals to be submitted as supporting document.

<sup>14</sup> Letter from tehsildar/ local revenue department and site coordinates to be submitted as supporting document.

\*In case a new entity is proposed to be established as Implementing Agency, the following is applicable:

- a. Net-worth of proposed shareholders shall be considered. Each shareholder should meet minimum net-worth requirement of two times of their proposed equity contribution, as per the latest audited balance sheet or CA certificate, as applicable.
- b. Each shareholder should have a minimum 10% equity contribution and lead promoter identified within the applicant entity should have a minimum equity contribution of 26%. All the shareholders/ partners of the new entity shall be jointly responsible and liable to fulfil all its obligations in respect of the project. The lead promoter cannot be changed during project period.
- c. The turnover, Debt Equity ratio and net current assets of the lead promoter shall be considered.

\*\*FPOs/FPCs will have 50% relaxation with respect to turnover criteria and years of experience.

**Note:**

- a) Source of Data for number of farmers/ area in the cluster should be as per the State Government/ Government of India/ Cluster Gap Assessment Report
- b) All financial documents submitted by the applicant entity should be duly certified by the Statutory Auditor.
- c) The MoUs/ Agreement shall be verified by the State Horticulture Department

*Minimum qualifying marks is 60 out of 100*

**Criteria for Evaluation by the Approval Committee (AC)**

<b>S.No.</b>	<b>Criteria</b>	<b>Max. Score</b>
1.	IA Presentation	50
	<b>Total Score</b>	<b>50</b>

**Criteria for Technical Evaluation of Call for Proposals by the EC for  
Logistics, Marketing and Branding Vertical**

<b>Sl. No.</b>	<b>Criteria</b>	<b>Max. Score</b>
<b>Applicant's Profile (50 Marks)</b>		
<b>1.</b>	<b>Cumulative Net-worth of applicant entity*</b>	
	Net-worth more than 4 times of the proposed equity contribution	10
	Net-worth more than 3 times but less than 4 times of the proposed equity contribution	5
	Net-worth more than 2 times but less than 3 times of the proposed equity contribution	3
<b>2.</b>	<b>Average export turnover of applicant entity in the last three years in horticulture sector**</b>	
	Mega Cluster: $\geq$ Rs. 50 crore Midi Cluster: $\geq$ Rs. 25 crore Mini Cluster: $\geq$ Rs. 10 crore	10
	Mega Cluster: Rs. 25 Cr < Rs.50 crore Midi Cluster: Rs. 10 Cr < Rs. 25 crore Mini Cluster: Rs. 5 Cr < Rs. 10 crore	5
	Mega Cluster: Rs. 10 Cr < Rs. 25 crore Midi Cluster: Rs. 5 Cr < Rs.10 crore Mini Cluster: Rs. 1 Cr < Rs. 5 crore	3
<b>3.</b>	<b>Net current assets of the applicant entity</b>	
	More than 50% of the proposed equity contribution	10
	Between $>30\%$ – $50\%$ of the proposed equity contribution	5
	Between $10\%$ - $30\%$ of the proposed equity contribution	3
<b>4.</b>	<b>Debt Equity Ratio of the applicant entity</b>	
	Ratio less than 2	10
	Ratio between 2 – 3	5
	Ratio more 3	3
<b>5.</b>	<b>Possession of existing brand/trademark name in the horticulture sector</b>	
	Registration certificate of brand for more than 5 years from the date of application	5

	Registration certificate of brand for more than 2 years from the date of application	3
<b>6.</b>	<b>Export Linkages/Trade Experience in number of countries<sup>15</sup></b>	
	1 mark per country (Max. 5 marks)	5
<b>Project Profile (50 Marks)</b>		
<b>7.</b>	<b>MoUs / Agreement<sup>16</sup> linkages with farmers/FPOs in target cluster area</b>	
	More than 25% farmers	20
	Between 15% - 25% farmers	15
	Between 10% -15% farmers	10
<b>8.</b>	<b>Leveraging investment (equity and term loan) in the eligible project cost</b>	
	More than 2.5 times of the financial assistance sought	20
	More than 2 and <= 2.5 times of the financial assistance sought	10
	More than 1.5 and <= 2 times of the financial assistance sought	5
<b>9.</b>	<b>Special Strength</b>	
	Dovetailing with other schemes of Central Government / State Governments (Approval letter from relevant department of Central/State Government for availing financial assistance is to be submitted)	5
	Applicant has obtained final term loan sanction from scheduled commercial banks/ RBI approved Financial Institutions (FIs).	5
	<b>Total Score</b>	<b>100</b>

\*In case a new entity is proposed to be established as Implementing Agency, the following is applicable:

- a. Net-worth of proposed shareholders shall be considered. Each shareholder should meet minimum net-worth requirement of two times of their proposed equity contribution, as per the latest audited balance sheet or CA certificate, as applicable.
- b. Each shareholder should have a minimum 10% equity contribution and lead promoter identified within the applicant entity should have a minimum equity contribution of 26%. All the shareholders/ partners of the new entity shall be jointly responsible and liable to fulfil all its obligations in respect of the project. The lead promoter cannot be changed during project period.

<sup>15</sup> Export license/Invoices/Agreements to be submitted as supporting document

<sup>16</sup> MoUs/ Agreements verified by the State Horticulture Department to be submitted as supporting document

c. The turnover, Debt Equity ratio and net current assets of the lead promoter shall be considered.

\*\*FPOs/FPCs will have 50% relaxation with respect to turnover criteria and years of experience.

**Note:**

a) Source of Data for number of farmers/ area in the cluster should be as per the State Government/ Government of India/ Cluster Gap Assessment Report

b) All financial documents submitted by the applicant entity should be duly certified by the Statutory Auditor.

c) The MoUs/ Agreement shall be verified by the State Horticulture Department.

*Minimum qualifying marks is 60 out of 100.*

**Criteria for Evaluation by the Approval Committee (AC)**

<b>S.No.</b>	<b>Criteria</b>	<b>Max. Score</b>
1.	IA presentation	50
	<b>Total Score</b>	<b>50</b>



**Criteria for Technical Evaluation of Call for Proposals by the EC for Integrated Project**

<b>Sl. No.</b>	<b>Criteria</b>	<b>Max. Score</b>
<b>Applicant's Profile (50 Marks)</b>		
<b>1.</b>	<b>Cumulative Net-worth of applicant entity*</b>	
	Net-worth more than 4 times of the proposed equity contribution	15
	Net-worth more than 3 times but less than 4 times of the proposed equity contribution	10
	Net-worth more than 2 times but less than 3 times of the proposed equity contribution	5
<b>2.</b>	<b>Average turnover of applicant entity in the last three years in horticulture sector**</b>	
	Mega Cluster: $\geq$ Rs. 200 crore Midi Cluster: $\geq$ Rs. 100 crore Mini Cluster: $\geq$ Rs. 50 crore	15
	Mega Cluster: Rs. 100 < Rs.200 crore Midi Cluster: Rs. 50 < Rs. 100 crore Mini Cluster: Rs. 25 < Rs. 50 crore	10
	Mega Cluster: Rs. 50 < Rs. 100 crore Midi Cluster: Rs. 25 < Rs.50 crore Mini Cluster: Rs. 5 < Rs. 25 crore	5
<b>3.</b>	<b>Net current assets of the applicant entity</b>	
	More than 50% of the proposed equity contribution	7.5
	Between $>30\%$ – 50% of the proposed equity contribution	3
	Between 10% - 30% of the proposed equity contribution	1
<b>4.</b>	<b>Debt Equity Ratio of the applicant entity</b>	
	Ratio less than 2	7.5
	Ratio between 2 – 3	3
	Ratio more than 3	1
<b>5.</b>	<b>Export Linkages/Trade Experience in number of countries<sup>17</sup></b>	

<sup>17</sup> Export license/Invoices/Agreements to be submitted as supporting document

Sl. No.	Criteria	Max. Score
	1 mark per country (Max. 5 marks)	5
<b>Project Profile (50 Marks)</b>		
<b>6.</b>	<b>A. Possession of appropriate land<sup>18</sup> in line with the project requirements/ DPR</b>	
	Land in possession as owner or as registered lease for a period of minimum 15 years	5
	Land identified with lease agreement or agreement to sale	2.5
	<b>B. Possessed land has approval for industrial use</b>	
<b>7.</b>	<b>MoUs / Agreement<sup>19</sup> linkages with farmers/FPOs in target cluster area</b>	
	More than 25% farmers	10
	Between 15% - 25% farmers	5
	Between 10% -15% farmers	3
<b>8.</b>	<b>Proposed area coverage in the target cluster</b>	
	Mega cluster: Area coverage > 25% Midi cluster: Area coverage > 30% Mini cluster: Area coverage > 35%	10
	Mega cluster: Area coverage > 15-25% Midi cluster: Area coverage > 20-30% Mini cluster: Area coverage > 25-35%	5
	Mega cluster: Area coverage > 5-15% Midi cluster: Area coverage > 10-20% Mini cluster: Area coverage > 15-25%	3
	<b>9.</b>	
	<b>Leveraging investment (equity and term loan) in the eligible project cost</b>	
More than 2.5 times of the financial assistance sought	15	
More than 2 and <= 2.5 times of the financial assistance sought	10	
More than 1.5 and <= 2 times of the financial assistance sought	5	
<b>10.</b>	<b>Special Strength</b>	

<sup>18</sup> English/ Hindi version of land documents and approvals to be submitted as supporting document.

<sup>19</sup> MoUs/ Agreements verified by the State Horticulture Department to be submitted as supporting document

Sl. No.	Criteria	Max. Score
	Dovetailing with other schemes of Central Government / State Governments Converged (Approval letter from relevant department of Central/State Government for availing financial assistance is to be submitted)	2.5
	Applicant has obtained final term loan sanction from scheduled commercial banks/ RBI approved Financial Institutions (FIs).	2.5
	<b>Total Score</b>	<b>100</b>

\*In case a new entity is proposed to be established as Implementing Agency, the following is applicable:

- Net-worth of proposed shareholders shall be considered. Each shareholder should meet minimum net-worth requirement of two times of their proposed equity contribution, as per the latest audited balance sheet or CA certificate, as applicable.
- Each shareholder should have a minimum 10% equity contribution and lead promoter identified within the applicant entity should have a minimum equity contribution of 26%. All the shareholders/ partners of the new entity shall be jointly responsible and liable to fulfil all its obligations in respect of the project. The lead promoter cannot be changed during project period.
- The turnover, Debt Equity ratio and net current assets of the lead promoter shall be considered.

\*\*FPOs/FPCs will have 50% relaxation with respect to turnover criteria and years of experience.

**Notes:**

- Source of Data for number of farmers/ area in the cluster should be as per the State Government/ Government of India/ Cluster Gap Assessment Report
- All financial documents submitted by the applicant entity should be duly certified by the Statutory Auditor.
- The MoUs/ Agreement shall be verified by the State Horticulture Department.

*Minimum qualifying marks is 60 out of 100.*

**Criteria for Evaluation by the Approval Committee (AC)**

S.No.	Criteria	Max. Score
1.	IA presentation	50
	<b>Total Score</b>	<b>50</b>