

Districts
as Export Hubs



JKTP 
JAMMU & KASHMIR TRADE PROMOTION ORGANIZATION
(A Government of J&K Undertaking)



**District Export Action
Plan
Samba**

Preface

This district export plan for Samba is being prepared as a part of Developing District as Export Hub under the District Export Hub Scheme initiated by the Ministry of Commerce & Industry, Govt of India. Hon'ble Prime Minister in his Independence Day Speech on 15th August 2019, had, inter- alia observed that each of our district has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. In order to implement Hon'ble PM's vision for each district, Govt of J&K is working to promote Samba as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Samba under the chairmanship of District Magistrate. With the said objective, 'District Export Action Plan' has been prepared and being presented to concerned stakeholders.

The report encompasses in-depth information on each district's geographic, demographic, and administrative profile, along with key statistics of prominent exporting products of Samba, gaps identified basis diagnostic survey, recommendations proposed to mitigate the gaps and action plans required to implement those recommendations.

The report provides insights into exports from the cluster, via analysing exports over the last five years from India and Jammu & Kashmir for the respective product. The report also shares insights on availability of raw material, technology upgradation, infrastructure, designing, packaging, access to finance, skill development etc. Besides the detailed action plans, the timeline and responsibility matrix has also been defined with implementation schedule to give implementation roadmap of the product.

For this desired purpose, an extensive primary and secondary research was conducted. The report has been prepared in co-ordination with the Office of DGFT and Jammu & Kashmir Trade Promotion Organisation (JKTPO). The data has been sourced from multiple sources, including but not limited to data provided by office of DGFT, DICs, Diagnostic Study Reports, stakeholder consultation and several other secondary resources.

Contents

1.	Vision of Districts as Export Hubs	5
2.1	Geographical Location	6
	Table 1: Key Statistics of District	7
2.3	Connectivity.....	7
2.4	Administrative Setup	7
3.	Industrial Scenario - District Samba	7
3.1	Industries at a glance:	8
3.5	Export Scenario of Jammu and Kashmir	12
	12	
4	ODOP and District as Exports Hub	15
4.1.3	Cluster Stakeholders.....	17
4.1.4	Industry Associations.....	17
4.1.5	HS code	17
4.1.6	Financial Implications	18
	Financial Implication for Mushroom for one CFC for 365 days production of 5000 Kgs per day	19
4.2.2	Cluster Stakeholders	21
4.2.3	Industry Associations	21
4.2.4	HS code & Export Import data	21
4.2.6	Financial Implications.....	23
	Financial Implication for Amla for one CFC.....	23
4.3.2	Cluster Stakeholders	26
4.3.3	Industry Associations	26
4.3.4	HS code	26
4.3.6	Financial Implications.....	27
	Financial Implication for Bamboo Handicrafts for one CFC.....	28
6.	Challenges and interventions	30
7.	Future Outcomes	34
8.	Action Plan	35
9.1	Cluster Stakeholders	40
9.2	Industry Associations.....	40
9.3	HS code.....	40
9.4	Value Chain of Pharmaceutical Products:	41
9.5	Financial Implications	41
	Financial Implication for Pharmaceutical Products for one CFC	41
9.7	Challenges and Interventions.....	45

9.8	Future Outcomes	48
9.9	Action Plan	49
	Government Schemes for Cluster and Infrastructure Development	54
	MSE-CDP	54
	Flatted Factory	58
	Ambedkar Hastshilp Vikas Yojana	58

1. Vision of Districts as Export Hubs

“Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world. why should each district not think of becoming an export hub? Each of our districts has a diverse identity and potential for global market”

- *Honourable Prime Minister of India, Shri Narendra Modi*

Foreign trade from India constitutes of 45%¹ of its GDP. Until 2019, only the central government was engaged in the decision making of foreign trade, without any participation or involvement of state and/or district stakeholders. However, now, understanding that there are diverse elements that contribute towards an enabling and conducive foreign trade environment; the central government has identified that with policy & strategy, active support of the state governments and district administration are also equally required.

Thus, to decentralize the existing activities, to boost local production & its exports and to ensure active participation of state & district stakeholders, the vision of district as export hubs was put to action. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments to achieve this objective.

DGFT and JKTPO have aimed at synergising their efforts to identify the key products, export trends and challenges. Further, to minimize the challenges, quantify the exports and outline export strategy; a detailed district-wise Export Action Pan has been made for all 20 districts of Jammu & Kashmir, where Ernst & Young (EY) has contributed as Knowledge Partner.

¹ DGFT Report Jan 2021 - Developing Districts as Export Hubs

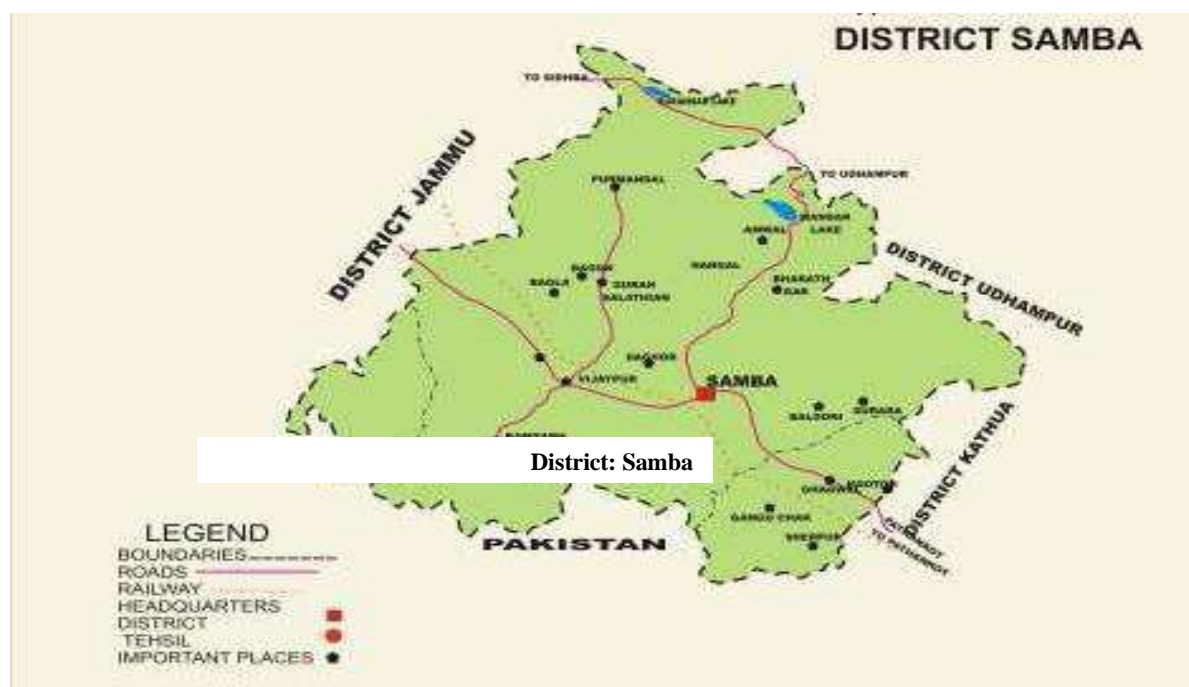
2. District Profile

Samba town is situated on the foothills of Shivalik Hills alongside the National Highway at 384 meters (1259 feet) above sea level, on the bank of river Basantar at a distance of forty Kms from Jammu city. District Samba is bound by District Udhampur in the North, District Kathua in the east, Tehsil Jammu and Bishnah of District Jammu in the west, while on the southern side, it has a 55.5 KM long International Border with Pakistan. About two third of the area of District Samba is rain fed. The area on the southern side the National Highway is irrigated through Ravi Tawi Irrigation Canal network and contributes towards cereal crop production and vegetable cultivation. Two Industrial Growth Centers-one at Bari Brahmana and one at Samba-make the district, the most industrialized district in the state with Industrial Estate Bari Brahmana.

2.1 Geographical Location

Samba is located at 32.57°N 75.12°E and has an average elevation of 384 m (1,260 ft). Samba is situated in the Shivalik Hills alongside the National Highway 1-A on the bank of the Basantar River, at a distance of 40 Km (25 mi) from the city of Jammu. Samba District borders Udhampur District to the north, Kathua District to the east, Tehsils Jammu and Bishnah of Jammu District to the west.

2.2 District at a glance



Particulars	Numbers (Census 2011)
Total Villages	378
Urban towns	4
No. of Blocks	9
No. of Tehsils	6
No. of Panchayat	101
Male population	1.69 (in Lakhs)
Female Population	1.50 (in Lakhs)
Sex Ratio	886
Total Population	3.19 (in Lakhs)
Population Density	353 per sq Km
Literacy Rate	82.48%
Male Literacy	89.77%
Female Literacy	74.39%
Rural Population	2.77
Urban Population	0.42
SC Population	0.92
ST Population	0.18

Table 1: Key Statistics of District

Source: DIC Samba

2.3 Connectivity

The District Samba is approximately 40 Km away from Jammu city and 90 Km from Katra. Interstate and Intrastate Road transport is easily accessible due to the close proximity to NH- 1A. Jammu Airport is the nearest major airport with regular flights. The town is connected by Indian railways to all major cities of India. Intra-district transport is also easily available for travelling within the town and surrounding areas.

2.4 Administrative Setup

District samba has total of 378 village in 6blocks, 4 urban towns, 9 blocks, 6 tehsils and 101 Panchayat alongside.

3. Industrial Scenario - District Samba

District Samba due to establishment of Industrial Growth Centre (IGC) has come up as a new Industrial Hub as it provides infra-structure facilities of best magnitude which is pre-requisite for attracting the industrial investment. The site best confirms to the guiding criterion laid down for selection of a Growth Centre having facilities like transportation, power, water, banking and communication.

At present there are 736 no. of registered industrial units in the district in IGC and area outside IGC.

In the district, the major industrial activities mainly confined to IGC having the area as given below:

- Phase I with an Area of 2277 Kanals
- Phase II with an area 1217 Kanals Industrial Estate, Samba with an area 20 Kanals Besides this good numbers of industrial units are also established on private land.
- Phase III with an area 2763 Kanal 02 Marla is under acquisition out of which 713 Kanal 15 Marla has been acquired and handed over to SIDCO and the final Award for land measuring 1581 Kanal 03 Marla at village Rakh Amb Tali, Samba stand issued by the Collector Land Acquisition, Samba and the draft award for the land measuring 468 Kanal 4 Marla at village Karandi is also stand approved.

3.1 Industries at a glance:

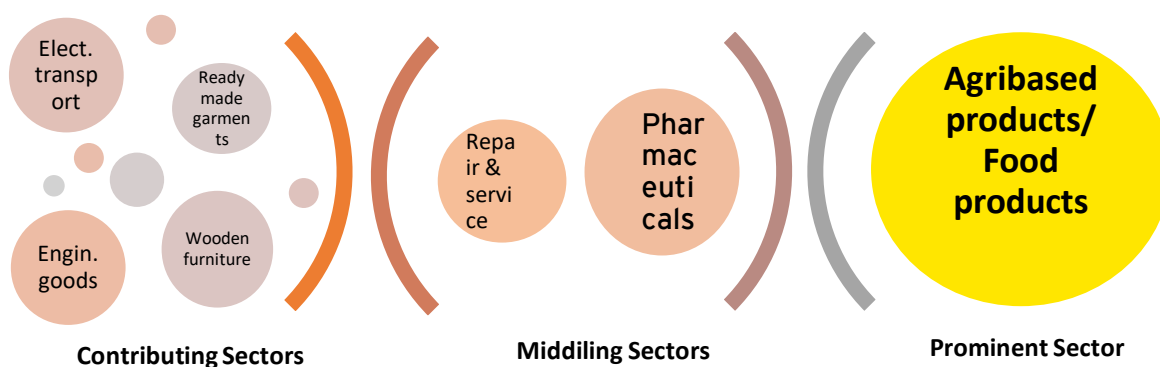


Figure 1: MSME landscape of the district

S. No.	Head	Unit	Particulars
1.	Registered industrial unit	No.	920

2.	Total industrial unit	No.	920
3.	Registered medium & large unit	No.	13
4.	Estimated avg. No. Of daily worker employed in small Scale industries	No.	3412
5.	Employment in large and medium industries	No.	2295
6.	No. Of industrial area	No.	1. Industrial Area 2. IGC Phase 1, 3. IGC Phase 11. 4. IGC 111 Samba
7.	Turnover of small scale ind.	In lacs	NA
8.	Turnover of medium & large-scale industries	In lacs	NA

Table 2: Industries at a glance

Source: DIC Samba

3.2 Details of existing micro, small, medium & large enterprises, and artisan in the district

S.no.	Type of industry	No. of units	Employment	Investment in P&M (in lakh)
1	Food	15	112	1187.91
2	Bakery	6	59	443.71
3	Flour mill	6	31	616.05
4	Milk Products	-	-	-
5	spices and Salt	-	-	-
6	Dry Fruit	-	-	-
7	Rice	11	114	304
8	Beverages	14	317	2979
9	Cement	56	822	3823.13
10	Chemical	36	877	20063.83
11	Wood	73	356	1551
12	Plastic	47	465	5543.7
13	Pharma	9	1202	17733
14	Dal/Oil Mill	11	57	160
15	Electric	17	251	1579.82

16	Fabrication	114	1350	8400.98
17	RMG /Silk/Wool	64	281	761.4
18	Carpet, cotton, Mattress	00	00	00
19	Cattle Feed	9	86	848.07
20	Paint	7	601	5542.95
21	Gun	00	00	00
22	Packaging	00	00	00
23	Phenyl/Soap	4	28	217.65
24	Gases	1	6	225.25
25	Service	00	00	00
26	POP	10	68	1293.22
27	Pesticides	5	39	2835.76
28	Liquor	5	94	1306.98
29	Paper	10	257	983.59
30	Printing	13	110	50.87
31	Rubber	11	463	5420.78
32	Rolling mill	00	00	00
33	Metal	50	488	3983.91
34	Medical	2	44	358.55
35	Glass	4	42	588.73
36	Batteries	5	41	158.58
37	Misc.	305	4342	24039.07
	Total	920	13003	112999.85

Table 3 : Details of existing MSME, large units and artisans

Source: DIC Samba

3.3 Large, Small and Medium Industries

S.no	District	Number of units	Employment	Fixed Investment	Production
Data of small enterprises (samba)					
1.	Samba	39	1227	17285.07	NA
District wise status of large medium industry (samba)					
1.	Samba	13	2295	47838	NA

Table 4 : Large, Small and Medium Industries

Source: DIC Samba

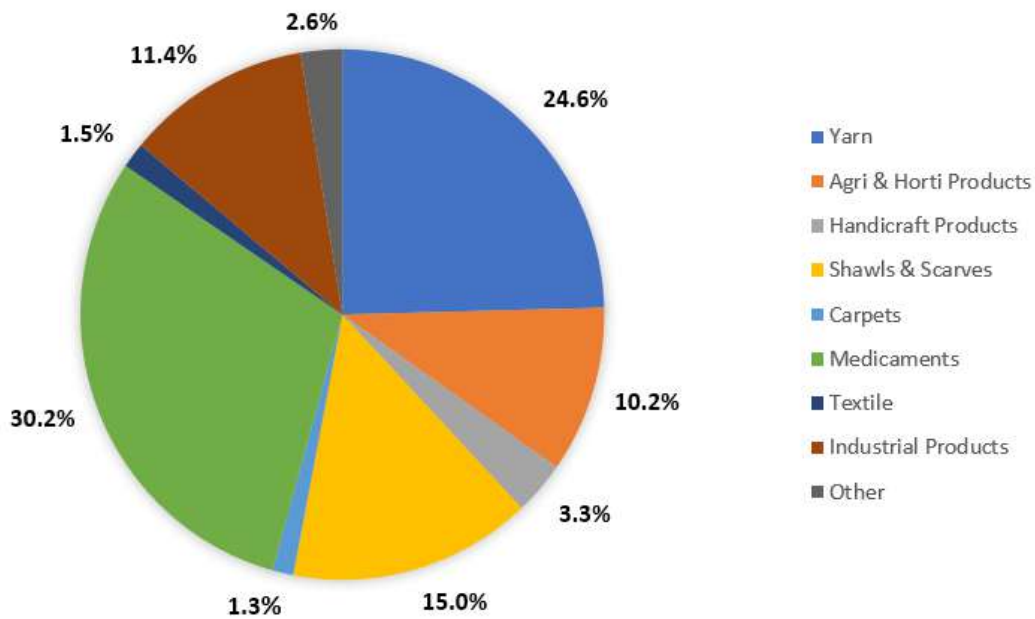
3.4 List of Enterprise with huge investment

S.no.	Name of the unit	Location of the unit	Investment in P/M (in crores)
1.	M/S Berger Paints India Ltd. Unit-I, IGC, Samba	IGC Phase-1 Samba	2960
2.	M/S Bharat Box Factory Unit-1, IGC Phase-1 Samba	IGC Phase-1 Samba	1935.21
3.	M/S Cadila Pharmaceuticals Ltd, Phase-1, IGC Samba	IGC Phase-1 Samba	3700
4.	M/S KoKuyo Camlin Limited, Phase-1, IGC Samba	IGC Phase-1 Samba	2042.20
5.	M/S Ochoo Laboratories Pvt. Ltd. IGC Samba	IGC Phase-1 Samba	2379.87
6.	M/S Alstrong Enterprises India Pvt. Ltd. IGC Phase-2, Samba	IGC Phase-2 Samba	2281.86
7.	M/S Bharat Box Factory Unit-3 IGC Phase-2 Samba	IGC Phase-2 Samba	3706.66
8.	M/S Nill Kamal Bito Storage System Pvt. Ltd. IGC Pase-2 Samba	IGC Phase-2 Samba	1994.55
9.	M/S NilKamal Ltd. IGC Samba	IGC Phase-2 Samba	2374.62
10.	M/S Reckitt Benchizer (India) Ltd. Phase-2 Samba	IGC Phase-2 Samba	3220
11.	M/S Surya Pharmaceutical Ltd. IGC Samba	IGC Phase-1 Samba	5795.44
12.	M/S Devans Modern Breweries Ltd. Unit-II, IGC Phase II	IGC Phase-2 Samba	5026.13
13	M/S Kandhari Beverages Pvt. Ltd. IGC Phase 3 Samba	IGC Phase-2 Samba	10422.15

Table 5 :List of enterprises with huge investment

Source: DIC Samba

3.5 Export Scenario of Jammu and Kashmir



Source: -Commerce.gov.in

Jammu and Kashmir (J&K) is a region rich in natural resources, cultural heritage, and skilled artisans, offering a diverse range of products for export. The strategic location of the region, coupled with its unique offerings, presents significant opportunities for economic growth through exports.

Key Export Products includes: -

Horticultural Produce:

Apples: J&K is renowned for its high-quality apple production, particularly varieties like Delicious, Ambri, and American. The region's temperate climate and fertile soil create ideal conditions for apple cultivation, making it a major export commodity.

Other Fruits: Besides apples, J&K also produces a variety of other fruits such as cherries, apricots, pears, and walnuts. These fruits are sought after for their freshness, flavor, and nutritional value in both domestic and international markets.

Handicrafts and Handlooms:

Furthermore, Jammu and Kashmir's globally acclaimed handcrafts contribute significantly to its export profile. Items like pashmina shawls, carpets, silk fabrics, tweeds, Kashmir willow cricket bats, and various wooden artifacts enjoy a thriving market across different parts of the world.

Pashmina Shawls: Kashmiri Pashmina shawls, made from the fine wool of Pashmina goats, are highly prized for their softness, warmth, and intricate embroidery. These luxurious shawls have a strong demand in international fashion markets.

Carpets and Rugs: J&K is known for its exquisite hand-knotted carpets and rugs, crafted using traditional techniques passed down through generations. The intricate designs and superior quality of Kashmiri carpets make them coveted items in global home décor markets.

Wood Carvings and Papier-Mâché: The region boasts skilled artisans who create intricate wood carvings and papier-mâché products, including decorative items, furniture, and traditional artifacts. These handicrafts showcase the rich cultural heritage of J&K and are popular among collectors and enthusiasts worldwide.

Saffron:

J&K is one of the largest producers of saffron in India, with the saffron fields of Pampore being particularly famous. Kashmiri saffron is known for its unique flavor, aroma, and medicinal properties, making it a valuable export commodity in the culinary and pharmaceutical industries.

Tourism Services:

Besides tangible products, J&K also exports tourism services, including hospitality, adventure sports, pilgrimage tours, and cultural experiences. The region's stunning landscapes, historical sites, and vibrant festivals attract tourists from around the world, contributing significantly to the state's economy through foreign exchange earnings.

Exports play a crucial role in driving economic growth and development in Jammu and Kashmir. By leveraging its abundant natural resources, skilled workforce, and cultural heritage, the region can capitalize on export opportunities to enhance livelihoods, foster entrepreneurship, and contribute to overall prosperity.

The region's rich biodiversity also yields numerous medicinal plant species, which are exported for pharmaceutical purposes. Moreover, minerals like gypsum, limestone, sapphire, granite, and other decorative stones form a notable portion of Jammu and Kashmir's export portfolio.

While tourism is not typically categorized as a traditional export, it can be viewed as an export within the service sector. The captivating natural beauty, cultural heritage, and adventurous offerings of Jammu and Kashmir attract tourists from all corners of the globe, generating substantial revenue for the region.

In the fiscal year 2022-23, Jammu and Kashmir recorded exports worth INR 1,337 Cr. Industrial products, including medicaments, industrial chemicals, cotton/woollen/silk yarn, accounted for approximately 66.2% of the total exports, while agricultural and horticultural products contributed about 10.2%, and handloom & handicraft products constituted around 19.6%. It is anticipated that the export value of the Union Territory

will witness a minimum 15% increase in the fiscal year 2023-24, primarily attributed to the upsurge in industrial production.

3.6. Export Data of District Samba

U.T.	District	ITCHS Code	Item description	Values In Rs.	Month
Jammu & Kashmir	Samba	29333919	Other derivatives of pyridine	33055473	AUG.
Jammu & Kashmir	Samba	29341000	Compounds containing an unfused thiazole ring (w/n hydrogenated) in the structure	35878066	AUG.
Jammu & Kashmir	Samba	48162090	Others	15762507	AUG.
Jammu & Kashmir	Samba	29333919	Other derivatives of pyridine	25812877	SEP.
Jammu & Kashmir	Samba	29341000	Compounds containing an unfused thiazole ring (w/n hydrogenated) in the structure	79491384	SEP.
Jammu & Kashmir	Samba	30045020	Mineral and parenteral nutritional supplements/containing calcium salts with vitamin in tablets etc.	37422303	SEP.
Jammu & Kashmir	Samba	30045020	Mineral and parenteral nutritional supplements/containing calcium salts with vitamin in tablets etc.	54886101	OCT.
Jammu & Kashmir	Samba	30049069	Other nonsteroidal autoinflammatory, analgesics and antipyretic drugs	54732619	OCT.
Jammu & Kashmir	Samba	30049099	Other medicine put JK for retail sale N.E.S.	67334452	OCT.
Jammu & Kashmir	Samba	29333919	Other derivatives of pyridine	43561917	NOV.
Jammu & Kashmir	Samba	30049074	Propranolol, metoprolol, atenolol and labetalol	22963809	NOV.

Jammu & Kashmir	Samba	30049099	Other medicine put JK for retail sale N.E.S.	28188873	NOV.
-----------------	-------	----------	--	----------	------

Table 6 : Export data of district

Source: DIC Samba

4 ODOP and District as Exports Hub

Products identified under district as export hub Samba are Bamboo, Amla, Mushroom and Pharmaceutical products.

4.1.1 Mushroom:

A mushroom or toadstool is the fleshy, spore-bearing fruiting body of a fungus, typically produced above ground, on soil, or on its food source. The standard for the name "mushroom" is the cultivated white button mushroom, *Agaricus Bisporus*; hence the word "mushroom" is most often applied to those fungi (Basidiomycota, Agaricomycetes) that have a stem (stipe), a cap (pileus), and gills (lamellae, sing. lamella) on the underside of the cap.

Mushroom Production Data for Samba			
Year	No. of Growers	Total no. of button mushroom bags established	Total Production in MT
2018-19	250	124000	238.162
2019-20	265	126000	236.33
2020-21	270	127000	243.664
2021-22	345	236950	482.015

Table 7 : Mushroom production data for Samba

Source: DIC Samba

4.1.2 Export of Mushroom from India

S. No	HS Code	Commodity	2020-21	%Share	2021-22	%Share
1	7115100	Mushrooms of genus Agaricus provisionally preserved	.20	0.0000	.16	0.0000
		India's total export	314,618,628.91		30,297,545.51	

Table 8: Export data of Mushroom

Source: Ministry of Commerce, India

World Import Data

Importers	Value imported in 2021 (USD thousand)	Quantity imported in 2021
World	666844	570027
Italy	106624	58014
Japan	62678	55666
Spain	51443	49097
France	51317	28831
United States of America	44905	39666
Germany	30542	14739
Belgium	26242	16581
Poland	22922	18090
Russian Federation	20689	35430
Korea, Republic of	20253	52644

(Source: Trade Map)

World Export data -2021

Exporters	Value exported in 2021 (USD thousand)	Quantity exported in 2021
World	606290	0
China	133713	118486
India	86886	106211
Spain	76066	0
Egypt	52825	38496
Morocco	37903	24713
Belgium	23029	11783
Poland	22003	11811

Netherlands	19933	18355
Greece	17078	7435

(Source: Trade Map)

4.1.3 Cluster Stakeholders

<ul style="list-style-type: none"> ▶ Marketing Unit - Mandi, Mandi Samiti ▶ FPO in collaboration with NABARD ▶ Village Knowledge Centres ▶ Financial institutions - J&K Bank, Cooperative Bank, State Bank of India, Punjab National Bank, Punjab & Sind Bank, Allahabad Bank, Cooperative Bank and HDFC bank etc. 	<ul style="list-style-type: none"> ▶ District Industries Enterprise Promotion Council (DIEPC) ▶ The Indian Council of Agricultural Research (ICAR)- DMR Solan ▶ PM-KISSAN ▶ Industry Associations ▶ JKTPPO
--	---

Figure 2: Cluster Stakeholders

4.1.4 Industry Associations

Following are three principal Industry Associations/SPVs that are working for the development of mushroom in Samba:

- ▶ The Indian Council of Agricultural Research (ICAR)
- ▶ District Industries Enterprise Promotion Council (DIEPC)
- ▶ Jammu & Kashmir Agriculture Production & Farmers Welfare Department (JKAPD)

4.1.5 HS code

The following table lists the HS codes under which the products are exported from the district:

HS codes	Description
7115100	White Button Mushroom
7115900	White Button Mushroom packed in a can and preserved by brining

Table 9: HSN of Mushrooms

Source: Ministry of Commerce, India

4.1.6 Value Chain of Mushroom:

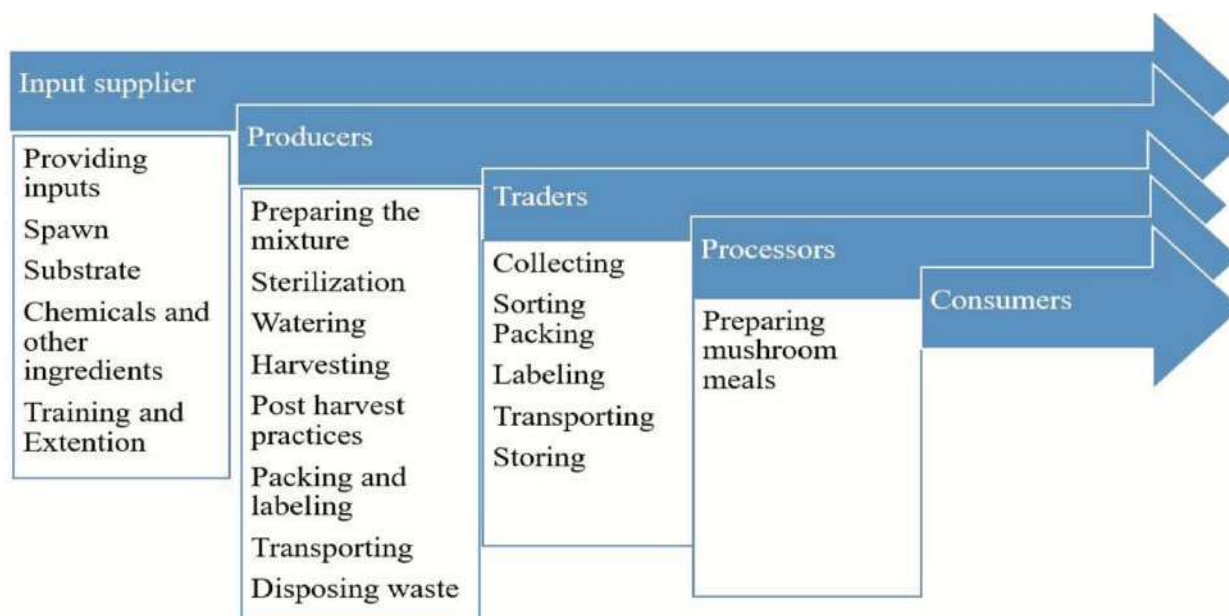


Figure 3: Value Chain of Mushroom

4.1.6 Financial Implications

S. No	Intervention	Funding source	Cost
1	Strengthening of KVK, & Tie-up with ICAR for trainings	Department of Agriculture/APEDA	0.25 Cr
2	Setting up of Raw Material Banks	Department of Agriculture/APEDA/MSE-CDP	1.00 Cr
3	Skill Up-gradation and Capacity Building Training	NABARD /KVK /DGFT	0.5 Cr
4	Publicity and Promotion of G.I. Tagging	Department of Agriculture/APEDA	1.0 Cr
5	Marketing and Promotion	Department of Agriculture/APEDA/NABARD/SKUAST	1.0 Cr
6	Market Research/Study	MSE-CDP/Department of Agriculture/APEDA	0.5 Cr
7	Setting up a Common Facility	APEDA/ MSE-CDP/Agriculture department /HADP program	14.023 Cr
Total			18.273 Cr

Financial Implication for Mushroom for one CFC for 365 days production of 5000 Kgs per day

S.no	Name of Machinery	Quantity required in one CFC	Function	Cost (INR)	Total (INR)
1	Mushroom Air Conditioners (5.5 MT each)	37	Maintain temperature, O2, CO2, and humidity	400000	14800000
2	Inlet and exhaust fans	74	Maintain fresh air as required	25000	1850000
3	Packaging Unit	4	For Canning and brining	500000	2000000
4	Drier	4	For drying and making mushroom in powdered form	200000	800000
5	Control and measuring instruments	Numerous	For testing	400000	400000
6	Inoculation Chamber	2	For hygiene, this chamber is made for spawn production	1500000	3000000
7	Humidifier	74 each	For hydration and maintaining vitals	400000	29600000
8	JCB for earthwork	2	For moving compost	2500000	5000000
9	Compost Bunkers and Tunnels	10	For compost making	3000000	30000000
10	Spawn Lab	2	For making fresh spawn	1000000	2000000
11	PUF Panels	37	For temperature control	400000	14800000

12	Fe or Al rack system	333 MT	For vertical farming	60000	19980000
13	Infrastructure			8000000	8000000
14	Land - 8 Acres			1000000	8000000
Total					14,02,30,000/-

4.2.1 Amla:

Amla, also known as Indian gooseberries, cultivated throughout India and nearby countries, amla has gained a space throughout the world as a "super fruit." It's no surprise a 100-gram serving of fresh amla berries contains as much vitamin C as 20 oranges. amla berries are round and bright or yellow green. Though they are quite sour in taste, their flavour can enhance recipes they're added to.

Samba is producing good amount of amla as per CAO samba total area under amla production is 423 Hectare and total amla production is 668 MT.

Export from India:

Sl. No.	HS Code	Commodity	2020-2021	%Share	2021-2022	%Share
1	8112010	Veg products N.E.S. or included	32,117.57	0.0149	39,026.45	0.0124
		India's total export	215,904,322.13		314,618,628.91	

Table 10: Export of Amla

Source: Ministry of Commerce, India

4.2.2 Cluster Stakeholders

<ul style="list-style-type: none"> ▶ Marketing Unit - Mandi, Mandi Samiti ▶ FPO in collaboration with NABARD ▶ Village Knowledge Centres ▶ Financial institutions - J&K Bank, Cooperative Bank, State Bank of India, Punjab National Bank, Punjab & Sind Bank, Allahabad Bank, Cooperative Bank and HDFC bank etc. ▶ Govt Schemes & Implementing agencies such as Govt., PSUs, Joint Ventures, NGOs, Coop Sector, industrialists etc. 	<ul style="list-style-type: none"> ▶ District Industries Enterprise Promotion Council (DIEPC) ▶ The Indian Council of Agricultural Research (ICAR)- DMR ▶ PM-KISSAN ▶ Industry Associations ▶ JKTPO
--	--

Figure 2: Cluster Stakeholders

4.2.3 Industry Associations

Following are three principal Industry Associations/SPVs that are working for the development of amla in Samba:

- ▶ The Indian Council of Agricultural Research (ICAR)
- ▶ District Industries Enterprise Promotion Council (DIEPC)
- ▶ Jammu & Kashmir Agriculture Production & Farmers Welfare Department (JKAPD)

4.2.4 HS code & Export Import data

The following table lists the HS codes under which the products are exported from the district:

HS codes	Description
08112010	Dry Sweet Amla
08119090	Amla Slice

Table 11: HSN of Amla

Source: Ministry of Commerce, India

World Import Data

Importers	Value imported in 2021 (USD thousand)	Quantity imported in 2021(In tons)
Japan	322824	658545
United States of America	197467	162365
China	174412	484926
Korea, Republic of	87244	351320
Netherlands	85182	136564

France	51414	57993
Spain	47214	0
Thailand	44476	407078
Pakistan	36148	47370
India	34355	35587
United Kingdom	32903	59452
World	1507278	---

(Source: Trade Map)

World Export Data

Exporters	Value exported in 2021 (USD thousand)	Quantity exported in 2021
Indonesia	415147	4053883
Sri Lanka	144921	209413
China	82623	67090
Malaysia	75620	804535
India	56168	81684
Peru	52777	30055
Mexico	41969	13204
Netherlands	39243	97923
United States of America	30408	41527
Turkey	29816	77601
World	1292997	0

(Source: Trade Map)

4.2.5 Value Chain of Amla:

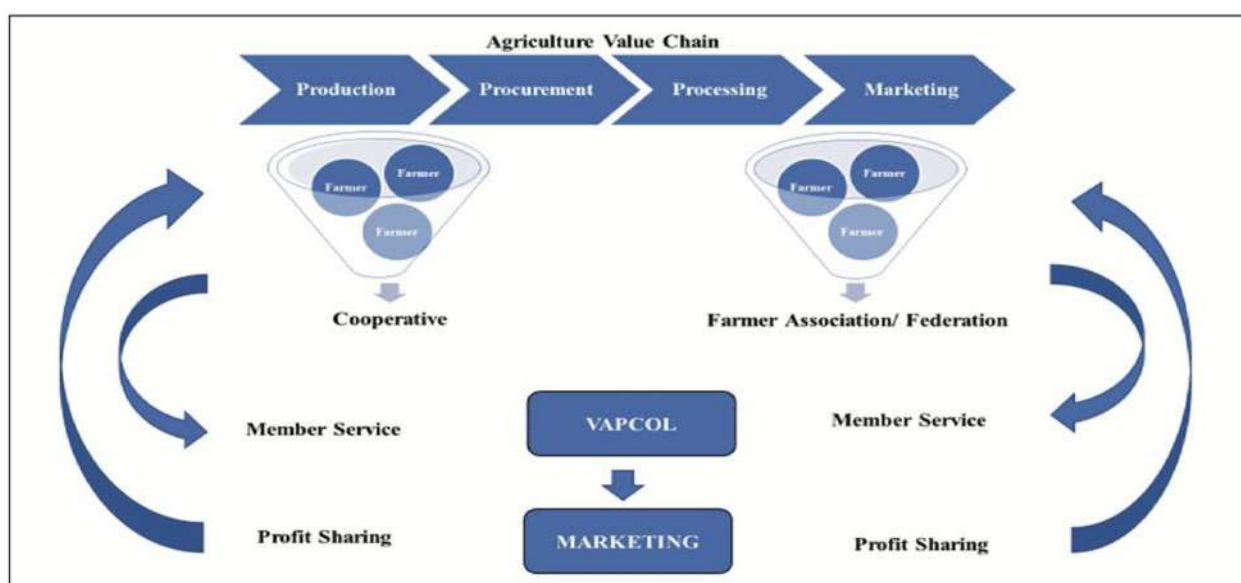


Figure 5: Value chain of Amla

4.2.6 Financial Implications

S. No	Intervention	Funding source	Cost
1	Strengthening of KVK, & Tie-up with ICAR for trainings	Department of Agriculture/APEDA	0.25 Cr
2	Setting up of Raw Material Banks	Department of Agriculture/APEDA/MSE-CDP	1.00 Cr
3	Skill Up-gradation and Capacity Building Training	NABARD /KVK /DGFT	0.5 Cr
4	Publicity and Promotion of G.I. Tagging	Department of Agriculture/APEDA	1.0 Cr
5	Marketing and Promotion	Department of Agriculture/APEDA/NABARD/SKUAST	1.0 Cr
6	Market Research/Study	MSE-CDP/Department of Agriculture/APEDA	0.5 Cr
7	Setting up a Common Facility	APEDA/ MSE-CDP/Agriculture department /HADP program	14.023 Cr
Total			6.964 Cr

Financial Implication for Amla for one CFC

S.no	Name of Machinery	Quantity	Function	Cost (INR)	Total(INR)
1	Fruit washing machine	5	To reduce the initial microbial load by washing raw materials with	250000	1250000
2	Sorting or inspection conveyer	4	Belt conveyer can be used for cutting, inspection and sorting purpose	225000	900000
3	Screw feeder	6	Used for feeding of sorted and cut fruit to fruit mill	450000	2700000

6	Twin pulper	4	The pulper crushes fruit and fine pulp is extracted	380000	1520000
7	Steam jacketed kettle	6	roducts requiring processing are heated in steam	295000	1770000
8	Retort, crates, electric hoist, rotary flat can body reformer, body blanks (empty cans), washer & sterilizer, working table,			600000	600000
9	Infrastructure			16400000	16400000
11	Land - 1 acre			2000000	2000000
Total					27140000

4.3.1 Bamboo:

Bamboos are a diverse group of evergreen perennial flowering plants in the subfamily Bambusoideae of the grass family Poaceae. Giant bamboos are the largest members of the grass family. Bamboos are distributed in tropical and subtropical to mild temperate regions with the heaviest concentration and largest number of species in East and Southeast Asia and on islands of the Indian and Pacific oceans. Bamboo culms can attain heights ranging from 10 to 15 cm (about 4 to 6 inches) in the smallest species to more than 40 meters (about 130 feet) in the largest. The entire bamboo plant is useful right from leaves for livestock to seeds as edible, bamboo fibre for paper manufacturing.

Bamboo has multiple economical, ecological, and social values. It has the capacity to provide the ecological, economic and livelihood security among the people. Its raw material for the industrial and domestic uses.

Export from India

Sl. No.	HS Code	Commodity	2020-2021	%Share	2021-2022	%Share
1	46021100	BAMBOO	4.5534	0.0002	2.73	0.0001
		India's Total Export	2219854.18		3146186.29	

Table 12: Export from India

Source: Ministry of Commerce, India

World Import Data

Importers	Value imported in 2021 (USD thousand)	Quantity imported in 2021
World	2262428	-
United States of America	833933	-
Germany	161699	25238
United Kingdom	145244	21317
Netherlands	116852	19320
France	114643	15690
Japan	95220	10750
Spain	74554	-
Saudi Arabia	57714	9124
Poland	48613	7942

(Source: Trade Map)

World Export Data

Exporters	Value exported in 2021 (USD thousand)	Quantity exported in 2021
World	2771030	-
China	1514088	192293
Viet Nam	400887	-
Indonesia	126219	23522
Netherlands	97632	15136
Philippines	61877	9790
Poland	58889	14373
Germany	57905	5947
Bangladesh	54041	-
Canada	45686	-

(Source: Trade Map)

Export from India (Value in INR Cr)

HSCode	Commodity	2020-2021	%Share	2021-2022	%Share
46021100	BAMBOO	4.5534	0.0002	2.73	0.0001
	India's Total Export	2219854.18		3146186.29	

(Source: Ministry of Commerce, India)

4.3.2 Cluster Stakeholders

<ul style="list-style-type: none"> ▶ Marketing Unit - Mandi, Mandi Samiti ▶ FPO in collaboration with NABARD ▶ Village Knowledge Centres ▶ Financial institutions J&K Bank, Cooperative Bank, State Bank of India, Punjab National Bank, Punjab & Sind Bank, Allahabad Bank, Cooperative Bank and HDFC bank etc. 	<ul style="list-style-type: none"> ▶ District Industries Enterprise Promotion Council (DIEPC) ▶ The Indian Council of Agricultural Research (ICAR) ▶ PM-KISSAN ▶ Industry Associations ▶ JKTPO ▶ National Bamboo Mission
--	--

Figure 6: Cluster Stakeholders

4.3.3 Industry Associations

Following are four principal Industry Associations/SPVs that are working for the development of Bamboo in Samba:

- ▶ The Indian Council of Agricultural Research (ICAR)
- ▶ District Industries Enterprise Promotion Council (DIEPC)
- ▶ Jammu & Kashmir Agriculture Production & Farmers Welfare Department (JKAPD)
- ▶ JKDHHJ -Directorate of Handicrafts & Handloom of Jammu

4.3.4 HS code

The following table lists the HS codes under which the products are exported from the district:

HS codes	Description
46021100	Bamboo in any form

Table 14: HSN

Source: Ministry of Commerce, India

4.3.5 Value Chain of Bamboo

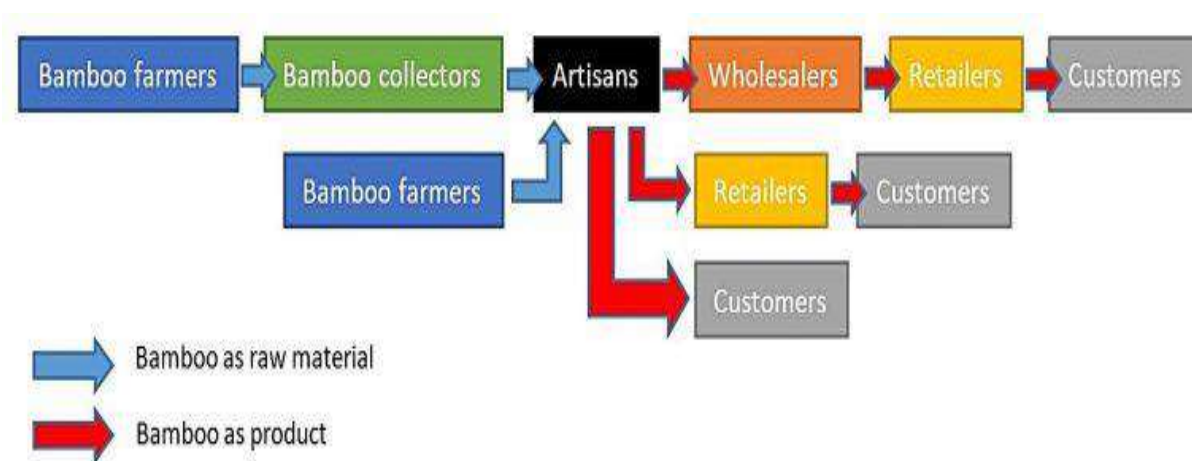


Figure 7: Value Chain of Bamboo

4.3.6 Financial Implications

S. No	Intervention	Funding source	Cost
1	Strengthening of KVK, & Tie-up with ICAR for trainings	Department of Agriculture/National Bamboo Mission will be 60:40 between Centre and State Government for all States excepting Northeast and Hilly states, where it will be 90:10 and 100% in case of Union Territories (UT), R&D Institutes, Bamboo Technology Support Groups (BTSGs) and National Level Agencies	0.25 Cr
2	Setting up of Raw Material Banks	Department of Agriculture/MSE-CDP/DC - handicraft	1.00 Cr
3	Skill Up-gradation and Capacity Building Training	NABARD /DGFT	0.5 Cr
4	Publicity and Promotion of G.I. Tagging	Department of Agriculture	1.0 Cr

5	Marketing and Promotion	Department of Agriculture/NABARD/SKUAST	1.0 Cr
6	Market Research/Study	MSE-CDP/Department of Agriculture	0.5 Cr
7	Setting up a Common Facility	APEDA/ MSE-CDP/Agriculture department /HADP program	14.023 Cr
Total			6.727 Cr

Financial Implication for Bamboo Handicrafts for one CFC

S.No	Name of Machinery	Qty.	Function	Cost (INR)	Total (INR)
1	Bamboo Cross Cutting	2	Suitable for cross cutting of Bamboo culms	65000	130000
2	Bamboo Semi Half Splitting	2	Suitable for splitting the bamboo culms to rectangular strips	225000	450000
3	Bamboo Variable Size Splitting	2	Suitable for splitting the bamboo culms to number of strips	150000	300000
4	Bamboo External Knot Removing	2	Suitable for removing external knots of bamboo culms.	50000	100000
5	Bamboo Thickness Planing	2	Suitable for thickness planing of bamboo strips to variable sizes.	295000	590000
6	Bamboo Slat Gluing	2	Suitable for gluing the bamboo strips for making panel of different sizes	300000	600000
7	Bamboo Panel Drier	2	Suitable for drying glues bamboo panels	300000	600000
8	Building Infrastructure			15000000	15000000
9	Land - 1 acre			2000000	2000000
Total					1,97,70000

5 SWOT Analysis of Agricultural Produce (Mushroom, Amla, Bamboo):

Strengths	Weakness
<ul style="list-style-type: none"> ▶ Well Established market ▶ Huge production capacity ▶ Low initial investment ▶ Skilled artisans available in mass. ▶ Machinery and equipment will be available at common facility centres once opened. ▶ Strength of the raw material industry is immense. ▶ Traditional designs of bamboo crafts are easily implemented because of experienced artisans. ▶ Mass production is one of the strength points of the industry. ▶ Lower production cost leads to higher profit in sale. 	<ul style="list-style-type: none"> ▶ No experience of collective workers ▶ Lack of appropriate technology ▶ Excessive use of chemicals ▶ No R&D facility ▶ Limited knowledge of quality control ▶ There is no uniqueness in design. Unwillingness for new samples in mass production. ▶ Lack of infrastructure, lack of appropriate technology creates a major stumbling block for the growth of small-scale industries. ▶ Economic power is in the hands of a few. ▶ Changing policies of the govt. and defective licensing policies confuse the usual methods of work. ▶ Irregular supply of electricity
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Increase demand for quality products from niche market ▶ Production of value-added products ▶ Mechanization of process ▶ Upgradation in production technology ▶ New Products can help expand their business and diversify their customer base. ▶ New technology can help to better meet customers' needs and build competitive barriers against rivals. ▶ Collaboration with National Institute of Design, NIFT for new & innovative designs. 	<ul style="list-style-type: none"> ▶ Shortage of labour ▶ Competition from other clusters ▶ Non-availability of finance ▶ Lack of timely and adequate credit from credit institutions ▶ Frequently disturbing electricity and power failures. ▶ Absence of adequate infrastructure affects the quality, quantity and production resulting in underutilization of capacity.

<ul style="list-style-type: none"> ▶ Packaging for international markets can be done in new and stylish manner with a tie-up with Indian Institute of Packaging. 	
---	--

Table 15: SWOT Analysis

Source: Primary & Secondary Research

6. Challenges and interventions

Parameter	Challenges	Interventions	Agency responsible
Raw Material- Hard Intervention	<ul style="list-style-type: none"> ▶ High mushroom & amla production - Facing issues like staling and drying, if not packed in timely manner; Difference in recovery percentage ▶ Unhygienic filtration practices ▶ Very less shift to Organic Production ▶ Compost substrate is dried in open sunlight and is then used as a fuel to operate boilers in the unit. The burning of used compost substrate causes air pollution. ▶ Lack of Waste management system 	<ul style="list-style-type: none"> ▶ Cluster requires more Automatic/ Semi-automatic processing unit/s with bigger capacity to cater the crushing needs of a major part of the cluster. ▶ Compost can be used as a raw material to those production units who make cup, plates and variety of disposable utensils and props. ▶ Waste bamboo can be processed as organic fertiliser ▶ A CFC in this cluster will boost the progress and export potential 	MSE-CDP /APEDA/SKUAST /Department of Agriculture
Technological upgradation- Soft Intervention	<ul style="list-style-type: none"> ▶ Lack of infrastructure equipped with modern technology to improve quality of bamboo, amla and 	<ul style="list-style-type: none"> ▶ Establishment of Common Facility Centres (CFCs) with facilities like Advanced seasonal mushroom & amla Growing & Processing Unit, 	MSE-CDP /APEDA/SKUAST /Department of Agriculture

	<p>mushroom production</p> <ul style="list-style-type: none"> ▶ Lack of Infrastructure/ industry to utilise by-products of industry 	<p>Testing Laboratory, Packaging, Labelling and Branding Unit, and Marketing and Display centre etc. to address the challenges and boost production and sales of the cluster</p> <ul style="list-style-type: none"> ▶ Building new infrastructure - replacing processing old units with new interface 	
Design-Soft Intervention	<ul style="list-style-type: none"> ▶ Lack of product diversification/value addition: ▶ The product is made and sold without any standardised testing (as per FSSAI/BSI norms, GI Tag) done. ▶ Lack of innovation and inadequate knowledge for value addition has also discouraged the product to directly go to international markets. 	<ul style="list-style-type: none"> ▶ Design and product development centre can be established along with testing lab in the cluster along with a collaboration with NIFT, NID AND IIP 	MSE-CDP /APEDA/SKUAST /Department of Agriculture
Marketing & branding - Soft Intervention	<ul style="list-style-type: none"> ▶ No direct export ▶ Lack of Standardisation ▶ Need GI Tagging ▶ High Mandi Shulk ▶ Lack of testing Facility ▶ The Samba manufacturers are not able to meet the national & global standards therefore they are unable to 	<ul style="list-style-type: none"> ▶ Awareness and outreach amongst traders/manufacturers for participating in fairs and exhibitions. ▶ Leverage marketing assistance schemes of UT and GoI for financial assistance of small manufacturers ▶ Organize state and national level exhibitions 	MSE-CDP /APEDA/SKUAST /Department of Agriculture

	<p>export finished these three products directly</p> <ul style="list-style-type: none"> ▶ The quality of product is also compromised, and it forces unit owners to sell to tourists at a low price. ▶ The buyers demand for products which ensure the revised food standard tested by FSSAI/BIS norms ▶ Lack of Export related information and linkages 	<ul style="list-style-type: none"> ▶ Tie-ups with offline/online retail stores across India i.e. Reliance Store, More, Big-Bazaar, Easyday, Sunrise, Suvidha etc. for a greater outreach. ▶ Collaborate with Pastry/bakery industry, hotel industry and Govt. and private catering industries, Hospital kitchens for local and healthier sweetener. ▶ Collaboration with E-commerce companies like Amazon, ebay, Flipkart and Shopclues to maximize sale in domestic and international market. 	
Quality Improvement- Soft Intervention	<ul style="list-style-type: none"> ▶ Lack of interest in adapting quality standards as described by FSSAI/ BSI ▶ Unaware of global standards and quality ratings ▶ No checks and balances made for quality certification/maintenance at Gur Mandi ▶ Only few traders who contribute in indirect exports try to maintain 	<ul style="list-style-type: none"> ▶ Establishment of testing laboratory in the district for mushroom, amla & bamboo testing and mandatory NABL certification of the ODOP product. The availability of testing labs can also help the entrepreneurs to get their product tested and the lab can also advice the entrepreneurs on how to produce Mushroom, amla & bamboo which meets the norms as prescribed by BIS/FSSAI. It is very important that the 	MSE-CDP /APEDA/SKUAST /Department of Agriculture/DGF T

	<p>the quality standard of global market</p> <ul style="list-style-type: none"> ▶ Lack of organic farming of finished goods in the district. ▶ Use of chemicals for clarifying finished good juice ▶ No testing laboratory 	<p>entrepreneurs are properly skilled and taught on how to produce mushroom, amla & bamboo that passes the test prescribed by the BIS/FSSAI.</p>	
Post GI Initiative-Soft Intervention	<ul style="list-style-type: none"> ▶ Lack of promotion of products highlighting their GI tag 	<ul style="list-style-type: none"> ▶ Target to make 100 authorised Users to become IEC holder in a year. (DIC) to identify such stakeholders. ▶ Organise one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorised users. (This can be done by DGFT /FIEO/ MSME with the help of DIC) 	MSE-CDP /APEDA/SKUAST /Department of Agriculture
Exporter's issue	<ul style="list-style-type: none"> ▶ No focal point to address exporters ongoing issues. ▶ Lack of awareness 	<ul style="list-style-type: none"> ▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT. ▶ DGFT organize workshops for Export. 	DGFT/APEDA
Cost Structure	<ul style="list-style-type: none"> ▶ No Minimum support price (MSP) 	<ul style="list-style-type: none"> ▶ The Jammu & Kashmir may outlay the MSP's 	MSE-CDP /APEDA/SKUAST

	<p>for mushroom, amla & bamboo - Currently Minimum support price for finished good is fixed by the Government. However, there is no MSP for Mushroom, amla & bamboo products. Considering the scope of finished good production and manufacturing of mushroom, amla & bamboo products, unit owners have raised demand for fixing MSP for mushroom, amla & bamboo by Central and State Government.</p> <p>▶ No attractive policy for organic mushroom, amla & bamboo producers</p>	<p>for the Mushroom, amla & bamboo produced in the state. This would encourage more entrepreneurs to enter this sector. Currently there is no subsidy being given to entrepreneurs to purchase the finished good which is the primary raw materials for mushroom, amla & bamboo production.</p> <p>▶ An exemption or tax relief (or a subsidy) for organic processors could be considered, together with other measures like subsidisation of fuel used in organic production, loans with lower rates, taxes on polluting inputs, products/seeds, internalisation of environmental costs, & charge reductions for processed organic food sample analyses</p>	/Department of Agriculture
--	---	--	----------------------------

Table 16: Challenges & Interventions

Source: Primary & Secondary Research

7. Future Outcomes

Annual Turnover

Increase in annual turnover from existing to 120% growth in next 3 financial years

Cluster exports

No direct exports from Samba district. After formation of CFC for agricultural products, there is a high chance of initiation of exports from this cluster.

8. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ²
Increasing the overall exports from the state		
<p>Sensitization and facilitation in availing Import/ export documents: Majority of the cluster actors though interested and sensitized on exports are unaware of Import-Export Code which is crucial for participating in global trade. While some of them are aware, they face challenges in applying. Thus, at district level, a camp should be set in every three months to help the individuals interested in trade to understand about the requisite documents required for undertaking import/ export and provide support in availing them</p>	IP cell, DIEPC JKTPO	Continuous initiative
<p>Creation of a Single Window System for speedy clearances. The online portal to include various export schemes of the government along with real time information about targeted market, tariff rates, freight rate calculations, documents and quality certifications required and product information.</p> <p>Increase in subsidy/re-imbursments may reduce cost of transportation (freight rates), Marketing, Quality Certification, Patent registration and Testing to Export Oriented Units.</p> <p>Training planned and organized by DGFT, FIEO and other concern authorities</p>	MSME-JK, DGFT, DIEPC, JKTPO	Continuous initiative
<p>Creation of an event calendar comprising of events to be conducted in a Financial Year with a focus on international marketing events. Further, DGFT and FIEO can finalize a target to participate in at least 3 international events in a year per product category/industry (Wood craft Products.) by utilizing schemes like IC and MAS</p>	IP cell, DIEPC JKTPO	Continuous initiative

² Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ²
<p>Sensitization of cluster actors:</p> <p>a. The individuals of a cluster should be sensitized on the plethora of schemes³ available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials</p> <p>b. Currently, majority of the exporters and traders focus on selling their goods to USA, UK and European countries without correctly analyzing the demand market. Thus, these cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAP</p>	IP cell, DIEPC JKTPO	Continuous initiative
DIEPC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment	DIC, JKTPO and FIEO	Intermediate
Common interventions across sectors/ clusters		
Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	IP cell, DIEPC JKTPO	Short term
MoU with QCI for defining quality standards of the products	IP cell, DIEPC JKTPO	Short term
Collaboration with IIP to define cluster-wise packing standards	IP cell, DIEPC JKTPO	Short term
Sensitization of banks and bankers to help them understand the niche sectors of MSME and their specific requirements which shall help banks evaluate projects better while lending credit	JKTPO/DIEPC and Banks	Short term

³ List of available schemes facilitating exports: <https://www.ibef.org/blogs/indian-export-incentive-schemes>

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ²
Introduction of revolving working capital within the cluster to help MSMEs procure raw materials and undertake production without hinderances	JKTPO/DIEPC and Banks	Intermediate
Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.	IP cell, DIEPC JKTPO	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & center and the procedure to apply to avail financial assistance	JKTPO/DIEPC	Intermediate
Sensitization of cluster actors from this sector on Make in India initiative and PLI for leveraging the assistance provided to the sector to enhance productivity and expand exports	DIEPC JKTPO	Short term
DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.	DIEPC/DGFT/JKTPO	Long term
Cost Structure:		
a. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.	DIEPC/JKTPO	Long term
b. The CONCOR rates are to be made available at regular intervals to the DIC office for updating of the same at the district website.	DIEPC/JKTPO	Long term
c. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.	DIEPC/JKTPO/ FIEO	Short term
Product - Mushroom, Amla & Bamboo		

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ²
Establishment of Common Facility Centre with: <ol style="list-style-type: none"> Seasoning Plant Chemical Treatment Plant Cutting Machines for Bamboo Design and display center with CAD/CAM facilities and space to showcase products to undertake sale Marketing center for undertaking Buyer-Seller meeting and marketing events Common Composting Units Packaging Units Collaboration with KVK's, NABARD, APEDA Vertical Growing Rooms 	DHHK, DIEPC, DGFT and IP Cell, JKFCSCA	Long term
Collaboration with DCH, National Centre for Design and Product Development (NCDPD) for Bamboo products and for design inputs and support in branding initiatives	IP cell, DIEPC JKTPO, DHHK	Long term
Increase the usage of the ODOP mart which facilitates the unit holders and artisans to provide information about their Wood craft products and to sell to large number of customers.	JKFCSCA, IP cell, DIEPC JKTPO, DHHK	Short term
Establishment of testing laboratory	IP cell, DIEPC JKTPO	Long Term
Setting of modern technology based ETPs	JKTPO/DIEPC/ District Administration	Long term

Table 17: Action Plan

Source: Primary & Secondary Research

9. Pharmaceutical Products

Samba district is a major hub of pharmaceuticals production in J&K. Pharmaceutical products also constitute the highest share of exports from J&K. Currently hundreds of pharma production companies are operational in Samba as per the data of JKSPCB. In terms of the global market, India currently holds an accountable share and is known as pharmacy of the world and biggest generic supplier.

Major composition of Jammu and Kashmir export in 2021-22 illustrated in picture below. Pharmaceutical products constitute a major part of 25.71% in total export.

**MAJOR COMPOSITION OF JAMMU & KASHMIR's EXPORTS
IN 2021-22**

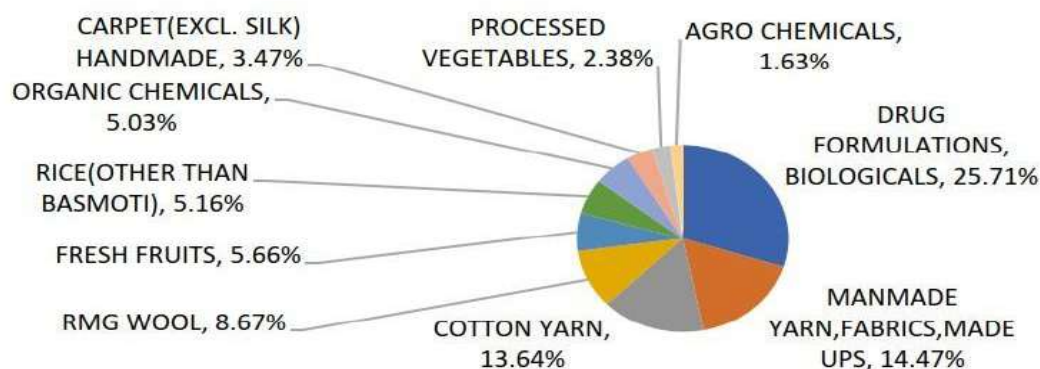


Figure 8: Export composition in J&K

India's Pharmaceuticals Exports Category wise USD million			
	Fy-2016-17	Fy-2017-18	Fy-2018-19
Drug formulations & Biologicals	11,987.16	12094.48	13561.53
Bulk Drugs & Drug intermediates	3,383.52	3525.65	3895.14
Vaccines	679.28	653.40	661.93
Surgical	333.36	552.16	569.77
Herbal Products	278.02	311.74	298.90
AYUSH	123.67	144.38	147.22
Grand Total	16,785	17281	19134

Table 18: India's exports category-wise

Source: Ministry of Commerce, India

9.1 Cluster Stakeholders

<ul style="list-style-type: none"> ▶ Financial institutions - Cooperative Bank, State Bank of India, Punjab National Bank, Punjab & Sind Bank, Allahabad Bank, Cooperative Bank and HDFC bank etc. ▶ Govt Schemes & Implementing agencies such as Govt., PSUs, Joint Ventures, NGOs, Coop Sector, industrialists etc. 	<ul style="list-style-type: none"> ▶ District Industries Enterprise Promotion Council (DIEPC) ▶ The Indian Council of Agricultural Research (ICAR) ▶ Krishi Vigyan Kendra ▶ Industry Associations ▶ PHARMEXIL ▶ ICMR
---	--

Figure 9: Cluster Stakeholders

9.2 Industry Associations

Following are five principal Industry Associations/SPVs that are working for the development of pharmaceutical products in Samba:

- ▶ The Indian Council of Agricultural Research (ICAR)
- ▶ Pharmaceuticals Research Station (JKCSR), Samba
- ▶ MSME Development Institute
- ▶ District Industries Enterprise Promotion Council (DIEPC)

9.3 HS code

The following table lists the HS codes under which the products are exported from the district:

HS codes	Description
30041090	Medicaments (Excluding products of 3002, 3005 & 3006 HS code)

Table 19: HS Code for Pharmaceutical Products

Source: Ministry of Commerce, India

9.4 Value Chain of Pharmaceutical Products:

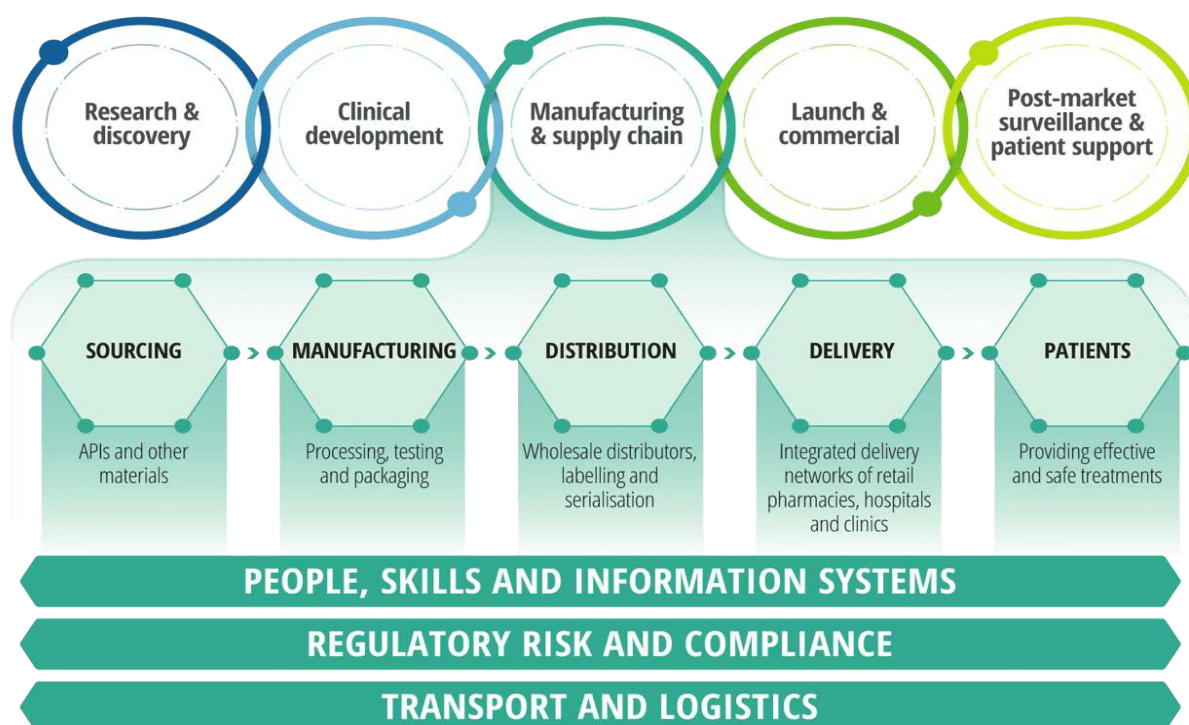


Figure 10: Value Chain of Pharmaceutical Products

9.5 Financial Implications

S. No	Intervention	Funding source	Cost
1	Tie-ups with Pharmaceutical Industrial Associations	MSE-CDP	0.25 Cr
2	Setting up of Raw Material Banks	MSE-CDP	2.50 Cr
3	Skill Up-gradation and Capacity Building Training	MSE-CDP	0.5 Cr
4	Marketing and Promotion	MSE-CDP	2.0 Cr
5	Market Research/Study	MSE-CDP	1 Cr
6	Setting up a Common Facility	MSE-CDP	6.927 Cr
Total			13.177 Cr

Financial Implication for Pharmaceutical Products for one CFC

SI No	Name of Machinery	Quantity required in one CFC	Cost (INR)
Tablet Section			
1.	Rapid Mixer Granulator	1	400000
2.	Double Cone Blender / Mechanical Shifter	1	900000
3.	Spray Coating Machine	1	1100000
4.	Rotary Tablet Press	1	550000
5.	Tablet Counting Machine	1	400000
6.	Tablet Polishing Machine	1	150000
7.	Automatic Tablet Printing Machine	1	375000
8.	Strip Packing Machine	1	500000
Capsule Section			
9.	Manual 300 Holes Capsule Filling Machine	1	65000
10.	Automatic Capsule Printing Machine	1	375000
11.	Automatic 300 Holes Capsule Loading Machine	1	600000
12.	Capsule Inspection cum Polishing Machine	1	150000
13.	Blister Packaging Machine	1	800000
14.	Capsule Counting and Packing Machine	1	150000
Ointment/ Tube Filling Section			
15.	Automatic Cream / Paste / Ointment Manufacturing Plant	1	1100000
16.	Planetary Mixer	1	145000
17.	Manual Tube filling / Manual Tube Crimping Machine	1	400000

18.	Tube Filling and Sealing Machine	1	300000
19.	High Speed Automatic Double Head / Triple Head Container Filling Machine	1	450000
20.	Automatic Bottle / Container Capping Machine	1	325000
Liquid Section			
21.	Manufacturing Vessels / Homogenizer / Stirrer	1	75000
22.	High Speed Automatic Bottle Filling & Cap Sealing Machine	1	350000
23.	Twin Head Volumetric Filling Machine	1	350000
24.	Filter Press / Colloid Mill	1	145000
25.	Rotary Bottle Washing Machine	1	500000
26.	Automatic Labelling / Gumming / Stickers Machine	4	1400000
Laboratory & Quality Control Equipment			
27.	Microprocessor Based Tablet Disintegration Machine	1	400000
28.	Microprocessor control Programmable counter	4	1600000
29.	Tablet Hardness Tester (Automatic)	1	215000
30.	Land	5 Acres	10000000
31.	Infrastructure Development		45000000
Total			69270000

9.6 SWOT Analysis in the Cluster:

Strengths	Weakness
<ul style="list-style-type: none"> ▶ Machinery and equipment available at common facility centres, once CFC will be operational. ▶ Currently, huge pharmaceutical companies are producing end products from the cluster ▶ Strength of the raw material industry is immense. ▶ Mass production is one of the strength points of the industry. ▶ Lower production cost leads to higher profit in sale. ▶ Well Established market ▶ Huge production capacity ▶ Easy availability of raw material ▶ Large employment potential 	<ul style="list-style-type: none"> ▶ Lack of appropriate technology ▶ Excessive use of chemicals ▶ No organized R&D facility ▶ Economic power is in the hands of a few. ▶ Changing policies of the govt. and defective licensing policies confuse the usual methods of work. ▶ Irregular supply of electricity ▶ Limited knowledge of quality control ▶ Lack of infrastructure, lack of appropriate technology creates a major stumbling block for the growth of small-scale industries.
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Increase demand for quality products from domestic & global market ▶ Production of value-added products ▶ Upgradation in production technology ▶ New R&D can help expand their business and diversify their customer base in post-COVID environment. ▶ New technology can help to better and meet customers' needs, build competitive barriers against rivals. 	<ul style="list-style-type: none"> ▶ Absence of adequate infrastructure affects the quality, quantity and production resulting in underutilization of capacity ▶ Shortage of labour ▶ Competition from other clusters from other states ▶ Non-availability of finance ▶ Lack of timely and adequate credit from credit institutions ▶ Frequently disturbing electricity and power failures ▶ Big players like Cipla and Cadila are present in this cluster

9.7 Challenges and Interventions

Parameter	Challenges	Intervention
Raw Material	<ul style="list-style-type: none"> ▶ High finished good production - Facing issues like staling and drying; Difference in recovery percentage ▶ Unhygienic filtration practices ▶ Very less shift to Organic Production ▶ High use of clarificants ▶ Bagasse (residue of finished good after juice extraction) is dried in open sunlight and is then used as a fuel to operate boilers in the unit. The burning of bagasse causes air pollution. ▶ Lack of Waste(bagasse) management system 	<ul style="list-style-type: none"> ▶ Cluster requires more Automatic/ Semi-automatic Mushroom, amla & bamboo processing unit/s with bigger capacity to cater the crushing needs of a major part of the cluster. ▶ Bagasse can be used as a raw material to those production units who make cup, plates and variety of disposable utensils and props. ▶ Press Mud can be processed as organic fertiliser
Technological upgradation	<ul style="list-style-type: none"> ▶ Lack of infrastructure equipped with modern technology to improve quality of mushroom, amla & bamboo - ▶ Lack of Infrastructure/ industry to utilise by-products of mushroom, amla & bamboo industry 	<ul style="list-style-type: none"> ▶ Establishment of Common Facility Centres (CFCs) with facilities like Advanced Mushroom, amla & bamboo Processing Unit, Testing Laboratory, Packaging, Labelling and Branding Unit, and Marketing and Display centre etc. to address the challenges and boost production and sales of the cluster ▶ Building new infrastructure - replacing Gur (mushroom, amla & bamboo) processing old units with new interface
Design	<ul style="list-style-type: none"> ▶ Lack of product diversification/value addition: ▶ The product is made and sold without any standardised 	<ul style="list-style-type: none"> ▶ Design and product development centre can be established along with testing lab in the cluster

	<p>testing (as per FSSAI/BSI norms) done.</p> <ul style="list-style-type: none"> ▶ Lack of innovation and inadequate knowledge for value addition to mushroom, amla & bamboo (solid, powder and liquid) has also discouraged the product to directly go to international markets. 	
Marketing & branding	<ul style="list-style-type: none"> ▶ No direct export ▶ Lack of Standardisation ▶ Need GI Tagging ▶ High Mandi Shulk ▶ Lack of testing Facility ▶ The Samba manufacturers are not able to meet the national & global standards therefore they are unable to export finished mushroom, amla & bamboo products directly ▶ The quality of product is also compromised, and it forces unit owners to sell mushroom, amla & bamboo in local market. ▶ The buyers demand for products which ensure the revised food standard tested by FSSAI/BIS norms ▶ Lack of Export related information and linkages 	<ul style="list-style-type: none"> ▶ Awareness and outreach amongst traders/manufacturers for participating in fairs and exhibitions. ▶ Leverage marketing assistance schemes of State and Govt for financial assistance of small manufacturers ▶ Organize state and national level exhibitions ▶ Tie-ups with offline/online retail stores across India i.e. Reliance Store, More, Big-Bazaar, Easyday, Sunrise, Suvidha etc. for a greater outreach. ▶ Collaborate with Pastry/bakery industry, hotel industry and Govt. and private catering industries, Hospital kitchens for local and healthier sweetener. ▶ Collaboration with E-commerce companies like Amazon, ebay, Flipkart and Shopclues to maximize sale in domestic and international market.
Quality Improvement	<ul style="list-style-type: none"> ▶ Lack of interest in adapting quality standards as described by FSSAI/ BSI 	<ul style="list-style-type: none"> ▶ Establishment of testing laboratory in the district for mushroom, amla & bamboo testing and mandatory NABL certification of the ODOP

	<ul style="list-style-type: none"> ▶ Unaware of global standards and quality ratings ▶ No checks and balances made for quality certification/maintenance at Gur Mandi ▶ Only few traders who contribute in indirect exports try to maintain the quality standard of global market ▶ Lack of organic farming of finished good in the district. ▶ Use of chemicals for clarifying finished good juice ▶ No testing laboratory 	<p>product. The availability of testing labs can also help the entrepreneurs to get their product tested and the lab can also advice the entrepreneurs on how to produce Mushroom, amla & bamboo which meets the norms as prescribed by BIS/FSSAI. It is very important that the entrepreneurs are properly skilled and taught on how to produce mushroom, amla & bamboo that passes the test prescribed by the BIS/FSSAI.</p>
Post GI Initiative	<ul style="list-style-type: none"> ▶ Lack of promotion of products highlighting their GI tag 	<ul style="list-style-type: none"> ▶ Target to make 100 authorised Users to become IEC holder in a year. (DIC) to identify such stakeholders. ▶ Organise one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorised users. (This can be done by DGFT /FIEO/ MSME with the help of DIC)
Exporter's issue	<ul style="list-style-type: none"> ▶ No focal point to address exporters ongoing issues. ▶ Lack of awareness 	<ul style="list-style-type: none"> ▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT. ▶ DGFT organize workshops for Export.
Cost Structure	<ul style="list-style-type: none"> ▶ No Minimum support price (MSP) for Mushroom, amla & bamboo - Currently Minimum support price for finished 	<ul style="list-style-type: none"> ▶ The Jammu & Kashmir may outlay the MSP's for the Mushroom, amla & bamboo produced in the state. This

	<p>good is fixed by the Government. However, there is no MSP for Mushroom, amla & bamboo products. Considering the scope of finished good production and manufacturing of mushroom, amla & bamboo products, unit owners have raised demand for fixing MSP for mushroom, amla & bamboo by Central and State Government.</p> <ul style="list-style-type: none"> ▶ No attractive policy for organic mushroom, amla & bamboo producers 	<p>would encourage more entrepreneurs to enter this sector. Currently there is no subsidy being given to entrepreneurs to purchase the finished good which is the primary raw materials for mushroom, amla & bamboo production.</p> <ul style="list-style-type: none"> ▶ An exemption or tax relief (or a subsidy) for organic processors could be considered, together with other measures like subsidisation of fuel used in organic production, loans with lower rates, taxes on polluting inputs, products/seeds, internalisation of environmental costs, & charge reductions for processed organic food sample analyses
--	---	---

Table 21: Challenges & Interventions

Source: Primary & Secondary Research

9.8 Future Outcomes

Annual Turnover
<p>Increase in annual turnover from existing one to a growth rate of 150% in 3 years</p>

Cluster exports
<p>Direct export growth will be exponential if planning of development of cluster goes as decided</p>

9.9 Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ⁴
Increasing the overall exports from the state		
<p>Sensitization and facilitation in availing Import/ export documents: Majority of the cluster actors though interested and sensitized on exports are unaware of Import-Export Code which is crucial for participating in global trade. While some of them are aware, they face challenges in applying. Thus, at district level, a camp should be set in every three months to help the individuals interested in trade to understand about the requisite documents required for undertaking import/ export and provide support in availing them</p>	IP cell, DIEPC JKTPO	Continuous initiative
<p>Creation of a Single Window System for speedy clearances. The online portal to include various export schemes of the government along with real time information about targeted market, tariff rates, freight rate calculations, documents and quality certifications required and product information.</p> <p>Increase in subsidy/re-imbursments may reduce cost of transportation (freight rates), Marketing, Quality Certification, Patent registration and Testing to Export Oriented Units.</p> <p>Training planned and organized by DGFT, FIEO and other concern authorities</p>	MSME-JK, DGFT, DIEPC, JKTPO	Continuous initiative
<p>Creation of an event calendar comprising of events to be conducted in a Financial Year with a focus on international marketing events. Further, DGFT and FIEO can finalize a target to participate in at least 3 international events in a year per product category/industry (Wood craft Products.) by utilizing schemes like IC and MAS</p>	IP cell, DIEPC JKTPO	Continuous initiative

⁴ Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ⁴
<p>Sensitization of cluster actors:</p> <p>c. The individuals of a cluster should be sensitized on the plethora of schemes⁵ available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials</p> <p>d. Currently, majority of the exporters and traders focus on selling their goods to USA, UK and European countries without correctly analyzing the demand market. Thus, these cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAP</p>	IP cell, DIEPC JKTPO	Continuous initiative
DIEPC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment	DIC, JKTPO and FIEO	Intermediate
Common interventions across sectors/ clusters		
Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	IP cell, DIEPC JKTPO	Short term
MoU with QCI for defining quality standards of the products	IP cell, DIEPC JKTPO	Short term
Sensitization of banks and bankers to help them understand the niche sectors of MSME and their specific requirements which shall help banks evaluate projects better while lending credit	JKTPO/DIEPC and Banks	Short term
Introduction of revolving working capital within the cluster to help MSMEs procure raw	JKTPO/DIEPC and Banks	Intermediate

⁵ List of available schemes facilitating exports: <https://www.ibef.org/blogs/indian-export-incentive-schemes>

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ⁴
materials and undertake production without hinderances		
Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.	IP cell, DIEPC JKTPO	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & center and the procedure to apply to avail financial assistance	JKTPO/DIEPC	Intermediate
Sensitization of cluster actors from this sector on Make in India initiative and PLI for leveraging the assistance provided to the sector to enhance productivity and expand exports	DIEPC JKTPO	Short term
DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.	DIEPC/DGFT/J KTPO	Long term
<p>Cost Structure:</p> <p>d. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.</p> <p>e. The CONCOR rates are to be made available at regular intervals to the DIC office for updating of the same at the district website.</p> <p>f. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.</p>	<p>DIEPC/JKTPO</p> <p>DIEPC/JKTPO</p> <p>DIEPC/JKTPO/ FIEO</p>	<p>Long term</p> <p>Long term</p> <p>Short term</p>
Product : Pharmaceuticals		

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ⁴
<p>Establishment of Common Facility Centre with:</p> <ul style="list-style-type: none"> ▶ Blending equipment ▶ Capsule equipment ▶ Centrifuges ▶ Coating machines ▶ Cooling towers ▶ Dryers ▶ Filling equipment ▶ Granulators ▶ Hot melt extrusion equipment ▶ Inspection machines ▶ Milling machines ▶ Processing machinery ▶ Tablet presses 	PHARMEXIL, IP cell, DIEPC JKTPO	Long term
Establishment of testing laboratory	IP cell, DIEPC JKTPO	Long Term
<p>Awareness Program: DGFT, FIEO and PHARMEXIL to hold seminar at least once in a year or continuous to spread the awareness about Global Market scenario and opportunities.</p>	IP cell, DIEPC JKTPO	Continuous initiative
<p>Raw Material Supply: A committee to be formed with local representatives of Industry to suggest ways for timely and proper supply of the Raw Material. With deployment of advanced machinery, some raw materials can be made in cluster itself.</p>	IP cell, DIEPC JKTPO	Short term

Table 22: Action Plan

Source: Primary & Secondary Research

Annexures

Government Schemes for Cluster and Infrastructure Development

MSE-CDP

Objectives:

- ▶ To enhance the sustainability, competitiveness, and growth of MSEs by addressing common issues such as improvement of technology, skills & quality, market access, etc.
- ▶ To build capacity of MSEs and Start-ups for common supportive action through integration of self-help groups, consortia, district Industry associations, etc.
- ▶ To create / upgrade infrastructural facilities in the new/existing Industrial Areas/Clusters of MSEs.
- ▶ To set up Common Facility Centres in Industrial area (for testing, training centre, raw material depot, effluent treatment, complementing production processes).
- ▶ Promotion of green & sustainable manufacturing technology for the clusters to enable units switch to sustainable and green production processes and products

Two components of the MSE-CDP scheme:

- ▶ Common Facility Centres (CFCs): This component consists of creation of tangible “assets” as Common Facility Centres (CFCs) in Industrial Estate
- ▶ Infrastructure Development (ID): This component is for development of infrastructure in new/existing notified Industrial Estate.

Funding Pattern

Component	Total Project Cost	Funding Pattern		
		Gol grant	State Share	SPV
CFCs in NE & Hill States, Island Territories, Aspirational Districts	▶ INR 5 Cr to 10 Cr	80%	15%	5%

CFCs in NE & Hill States, Island Territories, Aspirational Districts	▶ INR 10 Cr to 30Cr	70%	15%	15%
Infrastructure Development in NE & Hill States, Island Territories, Aspirational Districts- New	▶ INR 5 Cr to 15 Cr	70%	30%	
Infrastructure Development in NE & Hill States, Island Territories, Aspirational Districts- Existing	▶ INR 5 Cr to 10 Cr	60%	40%	
Infrastructure Development Project	State / UT Governments through an appropriate State Government UT Agency/Integrated Industrial Park Development Agency/ State Industrial Development Agency			

Implementing Agencies

Process

- ▶ SPV Formation: There shall be a SPV for the projects for CFC, which would be a Company registered under Section 8 of the Company Act. FPO/ FPC registered under Section 8 of the Company Act are allowed as the SPV provided they have required number of members as provisioned in the guidelines of the scheme.
- ▶ To ensure that CFC is a collective initiative, certain number of members are required
 - Minimum 20 MSEs/ Start-ups /Green Field MSEs/FPOs for CFC with project cost of above Rs 10 crore and above
 - Minimum 10 MSEs/ Start-ups /Green Field MSEs/FPOs for CFCs with project cost of below Rs 10 crore
 - Any contribution higher than the minimum contribution could be by way of unsecured interest free loans
- ▶ The members in the SPV should have a minimum contribution by way of equity capital to bring more sense of ownership. Minimum members direct contribution for the project:
 - 20% of the project cost for CFCs with project cost more than Rs 10 crore

- 10% of the project cost for CFCs with project cost less than Rs 10 crore
- ▶ Land Identification: Post SPV formation next step is to identify the land for the structure. The cost of land will be included in the cost of project (subject to a maximum of 25% of Project Cost)
- ▶ DPR Preparation: The SPV or state government will prepare a DPR which will clearly establish how the CFC will improve the competitiveness of the MSE units in the cluster and should be aligned with their common aspirations. A credible market study/ survey should be conducted to establish the value chain of the facility.
- ▶ DPR of the project will be appraised by any branch of SIDBI or any commercial bank. The techno economic feasibility report of the bank and DPR would be placed before the SLSC (State Level Screening Committee)
- ▶ The State Level Steering Committee would examine the DPRs, recommend and monitor implementation and operation of approved Projects in the State to ensure satisfactory and time-bound implementation of the activities and operations thereafter
- ▶ The proposal once recommended by SLSC, would be forwarded by concerned MSME-DI online with its recommendations before the same is considered in Office of DC, MSME
 - If the SLSC fails to recommend or reject a proposal within the stipulated time for recommendation as given at Annexure 6, the proposal will be treated as deemed recommended by the SLSC
 - SLSC may act as a single window for all the clearances required for the project. Director (Industries) may be nominated as the nodal officer for such clearances
 - There shall not be any in-principal approval of any project. Either a project would be approved or not approved
 - The proposals for projects with no State Government funding support, may be directly submitted to O/o DC-MSME after due examination by MSME-Dis for final approval, however, recommendation of SLSC would be required
 - The project costing up to Rs. 5 Crore will be considered under SFURTI
- ▶ The projects recommended by SLSC will be placed before NPAC (National Project Approval Committee) for consideration and approval
- ▶ The projects must be completed within 18 months from the date of approval order of the project by NPAC

Composition of SLSC (State Level Screening Committee)

ACS/ Principal Secretary/ Secretary (Industries/MSME)	Chairman
Commissioner / Director of Industries / MSME	Co Convener

Managing Director or Representative of Implementing Agency	Member
Representative of Finance Department	Member
Director, MSME-Development Institute	Member Secretary/Convener
General Manager, Concerned District Industries Centre	Member
Special invitees (if any) like representative of SIDBI or any financial institution or any official required for the purpose	Member
A representative from Technical Institution/MSME-Technology of M/o MSME	Member

Composition of NPAC (National Project Approval Committee)

Secretary (MSME)	Chairman
AS&DC (MSME)	Member
Adviser (VSE), NITI Aayog	Member
Joint Secretary (ARI), Ministry of MSME	Member
Economic Adviser (EA)/IFW	Member
Additional Development Commissioner / JS/DDG of the Cluster	Member Secretary
Representative of SIDBI	Member
Representative of CSIR	Member
Representative of NSIC / KVIC	Member
Representative(s) of DPIIT, MO Textile, Do Pharma, MeitY, MoRD, MoFPI, MoDefence, Do Fisheries, Do Animal Husbandry and Dairying	Member
Director, MSME-DI concerned	Member
Principal Secretary / Secretary (Industries/MSME) / Commissioner /	Special Invitee
Representative(s) of concerned Industry Association(s), Representative from Financial Institution, Programme Management Service Provider, Appraisal Agencies etc	Special Invitee
Director (CD)	Member

Flatted Factory

Flatted Factory Complex (FFC) is a building having two or more floors, where every floor has independent Industrial unit and in which land and amenities, open space and passage are jointly owned and collectively used may be termed as Flatted Factory.

- ▶ Flatted factories are high-rise developments with common facilities
- ▶ The building has a particularly good factory layout with maximum and efficient use of unit space. It is also equipped with basic amenities.
- ▶ The building is subdivided into small separately occupied units which are used for manufacturing, assembly, and associated storage.
- ▶ Flatted factories, a subset of light industrial properties, are stacked-up manufacturing space used for general manufacturing

With a view to optimize on the limited vacant land, concept of flatted factories has been introduced for small scale industries. Provision for flatted factories to accommodate MSME units may be made for the new industrial units. This will facilitate the industry to reduce the lead time in setting up of the project besides huge investment on land and building, thus promoting the entrepreneurship in the region.

FFC will also consist of Raw material storage, Display Centre, admin space, conference hall, creche', First aid centre, CETP facility, dedicated bank space, commercial shops, dedicated lifts.

Scheme of Ministry of MSME, GOI:

Ministry of MSME, Government of India through it's MSE-CDP Scheme is supporting the State Government Agencies by providing GOI grant restricted to 60% of the project from INR 5.00 crore to INR 15.00 Crore for setting up of FFC.

Ambedkar Hastshilp Vikas Yojana

Under Infrastructure and Technology Support:

Funds are available for

1. Marketing and Sourcing Hub

It is proposed to setup Marketing Complex (Hubs) for Handicrafts in commercially viable Cities/Towns etc. on the concept of "One Stop Shopping". It will provide a marketing platform to the wholesaler/retailers/ consumers and foreign buyers to reach the potential target segment by showcasing the entire range of handicrafts products. Office of DC (H) will provide support towards cost of construction and interior work for the proposed Marketing Hub

Eligibility:

Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local gov. Bodies etc.

- ▶ Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, exporter bodies/ associations, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- ▶ Producer companies registered under Section 8 of Companies Act and working for the promotion and development of Handicrafts & Handlooms.
- ▶ Any component can be implemented by department as well.

Financial Assistance and Funding Pattern:

- ▶ The financial ceiling for setting up a marketing hub facility is INR 1000 lakh
- ▶ 75% of the admissible amount shall be borne by the O/o the DC (H) and 25% will be contributed by the implementing agency subject to the ceiling specified.
- ▶ Land will be provided by implementing agencies and will be over and above the 25 % contribution by the implementing agency.

2. Common Facility Centre

The objective of the Common Facility Centre is to ensure economy of scale, price competitiveness, quality control, application of Design and Technology input on continuous basis, scope of product diversification and higher unit value realization and compliance with WTO compatible standards. Such a common facility will lead to significant reductions in the cost of production, production of a diversified range of high value products, sample development, reduction in the response times in order execution and ensure high quality of final products.

Eligibility:

Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.

- ▶ Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- ▶ Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms.
- ▶ Any component can be implemented by department as well.

Deliverables:

CFCs must include adequate space for Training area, Sales counter, Dyeing Unit (if required), Store, Room, Tools Machinery and Equipment related to production and testing including computer installations, packaging, proper provisions of electrification for machineries and civic amenities etc.

Funding Pattern:

- ▶ The financial ceiling for setting up a common facility centre is INR 300 lakh.
- ▶ In case of NER, J & K, Ladakh & Andaman and Nicobar Islands, Lakshadweep - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- ▶ Assistance will also be available for upgradation/ strengthening of existing CFCs with a maximum of Rs 200 lakhs as 100% GOI share.

S. No	Expenditure Items	Funds Permissible (In Lakhs)
1	Own building (Interior Work/construction) Rented building (IA must have Agreement of at least 15 years for running the CFC) <i>Interior Work/ Construction</i>	50.00
2	Tools Machinery and equipment related to production and testing including installations, packaging etc	225.00
3	Fixed Asset	4.50
4	Expenditure towards training of machine operators	5.00
5	Contingency	3.00
6	Erection and commissioning	12.50
Total	300.00	

Rental amount will be borne by the IA

3. Raw Material Depot

Aim of this component is to make easy availability of quality, certified and graded raw material to the artisans/entrepreneur at a reasonable rate.

Eligibility:

- ▶ Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- ▶ Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, SPV promoted by banks, Apex cooperative Societies and National level

Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.

- ▶ Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms.
- ▶ Any component can be implemented by department as well.

Financial Assistance and Funding Pattern:

- ▶ The financial ceiling for a raw material depot is INR 200 lakh, and out of this INR 50 lakh will be earmarked for setting up of godown.
- ▶ In case of NER, Jammu & Kashmir, Ladakh and Andaman & Nicobar Islands, Lakshadweep - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- ▶ The GOI assistance shall be provided to the eligible body in staggered manner for capital rotation.
- ▶ An MOU will be signed between the grantee and Office of the Development Commissioner (Handicrafts) incorporating different aspects related to functioning of Raw Material Depot.
- ▶ Accordingly, the yearly targets to be achieved in terms of physical & financial parameters will be fixed and in case of non - achievement, the Govt. will forfeit the raw material to the extent of grants released.
- ▶ Further for a period of five years, yearly quantitative increase in corpus/stock of raw material may be fixed depending on the raw material which will be indicative of functionality of Raw Material Depot.

4. Technology Upgradation Assistance to Exporters/ Entrepreneurs

The objective is to extend the technological up gradation facility to exporters/entrepreneurs. The facility centre should be an infrastructure with modern machinery including packaging machinery to support product, productivity, quality, etc.

Eligibility:

Recognized Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc.

Financial Assistance and Funding Pattern:

- ▶ The maximum amount of funds to be sanctioned is INR 150 lakh for each facility centre.
- ▶ The financial pattern would be based on 60:40 sharing between the Government of India through the Office of the D.C (H) and Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc.
- ▶ MOU between Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc. and Government of India (GOI) will be signed before release of funds.

5. Testing Laboratories

Testing Laboratory shall be made in the sufficient and adequate spaces with the provision of Machinery & Equipment, Support Fixture & Furniture, Raw-Material Processing Section, Inspecting Section, Packaging & Warehousing Section, Maintenance Section including Master Room for knowledge sharing and future reference etc.

In order to standardize / certify raw materials/ products, it is proposed to

- ✓ Set up new labs
- ✓ Strengthen existing labs.

The objective is to offer total Testing and Quality Assurance support for Handicrafts

Eligibility:

- ▶ IICT, MHSC, NIFT, NID, Central/State recognised educational Institute/University, Exporter's bodies, EPCH, CEPC, State Corporations etc.
- ▶ CSIR and Textiles Committee.

Financial Assistance and Funding Pattern:

- ▶ The financial assistance would be in the form of Grant-in-aid with a ceiling of INR 100 lakh for each testing laboratory.
- ▶ This grant would be in the form of 100% through the Office of the D.C (H) to the eligible institute/ organization.

6. Crafts Village

Craft village is a modern-day concept wherein craft promotion and tourism are being taken up at single location. Artisans live and work at the same place and are also provided with the opportunity to sell their products thereby ensuring livelihood. Craft items are exhibited as well as sold here.

The O/o Director Handloom and Handicraft would provide assistance both towards improving infrastructure in existing villages where a substantial number of craftsmen practicing similar crafts are residing and also setting up of new villages where craftsman can be rehabilitated. The aim would be to select villages that can be connected with some tourist circuit to ensure sale of products.

Under this component office of Director Handloom and Handicraft will fund improvements/creation of infrastructure which would include roads, houses of artisans and their work sheds areas, sewerage, water, street-lights, footpaths, shops and display areas. These will be undertaken by the implementing agency and the craftsmen will be rehabilitated with new work sheds and display areas. The display areas will be in form of stalls where the artisans can sell their product. Each project will be approved by a committee headed by the Secretary.

Eligibility:

- ▶ Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- ▶ Eligible Local statutory bodies, SPV promoted by banks and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- ▶ Any component can be implemented by department as well.

Financial Assistance and Funding Pattern:

- ▶ The financial ceiling for the total amount sanctioned per unit will be INR 1000 lakh.
- ▶ In case of NER, J & K, Ladakh & Andaman and Nicobar Islands, Lakshadweep- 90% of the admissible amount will be borne by the O/o the Director Handloom and Handicraft and 10% shall be contributed by the implementing agency.
- ▶ Land will be provided by implementing agency and it will be over and above its 20% contribution, attributed in the funding pattern

Component	Implementing Agency/Fund Receiving Agency
Setting up of CFC	<ul style="list-style-type: none">▶ Institutions of Ministry of MSME (MSME-DIs, NSIC, KVIC, Coir Board, Technology Centres, NI-MSME and GIRI)▶ Organizations of State Governments▶ National and international institutions engaged in development of the MSE sector▶ Any other institution / agency approved by the Ministry of MSME

11. Abbreviations

APEDA	The Agricultural and Processed Food Products Export Development Authority
API	Active pharmaceuticals ingredients
CAD	Computer-Aided Design
CAM	Computer Aided Manufacturing
CFC	Common Facility Center
CONCOR	Container Corporation of India
CPC	Common Production Center
DGFT	Director General of Foreign Trade
DHO	District Horticulture Officer

DIC	District Industries Center
DIEPC	District Industry and Enterprise Promotion Center
DPR	Detailed Project Report
EPC	Export Promotion Council
EPCG	Export Promotion Capital Goods
FIEO	Federation of India Export Organization
FPO	Farmer Producer Organizations
FTA	Free Trade Agreement
GCC	Gulf Cooperation Council
GI	Geographical Indication
HS	Harmonized System
IC	International Cooperation
IC Engines	Internal Combustion Engines
IEC	Import Export Code
IIP	Indian Institute of Packaging
ISW	Industrial Solid Waste
ITI	Industrial Training Institute
KVK	Krishi Vigyan Kendra
MAS	Market Assistance Scheme
MSE CDP	Micro & Small Enterprises - Cluster Development Programme
MSME	Micro, Small and Medium Enterprises
NHB	National Horticulture Board
NIC Code	National Industrial Classification Code
NIC	National Informatics Center
NID	National Institute of Design
NIFT	National Institute of Fashion Technology
NSDC	National Skill Development Cooperation
ODOP	One District One Product
PM FME	Pradhan Mantri Formalisation of Micro food Processing Enterprises
PMU	Project Monitoring Unit
QCI	Quality Council of India
R&D	Research & Development

RMB	Raw Material Bank
SIDBI	Small Industries Development Bank of India
SPS	Sanitary & Phytosanitary
SPV	Special Purpose Vehicle
SWOT	Strength, Weakness, Opportunities, Threats
TBT	Technical Barriers to Trade
UAE	United Arab Emirates
UK	United Kingdom
JK	Jammu & Kashmir
JKTPO	Jammu & Kashmir Trade Promotion Organization
USA	United States of America

Districts
as Export Hubs



JKTP 
JAMMU & KASHMIR TRADE PROMOTION ORGANIZATION
(A Government of J&K Undertaking)

p

