

Operational guidelines for the scheme of Modernization of Abattoirs

1. The Scheme -

The Ministry of Food Processing Industries has launched the scheme of modernization of abattoirs during 2008-09 to set up 10 abattoirs. This is a comprehensive scheme, which includes modernization of existing abattoirs/ establishment of modern abattoirs. The Scheme has been scaled up during the 12th Five-Year Plan to cover setting up of 25 new and modernization of 25 existing abattoirs for first two years of the 12th Five Year Plan i.e 2012-13 and 2013-14. The scheme will be implemented preferably under PPP mode with the involvement of local bodies (Municipal Corporations and Panchayats)/ Public Sector Undertakings/ Co-Operatives/Boards under Government and will have flexibility for involvement of private investors/ exporters on a Build-Operate- Own (BOO)/ Build-Operate-Transfer (BOT)/ Joint Venture (JV) basis. Regulatory functions will continue to be discharged through local bodies.

2. Objectives of the Scheme-

- Scientific and hygienic slaughtering of the Animals.
- Application of modern technology for slaughter waste management and Pollution control.
- More humane treatment of animals/ minimizing transportation of animals.
- Better by product utilization/ value addition.
- Providing chilling facility to prevent microbial activity in slaughtered animals.
- Better hygiene, safety and retail cold chain management.
- Better forward linkage facilities for finished meat & meat products.

3. Pattern of Assistance -

•3.1 The scheme envisages a grant of 50% of the cost of plant and machineries and Technical Civil work and other eligible items mentioned below in para 3.2 subject to a maximum of Rs.15.00 Crores in general areas and 75% of the cost of plant and machineries and Technical Civil work and other eligible items mentioned below in para 3.2 subject to a maximum of Rs. 15.00 Crores in difficult areas (NE States including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States) per abattoir.

• 3.2 Cost of the following components of the project will be considered Eligible for the grant under Modernization of Abattoir scheme:

•3.2.1 Technical Civil Work: would include lairage, Isolation pen for sick animals, animal washing area, area for the stunning, bleeding, flaying, evisceration, splitting of carcass, processing area, packaging area, blood collection area, skin collection and treatment area, Value added meat processing area and offal treatment area etc.

Rupali Banerjee
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3.2.2 Plant and Machineries: would include all the equipments and machineries required for various slaughter operations including Overhead rails, conveyers and gambrels/shackles, on line weighing machines etc and equipments and machinery for processing.

•3.2.3 Technical Civil work and Plant & Machineries of basic infrastructure: would include Laboratory (including equipment), Cold storage including per-cooling chambers, Chillers, freezer etc., Rendering plant, Effluent treatment plant, water supply system, Sewerage and drainage system, Power supply system(including DG set), Services area like- rain water harvesting etc.

•3.2.4 Forward linkages: would include Cost of reefer vans and cost of Technical civil work and Plant and machineries of five (5) modern meat outlets (excluding land cost).

•3.2.5 Project Implementation Expenses: This would include cost of preparation of DPRs and project consultancy and supervision expenses etc.

3.3 Pattern of release of grant:

The MFPI grant will be disbursed in four (4) installments in following manner.

| Percent of approved Grant to be released | Condition to be fulfilled |
|--|---|
| 10% | On submission of - <ul style="list-style-type: none"> • Certificate of possession of land, • NOC from local body, • Surety Bond • Letter of Scheduled bank in which Escrow account is maintained by Project Promoter • Affidavit in compliance of GFR 209(1) • NOC from State Pollution Control Board. |
| 30% | On submission of UC of 1 st installment, Chartered Accountants Certificate certifying that 40% of equity and term loan utilized, Progress reports of project duly signed by PIA and Promoter, Submission of copy of purchase order of Main plant & Machineries, Chartered Engineer Certificate of 50% Completion of Civil work out of total civil work, Inspection cum Verification report of PMA with recommendation for release of 2nd instalment. |
| 40% | On submission of UC of 2 nd installment, Chartered Accountant's Certificate certifying that 80% of equity and term loan utilized, Progress reports of project duly signed by PIA and Promoter, Details of receipt of main P/M on the site, Chartered Engineer Certificate of 100% completion of eligible Civil and Structural works, Inspection cum Verification report of PMA with recommendation for release of 3 rd installment. |
| 20% | On submission of UC of 3 rd installment. Completion of the project duly certified by a Chartered Engineer, obtaining of necessary Clearance/NOC for operation from the Environmental Agency/State Pollution Control Board, Declaration by Project Promoter/ PIA confirming the start of Commercial Production. |

Rupali Banerjee
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4. How to avail the scheme -

4.1 **Project promoter** - to submit application in the prescribed format- Form "A". Definition of "Project Promoter" The Urban/ Rural local bodies/ Corporations/ Federations/ Boards/ Private investors/Joint venture of Public-Private partners can avail the benefits of the scheme.

4.2 Project promoter will enter into MOU (Memorandum of Understanding) with all stake holders, Implementing agencies, regulators, PMA and PIA.

4.3 Documents to be submitted alongwith proposal:

The proposal for the financial assistance from MFPI should have following documents and enclosures.

A) Application in prescribed format at Annexure 'A'.

B) DPR completed in all respects (i.e. reason for the need of modern abattoir in the identified area, raw material availability, social and environmental impact of the project on identified location, suitability of backward and forward linkages, Details of Main Plant and Machineries and off site plant & machineries and other Assets, details of Plant building and civil work, technical and financial viability of the project, direct and indirect employment generation, financial benchmarks (DER, DSCR, BEP, IRR) of the project, financial closure of the project with means of finances etc.)

C) In case of PPP mode of operation, detailed note on bidding procedure adopted for election of private partner and nature of collaboration of private partner in the project to be furnished.

D) Land details (Copy of sale deed/ lease deed for not less than 20 years/ land allotment papers of State Govt. etc)

E) Sketch plans and Blue prints of Civil work alongwith details of estimated cost of Technical and Non-technical civil work duly certified by Chartered Engineer (Civil).

F) Detailed sketch plan of Plant & Machineries design and engineering flow chart alongwith estimated cost of plant and Machineries (Component wise) duly certified by Chartered Engineer (Mechanical)

G) Copies of various clearances/ approvals obtained for the project (Pollution Control Board, NOC from Local authority, Airport authority etc.)

H) If term loan availed, copy of term loan sanction letter and copy of bank appraisal.

I) An affidavit in compliance with GFR 209(1).

J) The application alongwith above documents to be forwarded by the State Government (Secretary, Department of Urban Development) with due recommendation in prescribed format at annexure "B" to the MFPI.

5. Procedure for project appraisal and approval:

5.1. Detailed Project Report (DPR) completed in all respects with financial closure will be prepared by the Project Promoters and submitted alongwith application in form 'A' and required enclosures of the identified projects to the Ministry through State Govt.(Secretary, UD). The DPR would have identified potential location of the Modern Abattoir, the proposed level of investment including the estimated project cost and the means of finance, technical, financial, commercial, institutional and O&M details of the project elements. The DPR would also bring out its financial viability, commercial sustainability and socio economic importance of the project alongwith backward and forward linkages. The DPR would also contain Operation and Maintenance structure and would clearly establish commercial sustainability of Modernization of Abattoir project.

Supriya Singh
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5.2 The Technical Consultants (PMA) empanelled by MFPI will appraise the proposal in accordance with the above guidelines. The deficiency of any information or document will be intimated by the Ministry to Project Promoter. PMA will appraise the proposal for technical and financial viability of project on the basis of submitted documents, site visits and physical verifications of the project details. PMA will submit its detailed appraisal note (Covering all details of the project with SWOT analysis) for due consideration of MFPI of the project.

5.3 The Project Promoter will comply the shortcomings with the help of PIA and resubmit the project proposal within three weeks of period from the date of issue of intimation letter of shortcomings. If it is not received in the Ministry within three (3) weeks from the issue of deficiency letter the proposals are liable to be rejected.

5.4 After receipt of the detailed appraisal report of the PMA, the division will calculate the eligible grant in accordance to the cost estimated in the Chartered Engineer Certificate and quotations submitted by the applicant and compliance of checklist as mentioned in Sl. No.4,3 (a to j). Thereafter the proposal will be submitted for the consideration of Grant before the Approval Committee chaired by Secretary, Ministry of Food Processing Industries.

5.5 PMA would assist the Ministry in carrying out evaluation and appraisal of feasibility studies and DPRs of the projects. The envisaged role of PMA is at Annexure C.

5.6 The project promoter in case of projects approved on PPP basis will publish the invitation for bids for selection of the private partner in at least two National dailies. A copy of the advertisement and the bid documents should also be placed on the website of the State Mission Directorate under the National Mission on Food Processing (NMFP). A copy should also be forwarded to the National Meat & Poultry Processing Board (NMPPB) for uploading on their website.

6. The Implementation schedule:

The implementation schedule for the project would be about 18 months from the date of sanction of project.

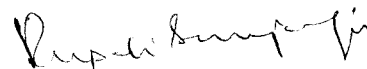
7. Project Monitoring and Evaluation:

The Ministry will undertake Quarterly Review of the progress of the projects under the scheme. Besides PMA shall furnish monthly report to the Ministry on the progress achieved on the projects.

8. Approval Committee:

The proposals will be scrutinized for technical and financial viability by the Approval Committee in which suitable representation from Ministry of Agriculture, APEDA, and Planning Commission will be nominated for approval of the project. The detailed project approval note shall be placed before Approval Committee which will be headed by Secretary (Ministry of Food Processing Industries) for sanction of the financial assistance and monitoring of the projects under the scheme.

9. The project promoter will enter into an MOU with stakeholders such as Implementing agencies, Regulators etc. The role and responsibilities of respective agencies shall form part of the MOU to be signed between all the stakeholders. At annexure C is indicated the role and responsibilities of State Government, Project Promoter, PMA and PIA.


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