

Speed Post

F. No.30-18/2008-Abattoir
Government of India
Ministry of Food Processing Industries
Panchsheel Bhawan, August Kranti Marg
New Delhi-110049

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Dated: 25.11.2013

To
The Principal Secretaries/ Secretaries (UD) / Municipal Affairs of all State/UT
Governments

Subject: Revision of Guidelines of the Scheme for Setting up/ Modernization of
Abattoirs.

Sir,

I am directed to enclose a copy of the revised guidelines of the Scheme for
Setting up/ Modernization of Abattoirs for the projects to be approved during the
12th Plan by the Ministry of Food Processing Industries under the above scheme.
The substantive revisions carried out in these guidelines are indicated below in
brief:-

- i) It has been clarified that modernisation of existing abattoirs will also
include upscaling of infrastructure of existing abattoirs (para 1.2).
- ii) The guidelines to be followed in case of PPP projects has been
indicated (para 1.3).
- iii) In para 4 of the guidelines, for Government/public sector funded
projects the requirement of various clearances/approvals required from
various agencies has been given in detail. The requirement of appraisal
report of bank/financial institution regarding the technical and financial
viability of the project has also been included (para 4.3.A (f to h)).
- iv) Again in para 4 of the guidelines, details relating to the documents
required to be submitted in case of PPP projects for availing financial
assistance under the scheme have been given (para 4.3.B (a to j)).
- v) Similarly, the procedure for project appraisal and approval for PPP
projects has been given in para 5.B (5.5 to 5.12).
- vi) The implementation period of the project has been increased from 18
months to 24 months (para 7).
- vii) The annexures have also been modified/revised in line with above
changes.

2. These guidelines would be applicable with effect from the date of issue of this
letter.

This issues with the concurrence of IFW vide their Diary No.2553/IFD/2013,
dated 06.11.2013.

Yours faithfully,



(K.B. Subramanian)

Deputy Secretary to the Govt. of India
Phone No. 26499177
Email: kb.su40@nic.in

Copy to:

1. Shri Asgar Naqvi, Associate Vice President, Government & Infrastructure Advisory, Grant Thornton Advisory Private Limited, 21st floor, DLF Square, Jacaranda Marg, DLF Phase II, Gurgaon 122002.
2. Shri Dilip Kulkarni, Sr. Vice President (Banking Finance and Market Research Division), MITCON Consultancy and Engineering Services Ltd, Kubera Chambers, Shivajinagar, Pune - 411 005, Maharashtra .
3. Shri T.R. Shanmukha, Managing Director/Chief Consultant/Proprietor, Ahara Technology Group, 12-13-521/3, Street No.14, Lane No.13, Nagarjuna Nagar, Tarnaka, Hyderabad - 500 017.
4. Shri.G.K.Sen and Associates, Unit No - UPTC0222, Upohar Town Center. 2052, Chak Garia: Kolkata - 700094.

Copy also to,

1. PS to Minister (A&FPI)
2. PS to MOS (A&FPI) (Dr. Charan das Mahant)
3. PS to MOS (A&FPI) (Shri Tariq Anwar)
4. Sr.PPS to Secretary (FPI)/PS to AS&FA/PS to JS(JPM)/PS to JS(AP)/PS to JS (UV)/PS to JS (KP)/PS to EA (GB).
5. IFD, Ministry of Food Processing Industries, Panchsheel Bhawan, New Delhi.
6. PSA, NIC for uploading the revised guidelines on the website.

Copy also to Secretaries of State Governments looking after NMFP and Mission Directors of NMFP in State Governments

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Government of India
Ministry of Food Processing Industries

Operational Guidelines for the Scheme for Setting up/ Modernization of Abattoirs

1. The Scheme

1.1 The Ministry of Food Processing Industries had launched the scheme for Setting up/ Modernization of Abattoirs during 2008-09. This is a comprehensive scheme, which includes establishment of modern abattoirs and modernization of existing abattoirs.

1.2 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. Modernisation of existing abattoirs will also include upscaling of infrastructure of existing abattoirs. The scheme will be implemented 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 on PPP basis.

1.3 The proposals that are to be implemented under PPP mode shall follow the guidelines for financial support to Public Private Partnerships (PPPs) in infrastructure, issued by Department of Economic Affairs, Ministry of Finance, Government of India, as adopted by each State Government.

1.4 Regulatory functions will continue to be discharged through local bodies.

2. Objectives of the Scheme

- Scientific and hygienic slaughtering of 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% in general areas and 75% in difficult areas for cost of Plant and Machinery (P&M) and Technical Civil Work (TCW) and other eligible items subject to a maximum of Rs.15.00 crore per abattoir. Difficult areas include North Eastern

States including Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States.

3.2 Cost of the following components of the project will be considered eligible for the grant under the scheme:

- (i) 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.
- (ii) Plant and Machinery would include all the equipment and machinery required for various slaughter operations including overhead rails, conveyers and gambrels/shackles, on line weighing machines, etc and equipment and machinery for processing.
- (iii) Technical Civil Work and Plant & Machinery of basic infrastructure would include laboratory (including equipment), cold storage including pre-cooling chambers, chillers, freezers, 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.
- (iv) Forward Linkages would include cost of reefer vans and cost of Technical Civil Work and plant and machinery of upto five (5) modern meat outlets (excluding land cost).
- (v) Project Implementation Expenses would include cost of preparation of DPR, appraisal of DPR by bank/financial institution and project consultancy and supervision expenses, etc.

4. How to avail the scheme

4.1 Project promoter will submit application in the prescribed form as given at Annexure "A".

4.2 Definition of "Project Promoter" – Local bodies (Urban/Rural local bodies)/Public Sector Undertakings/ Cooperatives/ Boards under Government.

4.3 The project promoter will be required to submit following documents along with the proposal:

A For Government/Public Sector Funded Projects

- a) Application in the prescribed form at Annexure 'A'.
- b) Detailed Project Report (DPR) complete in all respects to be submitted along with application. The DPR will contain, inter alia, identified potential location of the

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modern abattoir, need for modern abattoir in the identified area, proposed capacity, 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 including details of plant and machinery and other assets, details of plant building and civil work and the financial benchmarks (DER/ DSCR/ BEP and IRR). The DPR would also bring out technical and financial viability, commercial sustainability and socio economic importance of the project along with backward and forward linkages and direct and indirect employment generation. The DPR would also contain operation and maintenance structure and would clearly establish commercial sustainability of the abattoir project.

- c) Land details (Copy of sale deed/ lease deed for not less than 20 years/ land allotment papers of State Government, etc.)
- d) Sketch plans and drawings of civil work along with details of estimated cost of technical and non-technical civil work duly certified by Chartered Engineer (Civil).
- e) Sketch plan of plant & machinery, design and engineering flow chart along with estimated cost of plant and machinery (component wise) duly certified by Chartered Engineer (Mechanical) along with quotations.
- f) Copies of various clearances/approvals for the project (from Pollution Control Board, NOC from local authority, airport authority etc.) / certificate to the effect that such clearances shall be obtained and submitted before release of the first instalment of the grant. An undertaking to the effect that the Project Promoter shall comply with all rules and regulations stipulated by FSSAI Act, Pollution Control Board and Animal Welfare Board during the construction and operation of the proposed abattoir.
- g) A copy of appraisal report of bank/financial institution confirming technical and financial viability of the project.
- h) If project loan availed, copy of project loan sanction letter of bank.
- i) An affidavit in compliance with GFR 209(1).
- j) The application along with above documents is to be forwarded by the State Government (Secretary/Principal Secretary, Department of Urban Development) with due recommendation in prescribed form given at Annexure "B".

B For PPP Projects

- a) Application in prescribed form at Annexure 'A'.
- b) Detailed Project Report (DPR) complete in all respects to be submitted along with application. The DPR will contain, inter alia, identified potential location of the

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modern abattoir, need for modern abattoir in the identified area, proposed capacity, 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 including details of plant and machinery and other assets, details of plant building and civil work. The DPR would also bring out technical and financial viability, commercial sustainability and socio economic importance of the project along with backward and forward linkages and direct and indirect employment generation. The DPR would also contain operation and maintenance structure and would clearly establish commercial sustainability of the abattoir project.

- c) Land details (Copy of sale deed/ land allotment papers of State Government, etc.)
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- e) Sketch plan of plant & machinery, design and engineering flow chart along with estimated cost of plant and machinery (component wise) duly certified by Chartered Engineer (Mechanical) along with quotations.
- f) Copies of various clearances/approvals for the project (from Pollution Control Board, NOC from local authority, airport authority etc.)/ certificate to the effect that such clearances shall be obtained and submitted before release of the first instalment of the grant. An undertaking to the effect that the Project Promoter shall ensure compliance with all rules and regulations stipulated by FSSAI Act, Pollution Control Board and Animal Welfare Board during the construction and operation of the proposed abattoir.
- g) A copy of appraisal report of bank/financial institution confirming technical and financial viability of the project.
- h) An affidavit in compliance with GFR 209(1).
- i) A confirmation from the State Government concerned that the project adheres/shall adhere to the guidelines for financial support to Public Private Partnerships (PPPs) in infrastructure, issued by Department of Economic Affairs, Ministry of Finance, Government of India, as adopted by that State Government.
- j) The application along with above documents to be forwarded by the State Government (Secretary/Principal Secretary, Department of Urban Development) with due recommendation in prescribed form at Annexure "B" to the MFPI.

5. Procedure for project appraisal and approval

A For Government/Public Sector Funded Projects

- 5.1 Detailed Project Report (DPR) complete in all respects will be prepared by the Project Promoter and submitted along with application in the form given at Annexure 'A'.
- 5.2 The Technical Consultants/ Programme Management Agency (PMA) empanelled by MFPI will appraise the proposal in accordance with the scheme guidelines. The deficiency of any information or document will be intimated by the PMA/MFPI 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 verification of the project details. PMA will submit its detailed appraisal note (covering all details of the project with SWOT analysis) for due consideration of the project by MFPI.
- 5.3 The Project Promoter will remove the deficiencies, if any, and resubmit the project proposal within three weeks from the date of issue of intimation letter of deficiencies.
- 5.4 After receipt of the detailed appraisal report of the PMA, the division will calculate the eligible grant in accordance with the cost estimated in the Chartered Engineer Certificate and quotations submitted by the applicant and compliance of checklist as mentioned in para 4.3.A and 4.3.B Thereafter, the proposal will be submitted for the consideration of grant by the Approval Committee chaired by Secretary, Ministry of Food Processing Industries. After approval by the Approval Committee, Ministry will convey the approval to the project promoter and the State Government concerned subject to compliance with scheme guidelines and removal of deficiencies, if any, observed by the Approval Committee. The first instalment of the grant shall be released only after complying with conditions as prescribed in these guidelines and in the letter conveying Ministry's approval.

B For PPP projects

- 5.5 Detailed Project Report (DPR) complete in all respects will be prepared by the Project Promoters and submitted along with application at Annexure 'A' and required enclosures to the Ministry through State Government (Secretary/Principal Secretary, Department of Urban Development).
- 5.6 The Technical Consultants/ Programme Management Agency (PMA) empanelled by MFPI will appraise the proposal in accordance with the scheme guidelines. The deficiency of any information or document will be intimated by the PMA/MFPI 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 verification of the project details. PMA will submit its detailed appraisal note (covering all details of the project with SWOT analysis) for due consideration of the project by MFPI.
- 5.7 After appraisal of the DPR by the PMA as mentioned in para 5.6 above, the proposal will be placed before the Approval Committee chaired by Secretary, Ministry of Food Processing Industries for in-principle approval of the grant-in-aid for the project for in

After approval by the Approval Committee, Ministry will convey the in-principle approval to the project promoter and the State Government concerned subject to compliance with scheme guidelines and removal of deficiencies, if any, observed by the Approval Committee. The first instalment of the grant shall be released only after complying with conditions as prescribed in these guidelines and in the letter conveying Ministry's approval.

- 5.8 The private partner for the project shall be selected through a transparent and open competitive bidding process. The criterion for bidding shall be the amount of the Government grant for implementing the project where all other parameters are comparable.
- 5.9 The project promoter 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 (nmppb.gov.in).
- 5.10 After selection of the private partner, the project promoter will submit the proposal for the amount of grant actually required for the project, duly recommended by the State Government (Secretary/Principal Secretary, Urban Development). The proposal shall include the cost of the project and the means of finance along with the financial benchmarks (DER, DSCR, BEP and IRR) as also copies of various clearances/approvals for the project (from Pollution Control Board, NOC from local authority, airport authority etc.)/certificate to the effect that such clearances shall be obtained and submitted before release of the first instalment of the grant. If project loan availed, copy of project loan sanction letter of bank will also be submitted.
- 5.11 The proposal shall be resubmitted to the Approval Committee chaired by Secretary, Ministry of Food Processing Industries, for final approval of the grant-in-aid for the project.
- 5.12 The proposal for final approval shall be submitted by the project promoter duly recommended by the State Government, within a period of eight (8) months from the date of the letter conveying the in-principle approval, failing which the in-principle approval may be withdrawn.

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6. Pattern of release of grant

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

Percentage of approved grant to be released	Condition to be fulfilled
10%	<p><u>For public funded projects:-</u> On submission of – • Certificate of possession of land by the project promoter • 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 • Financial closure of the project</p> <p><u>For PPP projects:-</u> On submission of – • Certificate of possession of land by the project promoter (Government/statutory entity) and its transfer to the selected private partner • NOC from local body • Surety Bond from project promoter 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 • Financial closure of the project</p>
30%	<p>On submission of – • Utilization Certificate (UC) of 1st instalment • Chartered Accountant's certificate certifying that 40% of equity and term loan have been utilized • Progress report of project duly signed by Project Implementation Agency (PIA) and Promoter • Submission of copy of purchase order of main Plant & Machinery • Chartered Engineer's certificate of 50% completion of eligible civil and structural work out of total civil work • Inspection-cum-Verification report of PMA with recommendation for release of 2nd instalment</p>
40%	<p>On submission of - • Utilization Certificate (UC) of 2nd instalment • Chartered Accountant's certificate certifying that 80% of equity and term loan have been utilized • Progress report of project duly signed by PIA and Promoter • Details of receipt of main Plant & Machinery on the site • Chartered Engineer's certificate of 100% completion of eligible civil and structural work • Inspection cum Verification report of PMA with recommendation for release of 3rd instalment</p>
20%	<p>On submission of- • Utilization Certificate (UC) of 3rd instalment • 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.</p>

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7. The Implementation schedule

The implementation schedule for the project would be about 24 months from the date of approval/final approval of project unless extended by the Approval Committee.

8. 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.

9. Approval Committee

The proposal with project details will be submitted for consideration and approval of financial assistance by the Approval Committee in which representatives from Ministry of Agriculture, APEDA, Planning Commission and Ministry of Urban Development will be nominated as members. Approval Committee will also include the Financial Adviser of the Ministry as member and will be headed by Secretary (Ministry of Food Processing Industries).

10. The role and responsibilities of State Government, Project Promoter, Project Management Agency (PMA) and Project Management Consultant (PMC) are at Annexure C. PMA would assist the Ministry in carrying out evaluation and appraisal of feasibility studies and DPRs of the projects.

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