

Guidelines for scheme for setting up / up gradation of food testing laboratories

(1). Objectives:

The Scheme for setting up / up-gradation of food testing laboratories would benefit all stakeholders including domestic industry, exporters, entrepreneurs, small and medium enterprises, existing academic & research institutions, food standards setting bodies and Government. Food testing laboratories are the only way to ensure safety and quality of food products by Regulatory authorities, exporters, importers, processors, farmers, consumers etc. The other objectives of the scheme are:

- To establish a surveillance system for monitoring the quality and composition of food
- To analyse the samples received from food processing industries, and other stakeholders.
- To reduce the time of analysis of samples by reducing transportation time of samples.
- To ensure compliance of International standards on food in case of exports as well as imports.

(2). PATTERN OF ASSISTANCE:

(i). Central/State Government and its organizations /Universities (including deemed universities) will be eligible for grant-in-aid of entire cost of laboratory equipments required for labs. In addition, they would also be eligible for 25% of the cost of technical civil works to house the equipments and furniture and the fixtures associated with the equipments for general areas and 33% for difficult areas.

(ii). All other implementing agencies/private sector organisations will be eligible for grant-in-aid of 50% of cost of laboratory equipments and 25% of the cost of technical civil works to house the equipments and furniture and fixtures associated with the equipments for general areas and 70% of cost of lab equipment and 33% of technical civil works for difficult areas.

(iii). This includes 5% of the grant amount as professional fees for Programme Management Agency (PMA) engaged for providing advisory and implementation services to Food testing/Quality Control Laboratories and follow up actions.

(iv). When the Ministry establishes / sponsors such food testing laboratories, there would be no ceiling to financial assistance and the amount to be approved will be decided on case to case basis with the approval of Competent Authority.

(v). The food testing facilities so created will be accessible to public and will be made available to the food processing units for testing their products in and around the area at specified rates.

(3). DOCUMENTS REQUIRED:

- (i) Application in the MFPI prescribed format (Format available on website: <http://mofpi.nic.in>)
- (ii) Detailed project report clearly indicating the total project cost (item-wise and cost – wise break-up), Means of finance to meet the project cost, recurring expenditure, information on availability of land and building, qualified manpower, implementation schedule, list of lab equipments (their cost, purpose/parameters being tested), Technical civil works etc.
- (iii) Sanction letter of term loan from bank / financial institutions , if any

- (iv) Certificate of incorporation/registration of the organization, Memorandum and Articles of Association and Bye laws of the society (if applicable)/ partnership deed etc. Bio-data/background of the office bearers/promoters of the organization
- (v) Annual reports and Audited Statement of Accounts of last two years, in case of up-gradation proposals/cases
- (vi) Blue Print of the laboratory building Plan
- (vii) Notarized English version of land document (in case it is in any of the regional languages)
- (viii) Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
- (ix) Item wise and cost wise details of lab equipments envisaged duly supported by quotations. In case of up-gradation of lab, list of existing lab equipments with complete details are also to be furnished.
- (x) **An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming :**
 - (a) that organisation's sister concern (s)/ inter connected company/Group company as well as the applicant company itself has not obtained any financial assistance for a food processing project in the past from MFPI.
 - (b) that the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Govt/GOI organization/agencies and State Govt for the same purpose/activity /same components.

4. The Applicant Organisation has also to confirm the following:

- (i) If the applicant is a Govt. / University / Public sector institution, the Organisation's share of expenditure is borne from their self generated funds and not from other grants received by it from other Govt. departments/bodies, which is meant for some other purpose.
- (ii) the facility created out of financial assistance of MFPI may be availed of by the food processing units in and around the area for getting their products at specified rates and shall create awareness through wide publicity of such facilities among the units.
- (iii) the Organisation will Submit six monthly periodical progress report to this Ministry.
- (iv) the gap in the means of finance between grant amount sought and approved shall be borne by the organisation.
- (v) Confirmation on whether the organisation has acquired the land /already have the land and constructed/have adequate building for housing the lab.
- (vi) The source of funds to meet recurring expenditure and maintain/up grade testing facilities
- (vii) Availability of qualified manpower vis – a- vis the facility created.
- (viii) Implementation schedule of the proposed laboratory restricting it to maximum 2 years.
- (ix) In case of up-gradation of food testing labs, status of NABL accreditation. Whether lab has obtained NABL accreditation, if yes, give details. If not, time frame by which the NABL accreditation will be obtained.

5. Implementation procedure:

- (a). Proposals for financial assistance for setting up / up-gradation of food testing laboratories will be received directly by Ministry of Food Processing Industries (MFPI).
- (b). All the proposals received for financial assistance will be placed before Techno Scrutiny Committee (TSC) constituted by MFPI for examining such proposals from technical angle. Applicant organisations will make presentations before TSC. The organisations will have to furnish information / documents as sought by TSC.

- (c). Thereafter, the proposals recommended by TSC from technical angle and complete in all respects will be placed before Project Approval Committee (PAC) for consideration and approval.
- (d). The following schedule will be adopted for release of grant assistance:-
- (i) 1st instalment of 40% of the total grant under the scheme will be released after ensuring that 40% of the promoters contribution and 40% of the term loan has been spent on the project.
 - (ii) 2nd instalment of another 40% of the total grant under the scheme will be released after ensuring that utilization of first instalment of grant and 80% of promoters contribution and 80% of term loan have been spent on the project. Utilization certificate of the first instalment shall be submitted by the promoter at the time of making claim for the second instalment.
 - (iii) 3rd and final instalment of remaining 20% of the grant assistance will be released after ensuring that the utilization of the second instalment and 100% of promoters contribution and 100% of term loan has been invested on the project and the project has achieved completion and commercial operation has started. Utilization certificate of the second instalment shall be submitted by the promoter at the time of making claim for the 3rd and final instalment.
 - (iv) In case of Government / public sector organisations, 1st installment will be released after receiving requisite documents / confirmations as mentioned at para (4) of these guidelines. Second installment will be released only after ensuring full utilisation of 1st installment of grant towards purchase of lab equipments and completion of Technical Civil works (TCW) for housing the equipments and ensuring incurring of 100% of promoters contribution.
- (e). The implementation schedule for the project would be about 18 months from the date of the approval of each project.
- (f). Difficult areas include J&K, Himachal Pradesh, Uttaranchal, Sikkim, North-Eastern States, Andaman& Niicobar Islands, Lakshadweep, Integrated Tribal Development Projects (ITDP) area.

Application Form For Setting up/ up-gradation of Quality Control / Food Testing Laboratory

S.No.	Particulars	Details
1	Name & Address of the Promoter including telephone, fax, e-mail etc.	
2.	Type of organisation like Govt. Institution /organisation, Industry Association, University, NGO, Co-operative, others etc.	
3.	Background the organisation	
4.	Objectives of the laboratory	
5.	In case of up-gradation of existing lab, performance of the last three years indicating types of food products tested, parameters, revenue earned and any other relevant information etc.	
6.	Range of products / parameters to be tested	
7	Number of Food Processing Industries situated in the region / nearby area and other potential users which may avail testing facilities. Attach list giving names & address of units along with their products.	
9.	Name and address of the Laboratory from where these units are getting their products tested and constraints.	
10.	<p>Total Project cost :</p> <p>a) Land - not eligible for grant</p> <p>b) Building</p> <p>(i). Technical civil works which include only the constructed area required for housing the lab equipments, storage of samples / chemicals / consumables, and training hall.</p> <p>(ii). Non technical civil work such as office area, library, roads, boundary wall, canteen, guesthouse etc.</p> <p>(c) Laboratory Equipments</p> <p>- Indigenous</p> <p>- Imported</p> <p>(d) Recurring Expenditure -</p> <p>(i). Consumables</p> <p>(ii) Salaries & Wages</p> <p>(iii) Any other expenses</p>	

	(e). Furniture & Fixtures (f). Any other items Total	
11	Means of Finance : (a) Promoters Contribution / equity (b). Grant from MFPI ©. Term Loan from Bank (c) Any other source Total	
12.	Details of lab equipments proposed to be installed in the Laboratory indicating specifications, make, quantity, cost, purpose etc. (Please furnish detailed technical literature and quotations for each equipment) along with full justification	
13	Total no. of manpower to be employed (with their name, qualifications and experience)	
14	Implementation Schedule - Bar Chart / mile Stone Chart	
15	Recurring Expenditure & how this will be met. Cash flow for the next five year	
16.	Whether Lab has obtained NABL accreditation, if yes, give details . If not, time frame by which the NABL accreditation will be obtained	
17.	Any other relevant details	

Signature
Name and Designation
Seal of the organisation

Encl: List of documents attached

Check list for the scheme of setting –up/ upgradation of food testing laboratory

1.	Application in the MFPI prescribed format
2.	Total project cost (item-wise and cost – wise break-up)
3.	Means of finance to meet the project cost,
4.	Details of Recurring expenditure,
5.	Availability of land and building,
6.	Details of Qualified manpower
7.	Implementation schedule
8.	List of lab equipments with their specifications, cost, purpose/parameters being tested in a tabulated form
9.	Details of Technical civil works etc.
10.	Sanction letter of term loan from bank / financial institutions
11	Certificate of incorporation/registration of the organization
11.	Memorandum and Articles of Association and Bye laws of the society
12.	Bio-data/background of the office bearers/promoters of the organization
13.	Annual reports and Audited Statement of Accounts of last two years
14.	Blue Print of the laboratory building Plan
15.	Notarized English version of land document
16.	Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
17.	Item wise and cost wise details of lab equipments envisaged duly supported by quotations duly Certified by chartered Engineer (Mechanical)
18.	List of existing lab equipments with complete details
19.	An affidavit on non-judicial stamp paper of Rs.100/-, duly notarised.