

BT POLICY 2007-2012

Government of Gujarat
Science and Technology Department
Sachivalay.Gandhinagar.
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PREAMBLE

The science of biotechnology (BT) is making rapid strides. Past several years have witnessed a great conversion of this science into economic benefits due to its application in fields of agriculture, medicine, animal husbandry and environmental protection. Quite often, the science of biotechnology is also termed as key technology of 21st century.

1.1 Biotechnology: A Growth Engine

Globally, BT has been acknowledged as a tool for socio-economic development. Biotechnology is one of the world's fastest growing technologies, registering a growth rate of 15% (Source: *Beyond the Borders--Ernst & Young, 2004*). As per the 2006 survey by ABLE-Biospectrum, the forecast of the size of BT industry in India should have been to the tune of \$2 bn by 2004 and \$5bn by 2008. However, predicted growth for 2005 was almost achieved in 2004 itself, reflecting the fast pace of development. In India, BT industry has been growing at an average annual growth rate of 37.42%. In terms of sectors, it is led by Bio-Agri sector showing a growth of 81%, followed by Bio-Pharma (31.88 %) and Bio-Informatics (20%) and Bio-Industries (17.9%) (Source: *ABLE-Biospectrum, 2006 survey*).

1.2 Gujarat: An Industrially Developed State

1.2.1 Gujarat has been one of the most progressive industrial states in India. State's share of country's GDP (at constant price) is 6.4% as against mere 5% share of the population. In the decade 1990-2000, the economy has registered an impressive growth of 7.14%.

1.2.2 Gujarat produces nearly 40% of the country's pharma and health care needs. State has been contributing 20% of India's manufacturing output, 21% of India's export and 30% of total Indian market capitalization (Source – *Economic Survey of Gujarat, 2004*).

1.3 Status of Biotechnology in Gujarat

1.3.1 The landscape of Gujarat Biotech industry, consist of more than 40 Biotechnology Companies and 66 support organizations. The business break-up of biotechnology companies, consist of Manufacturing, R&D and services. Gujarat Biotech market has evolved around few sub-sectors, i.e. Healthcare, Agri-Biotechnology, Industrial Biotechnology, Environmental Biotechnology, and others, which include Contract research services suppliers, Foods and Nutraceuticals, Marine etc.

1.3.2 Gujarat has 14 Universities and more than half a dozen research institutes imparting post graduate and undergraduate courses in Biotechnology and related allied sciences. About 20 institutes offer UG courses, 5 offer PG courses, 6 offer doctoral courses and 7 offer diploma courses. The state produces around 5000 manpower trained in biotechnology, which includes Ph.D.s, Post Graduates, PG Diploma, undergraduates, and other diploma courses, in various biotechnology related disciplines (Source: *Atlas of Biotechnology education in Gujarat, under publication*).

1.3.3 Details of Gujarat's diverse Bio resources and biotech companies / organizations may be referred to at the following URL: <http://btm.gujarat.gov.in/AnnexurePoll1.htm>

1.4 MAJOR INITIATIVES

The state of Gujarat, with its pro-active and visionary, approach has already taken key initiatives in Biotechnology.

1.4.1 The state has constituted the Gujarat Council of Biotechnology, which is headed by Hon'ble Chief Minister of Gujarat. The body has representation of experts, technocrats, professionals, academicians, industries and policy planners.

1.4.2 The state has also constituted **Gujarat State Biotechnology Mission [GSBTM]**, as autonomous body, under Department of Science & Technology. The Governing body of GSBTM is headed by Chief Secretary of Gujarat state and has representation of policy planners of various departments, industries and Academia. GSBTM has become operational since April, 2004.

1.4.3 GSBTM operates with the following **mandate**:

- To promote, support and facilitate the overall development of Biotechnology in the state.
- To facilitate the infrastructure development, research and Innovation and Human resource development,
- To facilitate Regional, National and International networking,
- To facilitate creation of scientific awareness, socio-ethical acceptance, adoption and application of biotechnology.

1.4.4 GSBTM has been undertaking initiatives pertaining to policy planning, infrastructure development, research and innovation, human resource development, promoting biotech entrepreneurship, promoting biotech business, information dissemination and awareness development.

1.5 PLANNING AHEAD

Policy formulation is based upon following key drivers and specific features of BT industry.

Biotechnology industries are, **capital intensive, power intensive, research driven and have multi sectoral linkages.** Biotechnology industries are **Research and Development oriented, Manufacturing based and/or Bio-service providing.** Biotechnology, have **interface with multiple sectors,** namely, Agriculture, healthcare, environment, marine, animal husbandry etc. The Biotechnology Industries have **multiple client spectrums,** characterized by **starters, existing entrepreneurs** venturing in BT field and **established business houses** diversifying in Biotechnology.

2.0 POLICY

2.1 VISION:

To develop Gujarat into knowledge based economy with BT as one of the key sector.

2.2 OBJECTIVES:

- a. To make Gujarat a preferred and globally competitive destination for development of BT products, processes & services;
- b. To create a conducive environment for Biotechnology growth and development;
- c. To encourage Biotechnology business for wealth creation and increase the BT sector's contribution to state's economy by fivefold;
- d. To leverage the inherent Pharma – Agri and Marine resource strength of Gujarat through use of Biotechnology.

2.2.1 Area of Operation:

It will be operative in the state of Gujarat.

2.2.2 DEFINITIONS & REGISTRATIONS:

2.2.2.1 REGISTRATION

The Biotechnology Industries engaged in the manufacture of Bt products need to register their unit with department of Science & technology (DST) . For this purpose, application in the prescribed format may be made to GSBTM while DST will issue the Registration Certificate in the prescribed format. In case of claiming benefit under different policies, companies may be required to register separately with concerned department. The same will be facilitated and coordinated by GSBTM. The companies will be able to claim any incentives or relaxations/concessions only on production of such a certificate.

2.2.2.2 DEFINITIONS

2.2.2.2.1. Definition of a Biotechnology Unit/Company:

'Biotechnology (BT) Unit' means a unit engaged in manufacture of 'Biotechnology products (as defined in 2.2.2.2 .2, hereinafter)'.

The term 'unit' refers to a legal / corporate entity (e.g. a Public or Pvt. Limited Company / Partnership or Proprietorship Firm) with separate books of accounts and a distinct locationally separate facility of such an entity.

2.2.2.2.2. Definition of a Biotechnology Product:

'Biotechnology (BT) Product' would include a product, which use or are derived by using (a) living systems, (b) enzymes, (c) Bio-catalysts and any of the following processes:

- (i) Genetic Engineering/ Gene Engineering;
- (ii) Cell Engineering/ Cell Culture;
- (iii) Bio process engineering;
- (iv) Protein Engineering;
- (v) Tissue Engineering;
- (vi) Microbiology;
- (vii) Bio-chemistry;
- (viii) Bio-Informatics i.e. assembly of data from genomic analysis into accessible form;
- (ix) Genomics i.e. the molecular characterization of all species;

- (x) Bio-Transformation i.e. the introduction of one or more genes conferring potentially useful traits into plants, livestock fish and tree species;
- (xi) Molecular breeding i.e. the identification and evaluation of desirable traits in breeding programs by the use of marker assisted selection for plants, trees, animals and fish;
- (xii) Bio-Diagnostics i.e. the use of molecular characterization to provide more accurate and rapid identification of pathogens and other organisms;
- (xiii) Bio-Immunology (Vaccine Technology) i.e. the use of modern immunology to develop recombinant DNA vaccines for improving control against lethal diseases;
- (xiv) Embryo Manipulations subject to legal and ethical regulations;
- (xv) Pharmacogenomics ;
- (xvi) Proteomics;
- (xvii) Allo-transplantation;
- (xviii) Xeno Transplantation;
- (xix) Bio Chips;
- (xx) Gene Therapy or Other Frontier Technologies and services or as defined by the state government from time to time.

Units fully engaged in any of the processes such as mentioned at (i), (v), (ix), (x) etc. above and having agro industrial applications are also covered in the definition 'Hi-tech and Bio-technology based Agriculture' under Agro-Industrial Policy and such units are entitled for the benefits under the said Policy. **(Refer to URL:**

<http://agri.gujarat.gov.in/download/Legal%20FrameWork%20Download/Agri-eng.pdf> for further details)

Following activities shall not be included within the purview of the definition of 'Biotechnology Industry':

- Manufacturing of Pharmaceutical/ Bulk Drugs/ Active Pharmaceutical Ingredients
- Manufacturing of other chemical products/ similar manufacturing processes which may impact the environmental balance of the location.

2.2.2.2.3. Definition of High end Biotechnology:

The technology, which involves development of recombinant technology or development of recombinant products, refinement, modification, independently or in collaboration, would be treated as high end biotechnology for this purpose. The high end biotechnology would also include nano-biotechnology, gene technology, pharmaco-genomic, Pharmaco-kinetics, new drug delivery mechanism etc. Considering the pace and dynamics of the development of biotechnology, the definition of high end Biotechnology would be subject to revision and modification, from time to time.

2.2.2.2.4. Definition of an existing Biotechnology Unit:

An existing Biotechnology unit would include a Biotechnology unit (as defined in 2.2.2.2 a) existing as a legal entity before the date of this G. R.

2.2.2.2.5. Definition of a new Biotechnology Unit:

A new Biotechnology unit would include a Biotechnology unit (as defined in 2.2.2.2 a)

formed on or after the date of this G. R.

In case of any dispute arising out of interpretation of any definition, the interpretation of state Government shall be treated as final.

2.2.2.3 Promoting high end Biotechnology Industry in Gujarat

The state has a vision of developing the capabilities for cutting edge technologies which would encourage wealth creation and help in acquiring global strengths. While low end and conventional biotechnologies, have their own relevance and potential, in terms of acceptability, employment generation and wide application, the key strengths would lie in the development of high end biotechnology. High end Biotechnology, is highly capital intensive with long gestation period, needs high research inputs and special infrastructure. Therefore state would encourage high end biotechnology.

2.2.2.4 Entitlement of benefits

The Biotechnology industries, as per the eligibility conditions, would be entitled to the benefits, available as per the provisions of the various schemes, framed under Gujarat Industrial Policy and operational in the state from time to time.

In addition, the Agro-Biotech industries would be entitled to get the advantage of the benefits available under Gujarat Agro policy.

Bio-informatics units would be allowed to have FSI norms on par with IT Industries and as provided in IT Policy of Government of Gujarat.

However, concessions to a BT unit would be available under any one of the Policy only. The company shall submit the certificate that they have not been claimed under any other Policy of the state/center.

2.3 STRATEGY

2.3.1 Key Strategies

Various Policy objectives are planned to be addressed with following key strategies:

2.3.1.1 The state would develop competitive infrastructure base for growth and improvement of Biotechnology products and processes, in the form of BT clusters, Biotech zones, Biotechnology parks and sector specific facilities.

2.3.1.2 The state would facilitate in creating a pool of highly skilled manpower in Biotechnology, by encouraging education/research institutions, skill development programs and value addition measures.

2.3.1.3 The state would facilitate in Industries for Promoting research and innovation in Biotechnology.

2.3.1.4 The state would facilitate entrepreneurship in BT by providing support in technology transfer, business guidance and capacity building support.

2.3.1.5 The state would facilitate and support networking and stakeholder linkages.

2.3.2 Thrust areas:

The state has identified following thrust areas for development in Biotechnology,

- Agriculture (e.g. Horticulture, Forestry)
- Animal Husbandry (e.g. Dairy, Poultry, Fisheries)
- Pharma & Healthcare
- Marine

- Environment

2.3.3 Thrust activities:

Keeping in view the state priorities, strengths and resource abundance and within each identified thrust area, following key activities have been identified for promotion under this policy framework:-

2.3.3.1 Agriculture BT

The key activities in agriculture biotechnology would be increasing land productivity by enriching crop specific, species specific microbial community, developing transgenic crops resistance to biotic & abiotic stress, Molecular based selection and higher availability of quality seed and planting material, developing value added products, Developing Bio-fertilizer & Bio-pesticides, Bio-fuel etc. The state would focus on Wheat, maize, Pigeon pea, Chick pea, Cotton, groundnut, Castor, Isabgol, fennel, Cumin, Sapota, Banana, Jatropha, Date palm, grass species of fodder value, etc.

2.3.3.2 Animal BT

The key activities in animal biotechnology would be increasing the production, availability and shelf life of animal feed, fodder, development of nutritionally rich, high protein fish, prawn, and alternative nutrition source, improving the health of productive animal through BT based disease control mechanism and tools; and developing value added products etc. The state would focus on milch animal, marine fisheries, aquaculture, prawn and sea foods etc.

2.3.3.3 Pharma & Healthcare BT

The key activities in Pharma and Healthcare would be Development of diagnostic kits and facilities, Therapeutics and mono-clonals, using rich biodiversity for new molecules, new technologies such as stem cell, genetic diagnostics and Contract research etc.

2.3.3.4 Environment BT

The key activities in environment biotechnology would be genetic conservation of Biodiversity, Germplasm banks, gene banks, developing bio-indicators / bio-sensors, technologies for effluent and industrial medical waste treatment, value added products and utilization of bio-mass etc.

2.3.3.5 Marine BT

The key activities in marine biotechnology, would be screening of marine resource for new molecule / active compounds, bio-prospecting of marine resource, conservation of marine bio-diversity, extraction of value added products and utilization of marine bio-mass etc. The state would focus on mangrove, sea weed and marine micro flora- fauna.

3.0 ACTIONS

The policy objectives would be addressed through specific actions which are in spirit and conformity with the key strategies identified.

3.1 DEVELOPING BIOTECHNOLOGY INFRASTRUCTURE

State Government, through collaborative partnerships and provisions of incentives/concessions, proposes to encourage and facilitate the private sector, in developing necessary Biotechnology infrastructure such as **Biotechnology Parks and other supporting infrastructure for research, training, testing, accreditation etc.**

3.1.1 Comparative Advantage of Biotechnology Zones/estates:

3.1.1.1 State's varied regional characteristics such as geographic location; agro-climatic conditions, distribution of industries, academic institutes, research centre etc. provide

comparative advantage to a particular biotech sector. In view of such comparative advantages Government of Gujarat proposes to encourage the development of dedicated biotech clusters in the form of biotechnology zones/estates. Some of the identified zones are as following:

- Vapi–Surat–Bharuch–Ankleshwar, as zone for Bio-Chemical engineering / processing, for Industrial Biotechnology,
- Vadodara-Anand-Nadiad, as zone for Food & Food processing for Animal Biotechnology,
- Junagadh-Bhavnagar & Banaskantha–Mehsana as zones for agriculture Biotechnology,
- Ahmedabad-Surendranagar, as zone for Bio-Pharma
- Jamnagar-Dwarka-Porbandar as zone for marine Biotechnology,

3.1.1.2 Presently, a large number of existing Gujarat Industrial Development Corporation [GIDC], a premier body responsible for development of industry related infrastructure, estates offer ready availability of industrial plots and concomitant infrastructure. However, subject to any specific demand State government will assist BT industry/infrastructure units in acquiring land under the Land Acquisition Act. GIDC will be the nodal agency for land acquisition.

3.1.2 Biotechnology parks:

State Government proposes to facilitate and encourage development of sector specific biotech parks. Few identified park locations are:

- Industrial Park at Vadodara,
- Marine Biotechnology Park at Jamnagar / Bhavnagar
- Food Biotechnology Park at Anand,
- Agri-Biotechnology Park along Gandhinagar- Mehsana,
- Environment Biotechnology Park at Vapi

3.1.3 Developing other Infrastructure Facilities

In addition to the land availability, state government also proposes to facilitate development of other sector specific infrastructure such as centre of excellence, incubation, accreditation, testing, and validation in the respective zones.

In respect of Agriculture Biotechnology sector, existing Agriculture University Campuses in the state would be preferred as site / location for infrastructure for Biotech research / incubators.

3.1.4 State Assistance

3.1.4.1 Location & Feasibility reports

State Government proposes to facilitate the interested private partners / other collaborators, development of such facilities by providing decision support logistics, in the form of location and feasibility reports.

3.1.4.2 Land Acquisition / Availability /Allotment

3.1.4.2.1 In addition to ready availability of plots in the GIDC the state government has given special emphasis on the issues like availability of land, granting of NA permission, land acquisition and evaluation. The various measures already enunciated in the Industrial policy of the state, would facilitate the Biotechnology industry also.

3.1.4.2.2 Agro-Biotech industries would be entitled to get the land as per the provisions of

Gujarat Agro-Industrial Policy, 2003.

3.1.4.3 Financial assistance for BT Parks

Financial assistance to BT Park will be administered as per the Resolution No. APN-102003-1161(7) -1 dated 10th June 2004 of Industries and Mines department.

Salient features of this package are as follows:

- BT park will be provided financial assistance @ 50% of fixed capital investments in land, buildings & infrastructure facilities up to a maximum of Rs. 250 lacs,
- The developer of industrial park, availing incentive under this scheme will not be eligible to avail incentive under any other scheme of eth state government. However, the units coming under the Industrial Park, will be eligible to avail incentives under the separate schemes of state government
- The developer of BT Park, as notified by the government, will be eligible for exemption from payment of stamp duty on purchase of land. However, the BT units in the said BT Park will be required to pay the stamp duty @ 50%. This exemption will be limited to first sale only. (**Refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-07.PDF> for further details**)

3.1.4.4 Special Economic Zones

Subject to the provisions of SEZ Act / rules state government proposes to facilitate grant of SEZ status to biotech parks. This will help biotech companies to become globally competitive. Such SEZ Parks would be entitled for various policy relaxations as per SEZ Policy of Government of India and as per notification No. GHU/2004(2)/SEZ-2003-617-G dated 15-05-2004 of Industry & Mines Department, Gandhinagar

Salient features of the SEZ policy are as following:

- Exemption from all State taxes, fees, cess etc
- Exemption from Stamp Duty and Registration Fee.
- Exemption from Electricity Duty for 10 years from the date of production or rendering services.
- Single Window Mechanism for various approvals under various State Laws
- Flexibility to the developer to set up infrastructural facilities and to collect service/user charges in accordance with the provisions of the SEZ Act.
- Development Committee under the Chairmanship of Developer for carrying out development works and works related to social infrastructure.
- SEZ area as Industrial Township under the provision to Clause (1) of article 243Q of the Constitution.
- Constitution of High Level Authority for consideration of applications for setting up of Zones under chairmanship of Chief Secretary.
- Authority to monitor promotion development and functioning of the Zones.

(**Refer to URL: <http://imd-gujarat.gov.in/gr/notifications.htm> further details**)

3.1.4.5 Other Assistance

3.1.4.5.1 Biotechnology industries will be entitled to avail the benefits of Scheme for assistance to cluster development and assistance to critical infrastructure and assistance to Medium and Large Industries, framed under Gujarat Industrial Policy.

3.1.4.5.2 Assistance to Cluster Development

Financial assistance to BT Park will be administered as per the Resolution No. APN-102003-1161(5) -1 dated 10th June, 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- Cluster will be recognized having critical mass of a minimum of 5 units
- The Government, with an aim to empower the clusters, will provide need based financial assistance upto Rs. 5 crores per cluster, during period of five years,
- Financial assistance will range between 25% of project proposal in training component and 25-50% of cost component in other matters.
- assistance will be available for taking up activities like technology upgradation among member units, with the assistance from R & D Institution/University, product design, quality improvement, common branding and marketing facilities, development of common facilities such as Raw material or product warehouse, testing laboratory, R & D Institution, tool room facilities, skill development facilities/programmes for workers and Supervisors, capacity building and productivity improvement as well as for up-gradation/creation of common infrastructure facilities, etc.

(refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-05.PDF> for further details)

3.1.4.5.3 Assistance to Development of Critical Infrastructure

Financial assistance to Hi-tech Park (BT Park) will be administered as per the Resolution No. APN-102003-1161(6) -1 dated 10th June, 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- The Government, with an aim to enable development of specific infrastructure that is need based and critical but not covered under plan scheme, will provide need based financial assistance up to 50% of the project cost, subject to maximum of Rs. 5 crores per project,
- critical infrastructure facilities would include, Approach road from Industrial estate/area to airport, port or highway; over bridge on road/railway; upgradation of existing roads/widening of road; construction of by pass road; setting up of earth station/communication facilities; water distribution network and related facilities; gas/electricity/energy distribution network and related facilities; any other infrastructure facility required in the area specific to the industry; setting up of warehousing facilities and related facilities; facilities centre, Product Development Centre, Training Centre, R & D Institution, and/or any common facilities centre, etc.

(Refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-06.PDF> for further details)

3.1.4.5.4. Assistance to Medium and Large Industries

Financial assistance to Medium and Large Industries will be administered as per the Resolution No. APN-102000-17 - dated 14th Nov. 2000 of Industries and Mines Department.

Salient features of this package are as follows:

The Government will support medium and large industrial projects coming up in rural areas through a scheme to provide assistance towards the cost of infrastructure, such as land cost (including legal and transfer fee), power transmission line expenses,

construction of approach road (linked with state highway, national highway, MDR/ODR etc.).

(Refer to URL: <http://imd-gujarat.gov.in/schemes/pdf/asst%20medi%20&%20lgerge.pdf> for further details)

3.1.4.5.5. Assistance to Agro-Biotech Industries for setting up Centre of Excellence/Specific Crop Development Institute:

Financial assistance to Agro-Biotech Industries will be administered as per the Gujarat Agro Industrial Policy of the Agriculture and Co-operation Department.

Salient features of this package are as follows:

The State Government will support projects for development of Centre of Excellence/Specific Crop Development Institute by providing land at concessional rate and 50% initial seed capital matching the industry contribution within a ceiling of Rs.5.00 Crores.

(Refer to

URL:<http://agri.gujarat.gov.in/download/Legal%20FrameWork%20Download/Agri-eng.pdf> for further details)

3.2 FACILITATING BIOTECHNOLOGY RESEARCH AND INNOVATION

3.2.1 Biotechnology research

3.2.1.1 The state government proposes to promote and develop the culture of Biotechnology research, foster national and international partnerships and enable the conversion of research into usable, beneficial technologies, products and processes.

3.2.1.2 The state government proposes to strengthen Industry – Academia linkage by promoting/encouraging collaborative research and providing innovation support.

3.2.1.3 The state government proposes to encourage the Biotechnology research in private sector by facilitating the availability of incentives, provisioned by Govt. of India for this purpose.

3.2.2 Collaborative research

To encourage, biotechnology research in private sector, Govt. of India has provided many incentives. The state government proposes to play a facilitator role in coordinating the same.

3.2.3 Financial assistance

3.2.3.1 To encourage the academia to strive for applied and solution based research, the state government on case to case basis may consider providing support to University for industry funded research.

3.2.3.2 The Biotechnology research will be entitled to avail the benefits, as per the Scheme for assistance to Research and Development, of Industries and Mines Department (GR No. APN/102003/1161(8)/1 Gandhinagar, dtd., 10Th June, 2004.

Salient features of this package are as follows:

- The Government, with an aim to support the existing and the new R & D institutions of the state, will provide financial support up to 50% of the project but not exceeding Rs. 5 lacs per project,
- It includes activities like Assistance to R & D Institutions for modernization and addition/upgradation in their facilities, Contract Research and Development of Technology, quality improvement, training, etc.; Industry sponsored research activity; setting up of common testing facilities for raw material/products/waste, etc and/or Technology Development Cells; Setting up of Quality Certification

Agencies; Accreditation/Affiliation with national/international quality testing Agencies/R & D Institution; Setting up of Institutions for innovation and incubation; Facilitation cells for Patents & IPR; Mission mode approach activities for specific product/industry/research work; assistance to Entrepreneurs Development Institutions/EDP activities; Activities for technology awareness and technology dissemination programmes; any other activity related to Research and Technology Development; etc.

(Refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-08.PDF> for further details)

3.2.3.3 The Agro-biotech research will be entitled to avail the benefits, as per the provisions made under Gujarat Agro-Industrial Policy, 2003.

Salient features of this package are as follows:

- The Government, with an aim to encourage research and development activities in the State, will provide assistance to agro-biotech industries for sponsored research work undertaken by reputed research institutions, upto 50% of the cost, within a ceiling of Rs. 20.00 lacs.

(Refer to URL: <http://agri.gujarat.gov.in/download/Legal%20FrameWork%20Download/Agri-eng.pdf> for further details)

3.2.4 Expatriate networking:

The state government proposes to effectively involve expatriate professionals for biotechnology research, education and training and overall networking. For this purpose state government would facilitate interested expatriate Biotechnology professionals, for undertaking research work in Gujarat.

3.2.5 Monitoring and Coordination:

A committee constituted for the purpose will coordinate the above mentioned research programs.

3.3 FACILITATING TECHNOLOGY DEVELOPMENT AND PROVIDING ENTREPRENEURSHIP SUPPORT

3.3.1 Technology development & entrepreneurship support

The state proposes to facilitate the development of Biotechnology entrepreneurship in the following manner:

3.3.2 Institutional Mechanism

The state proposes to develop and establish a central database of existing new and ready to transfer technologies including their status, source and availability.

3.3.3 Financial Mechanism

3.3.3.1 Technology Acquisition Fund:

Financial assistance for Technology Acquisition Fund will be administered as per the Resolution No. APN/102003/1161(4)/I - dated 10th June 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- A separate cell set up for the purpose in the Industries Commissionerate will

acquire/purchase and transfer technologies, available at regional, National and international level, to small/medium industrial units.

- The acquisition of technology can be in any form including purchase of drawings and design, technology development through engaging Experts/institutions, technology development through any Research and Development Institution and/or Consultancy form or any other method.
- Of the revolving fund not exceeding Rs. 1000 lacs, will be created for technology acquisition; the total fund spent for technology acquisition will be recovered from participating units in a project depending upon the cost of acquisition/development of technology.

(Refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-04.PDF> for further details)

3.3.3.2 Gujarat Biotechnology Venture Capital Fund (GBVCF):

The state government proposes to increase the availability of venture funds by further expanding and strengthening Gujarat Biotechnology Venture Capital Fund (GBVCF). The fund established to support entrepreneurs and starters is, dedicated solely to the Biotechnology Industry. The fund has an initial corpus of Rs 50 crores.

3.4 ENCOURAGING BIOTECHNOLOGY BUSINESS

The state proposes to encourage biotechnology business enterprise by facilitating by providing globally competitive investment and enabling environment,

3.4.1 Power:

3.4.1.1 Continuous process industry and exemption from Power cuts

Biotech industries/units are highly power dependant and need an assured and uninterrupted supply of electricity. Therefore, the state government has decided that all BT industries would be declared as continuous process industry and would be exempted from statutory power cuts.

3.4.1.2 Exemption from electricity Duty

All new Biotechnology units have been exempted from the payment of electricity duty for a period of 5 years from the date of which the said unit commences its commercial operation.

3.4.1.3 Captive power generation:

3.4.1.3.1 The state government would permit Captive generation to biotechnology units.

3.4.1.3.2 The captive power unit set up by biotechnology units and covered under the definition of New Industrial undertaking, would get exemption for a period of 5 years from the date of commencement of generation u/s 3(2)(vii)(a) of Bombay Electricity Duty Act, 1958 . (Refer to URL: http://guj-epd.gov.in/govt_grt_ind.htm. for further details)

3.4.2 Mega BT projects:

On case to case basis, a special package of incentives will be offered for mega BT projects. A project having an investment of Rs. 100 crore or more, would be considered as mega BT project.

Provided that a project making investment for setting up an institute of high-end Biotech education/research will also be treated as Mega Project under this category subject to the condition that a minimum of 50% expenditure is incurred on land, building and equipment of such institute.

3.4.3 Simplification of Labour laws:

3.4.3.1 The state Government has modified and simplified the existing rules and regulatory regimes of labour laws in terms of working hours, work schedules etc, to suit the needs of BT companies. General permission is granted to all BT companies to have 24*7 operations to run in three shifts. The barriers pertaining to employment of women in night have been relaxed.

3.4.3.2 The state government vide its amendments (The Bombay shops & establishment Act, 1948 new entry at S. No. 120 in Schedule II under sections 13,14,18 & 33) has enabled the BT units to run three shift operations on all seven days of the week, have flexible time operations and also enable employment of women after 7.00 p.m. and before 6.00 a.m.

3.4.4 Self-Certification:

3.4.4.1 The state government vide its amendment (made by Labour & Employment department vide Notification N. GHR-2003-78-FAC-1099-44-12-M3, dated 24th June), has permitted the BT companies for self certification, under, Payment of wages Act, Minimum wages Act, Workmen's compensation Act, Contract Labour (Regulation and Abolition) Act, Employees state Insurance Act, Bombay Shops and Establishment Act, Payment of Gratuity Act, Maternity Benefit Act, Equal remuneration Act, Water & pollution Act, Employment exchange Act, Factories Act, Employees Provident Fund & Miscellaneous Act.

(Refer to URL: <http://labourandemployment.gov.in/self.doc> for further details)

3.4.5 Concession for providing infrastructure facilities for general pollution control

Financial assistance for Environment Protection Measures will be administered as per the Resolution No. APN/102003/1161(4)/I - dated 10th June 2004 of Industries and as per the Industrial Policy of Gujarat, 2003, of Industries and Mines Department. Industrial units registered with DIC in case of SSI unit and having IEM/LOI registration under IDR Act in case of medium and large industry will be eligible to avail financial assistance under the scheme.

Salient features of this package are as follows:

3.4.5.1 Assistance for Waste Minimization: As per the Gujarat Industrial Policy 2003, the industries employing any of the waste minimization techniques for reducing waste by atleast 25% from one product would be reimbursed 25% of the cost incurred in acquiring/developing technology, installing equipment/instruments in the plant and in the laboratory, subject to a ceiling of Rs. 10 lacs (for each plant).

3.4.5.2 Assistance for Waste Exchange Networking Centres: As per the Gujarat Industrial Policy 2003, the industries association/professional institutions setting up waste exchange networking centres, facilitating for reducing the waste generation from member units and organizing data banks; will be provided with financial assistance @ 25% of the cost incurred in developing/acquiring proven technology and installing equipment/instruments, subject to a ceiling of Rs. 25 lacs.

3.4.5.3 Assistance for Demonstration Projects: As per the Gujarat Industrial Policy 2003, the industries associations or the agencies floated by them for benefiting more than 10 industrial units, will be provided with financial assistance facilitating for demonstration projects for waste management/minimization and/or development innovative techniques of waste minimization/management; @ 25% of the cost incurred in developing/purchase of technology and installing equipments/instruments, subject to a ceiling of Rs. 25 lacs.

3.4.5.4 Environmental Management System: The individual small and medium units, and

also their clusters; adopting environmental management system leading to ISO 14000 would be encouraged under the aegis of Gujarat Industrial Policy 2003, complimentary to the incentive policy adopted by Gujarat Pollution Control Board. For this purpose, 50% of the cost incurred in obtaining EMS certification for each industrial location would be reimbursed, subject to a ceiling of Rs. 2 lacs.

3.4.5.5 Assistance for Environmental Related Studies: A full cost accounting system would be evolved so as to appreciate the cost of waste management including the cost of collection, equipment installed for treatment, utilities, manpower and consumables, the cost of conveyance, adverse impacts on the environment, ecology, health, etc. and the same be reimbursed to the extent of 50% to Industries associations/institution taking initiative in commissioning/undertaking such studies through competent agency, subject to a ceiling of Rs. 50,000 per study.

3.4.5.6 Assistance for Water Audit: In order to emphasize the importance of water conservation and water preservation, a system of water Audit would be encouraged. Accordingly, units in Industrial Estates or Industrial Clusters, undertaking water audit through recognized institutions, will be given 50% of the Audit cost, subject to a maximum of Rs. 50,000. In the case of Industrial Estates or Industrial Clusters the extent of assistance will be 50% of the cost subject to a maximum of Rs. 1,00,000. The audit will be valid for a period of three years and the incentive will be subject to the same.

3.4.5.7 Assistance for Energy Audit: In order to emphasize the importance of energy conservation, SSI units wanting to get energy audits conducted once in 3 years from professional agencies, which are registered with Chief Electrical Inspector/GEDA/PCRA/GEB will be reimbursed 50% of the fees, subject to maximum of Rs. 10,000 and on introduction of energy conservation measures in their units as recommended in the Energy Audit report.

3.4.5.7 Assistance for assessment of water consumption: A cash subsidy @ 50 % of the fees subject to maximum of Rs. 10,000/= will be disbursed to units for carrying out assessment of water consumption. The subsidy will be disbursed only after the unit introduces water conservation measures as per recommendation of the assessment agency.

3.4.5.8 As per the Gujarat Industrial Policy 2003, the state Government would facilitate setting up of high technically safe disposal facilities (TSDFs) and Common Effluent Treatment Plants in the Biotech Park(s) and such BT clusters.

The state government would take measures like Common consent authorization, power delegation to expedite decision, fast track clearance mechanism, and Gold pass system, to biotechnology industry.

(Refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-09.PDF> for further details)

3.5 OTHER PROVISIONS:

Biotechnology Industries will be entitled to avail the benefit of various incentives, provisioned in existing Gujarat Industrial Policy, 2003 and Gujarat agro-Industrial policy 2003, and the various promotional schemes, framed under same. The various incentives, available, under these policies, are broadly listed as below:

3.5.1 Stamp Duty Exemption

The Government of Gujarat through Gujarat Industrial Policy, 2003, proposes major exemptions on the Stamp Duty in respect of industrial loans, maximum stamp duty; payable is only Rs. 2.0 lac, irrespective of the loan amount. In respect of documents, relating to

amalgamations and merger, securisation, pledge and hypothecation, etc, maximum amount of stamp duty, is subject to suitable ceiling limits.

3.5.2 Interest Subsidy

Financial assistance for interest subsidy to Small and Medium enterprises (SMEs) will be administered as per the Resolution No. APN-102003-1161(2)-I dated 10th June, 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- The state government will provide interest subsidy to small and Medium Biotechnology Enterprises (SMEs) for setting up new units or taking up expansion or diversification in existing units, in accordance with the provisions of the schemes framed under Gujarat Industrial Policy, 2003.
- The total interest subsidy, not exceeding Rs. 25 lacs in the five-year period, would be available for maximum 5 years limited to Rs. 5.0 lacs per year. Maximum interest subsidy at the rate of 5% will be available to SME, however unit shall be required to pay minimum of 5% interest per annum to financial institution. If the rate of interest is less than 10% the interest subsidy shall be reduced to that extent. If the unit is availing benefit under Government of India scheme, total interest subsidy by Government of India and the State Government would be granted in such a way that the unit shall have to bear minimum 5% interest on the loan.
- Interest subsidy would be disbursed only after the unit starts commercial production.

(Refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-02.PDF> for further details)

3.5.3 Assistance for Technology up gradation / Quality up gradation

Financial assistance to BT industrial units for technology up gradation will be administered as per the Resolution No. APN-102003-1161(4)-I dated 10th June, 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- The state government would provide financial assistance in the form of interest subsidy @ 3% per annum on term loans, received from banks / financial institution towards purchase of capital equipment necessary for technology up gradation, for period of 5 years, subject to maximum of Rs. 3.0 lac per year, to small and medium sector units.

(Refer to URL: <http://imd-gujarat.gov.in/gr/i/1161-04.PDF> for further details)

3.5.4 Patent registration & product registration

Financial assistance to BT industrial units for Patent Registration will be administered as per the Resolution No. APN-102003-1161(4)-I dated 10th June, 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- The state government will provide financial assistance to Biotechnology industrial units / individuals, for patent tracking and patent registration, in accordance with the provisions of Gujarat industrial Policy, 2003.
- Assistance (cash subsidy) will be provided for meeting the expenses incurred for obtaining patent registration.
- Assistance will be provided at the rate of 50% (maximum Rs. 5/- lacs) of necessary

expenditure incurred for obtaining the Patent/IPR. This assistance will be given only once per product/process per institution/individual.

(Refer to URL : <http://imd-gujarat.gov.in/gr/i/1161-04.PDF> for further details)

3.5.5 ISO certification

Quality up gradation is a must for every industry to survive. Financial assistance to BT industrial units for ISO Certification will be administered as per the Resolution No. APN-102003-1161(1)-I dated 10th June, 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- The state government will provide financial assistance to Biotechnology SMEs for quality certification and for obtaining ISO 9000 and ISO 14000 and for various other schemes like GMP, HACCP, TPM, JIT etc., in accordance with the provisions of Gujarat Industrial Policy, 2003.
- The assistance will be offered for reimbursement of the expenditure incurred towards the cost of acquiring equipment required for testing and R&D, quality up gradation, acquisition of quality marks, consultancy fee to firms etc.
- Total quantum of assistance will be 50% of the eligible expenditure, up to maximum limit of Rs. 2.0 lacs. (Refer to URL : <http://imd-gujarat.gov.in/gr/i/1161-01.PDF> for further details)

3.5.6 Participation in trade fairs, exhibitions

Marketing is a critical business function. In the present time of fierce competition and need for investors to explore the avenues to promote their product in the National and Global market, the state intends to facilitate the investor's reach to international arena.

Financial assistance to BT industrial units at different levels and the same will be administered as per the Resolution No. APN-102003-1161(3)-I dated 10th June, 2004 of Industries and Mines Department.

Salient features of this package are as follows:

- The state government would, provide financial assistance to Biotechnology industries / units, for market promotion and development, or participation in international trade fairs.
- Financial assistance in terms of one time grant limited to Rs.10, 000 per unit will be provided on matching basis. Quantum of assistance will not exceed 50% of the total rent, up to maximum of Rs.5.0 lacs.
- For participation in international fairs, state government will offer cash subsidy, up to maximum of Rs. 2.0 lacs, per institution per year.
- Government will provide assistance to industrial units for participation in Seminars held abroad in relevant field for quality improvement. Assistance will be @ 50% of the cost of participation fees, up to maximum of RS. 50,000 per institution per year. The assistance will be disbursed only after relevant certificate is produced by the participants.

(Refer to URL : <http://imd-gujarat.gov.in/gr/i/1161-03.PDF> for further details)

3.5.7 Single window clearance

Biotechnology, with its multi facet, multi-sector interface, needs coordination and stakeholder facilitation. The state proposes to provide a hassle free, investor friendly environment, facilitating coordination between interfacing agencies, departments and

enabling stakeholder interaction.

3.5.7.1 At state level, GSBTM proposes to work as the Nodal agency for facilitating investors in implementing their projects expeditiously. Gujarat State Biotechnology mission (GSBTM), would act as agency for hand holding and providing effective liaison with various government agencies / bodies.

3.5.7.2 State government proposes to facilitate easy clearances and approval of various Government Departments, by instituting coordinating / liaison officer.

4.0 HIGH LEVEL COMMITTEE

For facilitating quick implementation of Biotechnology initiatives and policies, state Government, has constituted Gujarat Council of Biotechnology, under the Chairmanship of Hon'ble Chief Minister of Gujarat state which has representation of government head of various department and professionals /industries. This apart, various other committees would be constituted by state government to facilitate the scheme implementation and regulatory aspect of Biotechnology of the state.

4.1 Technical:

The state proposes to constitute technical committee having representation of professional experts from different sectors of Biotechnology.

4.2 Regulatory

4.2.1 The state government proposes to constitute Bio-safety Monitoring committee, for monitoring the issues of Bio-safety, Bio-ethics and other regulatory aspects, including the facilitation of easy sanctions, approvals and accreditations of Biotech organizations of the state from National and International agencies.

5.0 The Policy will be operative for a period of five years from the date of this G.R.

6.0 In pursuance to this policy, necessary amendments/orders will be issued by the concerned departments.

This issues with the concurrence of Finance department on this file of even number.

By order and in the name of Governor of Gujarat,

Raj Kumar
Secretary

Science and Technology Department

To,

- 1) The Secretary to the Governor, Raj Bhavan, Gandhinagar
- 2) The Principal Secretary to the Chief Minister
- 3) The Personal Secretary to the Leader of Opposition Party in Gujarat Legislative Assembly, Gandhinagar
- 4) All Secretariat Departments
- 5) The Secretary, Gujarat Vigilance Commission, Gandhinagar
- 6) The Secretary, Gujarat Public Services Commission, Ahmedabad
- 7) The Secretary, Gujarat Legislature Secretariat, Gandhinagar
- 8) The Registrar, Gujarat High Court, Ahmedabad
- 9) The Secretary, Gujarat Civil Services Tribunal, Gandhinagar

- 10) All Collectors
- 11) The Account General (A&E) Gujarat, Post Box No. 220, Rajkot
- 12) The Account General (A&E) Gujarat, Ahmedabad branch, Ahmedabad
- 13) The Account General (Audit)-1, Gujarat, M. S. Bldg. Ahmedabad.
- 14) The Director of Accounts & Treasuries, Ahmedabad
- 15) All Treasury Offices
- 16) All Pay & Account Officers Ahmedabad/ Gandhinagar
- 17) Resident Audit Officer, Ahmedabad/ Gandhinagar
- 18) Select File
- 19) The copy of this order may be downloaded from URL:
<http://dst.gujarat.gov.in/BTpolicy.htm>