CIRCULAR

Sub: Implementation of “Integrated Coffee Development Project (ICDP)”
     Scheme during the “Medium Term Framework period (2017-18 to
     2019-20)” – Modalities / Guidelines for Support for Value Addition –
     Support to R&G units – Reg.
     Ref: Letter No. 4/2/2017-Plant B dated 15th March 2018.

The Government of India has conveyed approval for implementation of the Sub-
component 3.2 – ‘Support for Value Addition – Support to R&G units’ under the scheme –
“Integrated Coffee Development Project (ICDP)” during the “Medium Term Framework period
(2017-18 to 2019-20)” along with the implementation modalities vide letter cited under
reference. The implementation of the sub-component will be subject to the following conditions:

1) The date of implementation of the sub-component will be effective from 13th July, 2018.
2) The applicant’s unit should hold a valid license for the business from the respective
   statutory authorities
3) Applicants who have availed subsidy in the XI and XII plan are not eligible.

The implementation modalities of the sub-component 3.2 have been hosted in the Coffee
Board’s website https://www.indiacoffee.org.

Director of Finance

Copy to:
1) DS to Secretary / PA to Chairman / PA to DF / PA to DR
2) The Head, Coffee Quality Division
3) The Deputy Director (A/cs.) / Deputy Secretary, Plan Accounts
4) The Deputy Director (MR) – for uploading on Board’s website.
Modalities for Implementation of:

Sub Component 3.2: Support for Value Addition - Support to R&G units

Objective: To enhance quality of coffee product and achieve value addition through introduction of improved technologies in roasting, grinding and packaging which will result in boosting domestic coffee consumption and entrepreneurship in the coffee sector especially in the Non Traditional areas.

3.2.1. Eligibility
Individual units, Partnership firms, Self-Help-Groups (SHG)/ Growers’ collectives who are interested to establish coffee roasting units.

3.2.2. Conditions
i) The applicant’s Unit should hold a valid license for the business from the respective statutory authorities.
ii) Applicants who have availed subsidy in the XI and XII plan are not eligible.

3.2.3. Scale of subsidy
i) Roasting Unit, Gourmet roasting unit 1Kg to <10Kg/batch and small roasting units with a capacity of less than 25 kg capacity are eligible for subsidy support of 40% of the machinery cost with a ceiling of Rs.10 lakhs.
ii) For the SHG’s, women entrepreneurs, SC/ ST, Minorities and differently abled beneficiaries, subsidy support is @ 50 % of the machinery cost with a ceiling of Rs.10 lakhs.

Support to gourmet roaster units would enable roasting of specialised blends in smaller quantities. This may also help to encourage large number of small players/new entrepreneurs to take up this venture in non-traditional coffee drinking areas.

3.2.4. Components eligible for subsidy

For new Units: The roasting, grinding and packaging machinery in any of the following combinations are eligible for subsidy
   a) Roasting machine, grinding machine and packaging machine.
   b) Roasting machine and packaging machine.
   c) Grinding machine and Packaging machine

3.2.5. Priority
Applications shall be considered on first come first serve basis provided the applications are complete in all respects.

3.2.6. Procedure of application
The application for subsidy should be submitted in the prescribed format after installation/commissioning of coffee machinery to the Divisional Head (Coffee Quality), Coffee Board, Dr. Ambedkar Veedhi, Bengaluru -560001. The applications will be processed after the inspection by the officers of the Coffee Quality Division, Bengaluru on seniority basis. If the application is found liable for rejection, same will be communicated to the applicant.

3.2.7. Documents to be submitted
i) Application in the prescribed format (in Duplicate)
ii) Copy of the Photo identity like Aadhaar or Ration card or PAN card or Passport or Driving License or Election Photo Identity Card etc.
iii) Original copy of Tax Invoice / Cash Bill issued by the supplier.
iv) Attested copies of Bills in support of freight/installation/commissioning charges and insurance (if included in the total cost).
v) Copy of warranty certificate

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vi) Notarized Copy of the lease agreement / rent agreement (Minimum for a period of three years) / ownership document in respect of the shop / building premises
vii) Copy of license from municipal authorities.
viii) Copy of the Bank pass book of the applicant containing the information such as:
  a) Name of the Bank and Branch address
  b) Account Holder Name
  c) Account No.
  d) IFSC code
ix) Photographs of the new machinery installed for which subsidy is claimed
x) List and photographs of already existing machinery.
xi) In case of SC /ST, Minorities and differently abled category beneficiaries applying individually, caste / community / disability certificate (with disability of 40% and above) issued by the competent authority.

3.2.8. Disbursement of subsidy
The subsidy shall be released to the applicant’s bank account through EFT in cases where the application is complete in all respects and only after approval of post installation inspection report submitted by the Coffee Quality Division, Coffee Board, Bengaluru.

3.2.9. Specifications of Coffee Roasting, Grinding and Packaging machinery eligible for subsidy

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<thead>
<tr>
<th>Sl. No.</th>
<th>Machineries Description</th>
<th>Minimum Specifications</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Roasting Unit</td>
<td>Roasting capacity of 10 kg / batch &amp; below and above one kg.</td>
<td>Gourmet roasting / small roasting unit / shop roasting units/ speciality roasting unit / small speciality roasting unit. This may include small drum roasters with LPG, diesel, electrical, air roasters, and small modular roasters of size above one kg / batch.</td>
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<tr>
<td></td>
<td>Gourmet roasting unit</td>
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<td></td>
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<td></td>
<td>1Kg to &lt;10Kg/batch</td>
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<td></td>
<td>Small roasting unit</td>
<td>10 kg and less than 25 kg capacity</td>
<td>25 kg / batch air roasters includes all convention &amp; convection systems with 25 kg capacity of ±2 kg or roasting chamber of 25 kg capacity working on electrical / LPG/ Diesel / different fuel systems. They may be simple / digital with control panel provided with any pollution control devices, online control systems</td>
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<td>10Kg to 25Kg/batch</td>
<td>(Technically exact quantity of 25 kg capacity cannot be achieved in drum roasting system, hence ±2 kg is allowed.</td>
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| 02     | Grinding Unit          | 15 Kg capacity per hour (stone mills are not eligible)    | a) Minimum 10 kg / hour and above for gourmet roasting units.  
b) Minimum 15 kg / hour and above for small roasting units (disc mills, roll mills, water cooled for small and large roasting units) |
| 03     | Packaging Unit         | For small roasting units according to the capacity different packaging machines are eligible | Packaging machineries includes Pedal sealing machine; Continuous sealing machine; Filling and sealing machine; Form fill and sealing machine; Automatic or semi-automatic Nitrogen flushing and sealing machine, vacuumizing and sealing machine or Vacuumizing & Nitrogen flushing and sealing machine (automatic or semi-automatic) pod forming, filling and sealing, capsules filling and sealing, liquid coffee filling and pouch forming machines, powder or liquid filling and sealing machines or any other new technologies developed for liquid coffee / powder coffee / coffee beans are eligible for subsidy. |

Items listed above would cover all types of machinery and equipment of different makes and specifications available in the market for both indigenous and imported.

3.2.10 Amendment to the Scheme

- The submission of application by the applicant or acceptance of the application by the office does not entitle the applicant for the eligible subsidy from the Coffee Board. The release of eligible subsidy to the applicant is subject to availability of funds during a particular year.

- The Coffee Board reserves the right to amend, amplify or abrogate in its discretion any of the terms and conditions of the scheme without notice as it may consider necessary for efficient execution of the scheme and fulfilment of its objectives.

- Applications of persons who resort to making offers, rewards, gifts or any material benefit, or any coercion either directly or indirectly, to influence the sanction process shall summarily be rejected. Similarly, legal action will be initiated for recovery with applicable interest against applicants who obtain the subsidy benefit by wilfully furnishing wrong/incorrect information, misrepresentation and suppression of information.

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