

## **RIVISED OPERATIONAL GUIDELINES OF THE SCHEME FOR COLD CHAIN, VALUE ADDITION AND PRESERVATION INFRASTRUCTURE DURING THE 11<sup>TH</sup> FIVE YEAR PLAN**

### **1. Background**

The Integrated Cold Chain infrastructure scheme of 11<sup>th</sup> Plan consolidates the Scheme for Integrated Cold Chain, Value added Centers, Packaging Center and Irradiation Facilities of the Tenth Five Year Plan, based on extensive feedback and consultations with stakeholders. The present proposal is to revise the scale and quantum of financial assistance besides inducting flexibility to cover components like pre-cooling, mobile cooling, reefer vans etc. to cover the whole range of food items including horticulture crops.

### **2. Objectives:**

The objective of the scheme is to provide integrated and complete cold chain and preservation infrastructure facilities without any break, from the farm gate to the consumer. Pre-cooling facilities at production sites, reefer vans, and mobile cooling units also need to be assisted under the Integrated Cold Chain projects. Integrated cold chain and preservation infrastructure can be set up by individuals or groups of entrepreneurs with business interest in cold chain solutions and also by those who manage supply chain. They will enable linking groups of producers to the processors and market through well equipped supply chain and cold chain.

### **3. Salient features:**

- The scope of components of Integrated Cold Chain, Value Added Centre, Packaging Centre and Irradiation Facilities has been broadened to allow flexibility in project planning. The Scheme will have the following components:
  - a. Minimal Processing Centre at the farm level and this centre is to have facility for weighing, sorting, grading waxing, packing, pre-cooling, Controlled Atmosphere (CA) / Modified Atmosphere (MA) cold storage, normal storage and IQF.
  - b. Mobile pre-cooling vans and reefer trucks.
  - c. Distribution hubs with multi product and multi CA /MA chambers cold storage /Variable Humidity Chambers, Packing facility, CIP Fog treatment, IQF and blast freezing.
  - d. Irradiation facility.

To avail financial assistance, any two of the components, from (a), (b) or (c) above will have to be set-up by the units. Considering the functional nature of the facility, Irradiation facility can be treated as a stand alone one for the purpose of availing grant.

- To provide integrated and complete cold chain facilities without any break from the farm gate to the consumer, Pre-cooling facilities at production sites, reefer vans, and mobile cooling units has been covered under the Integrated Cold Chain facilities projects. Stand alone facilities, except irradiation facility will not be considered for assistance.
- Horticulture produces has also been included for support under Integrated Cold Chain Facilities.
- Value addition Centres may also include infrastructural facilities including processing / multi-line processing / collection centres, etc. for horticulture including organic produce, marine, dairy, meat and poultry, etc.
- Irradiation facilities may also cover warehousing, cold storage facilities etc. for storage of raw material and finished products for efficient utilization of the facility.

#### **4. Pattern of assistance**

Financial assistance (grant-in-aid) of 50% the total cost of plant and machinery and technical civil works in General areas and 75% for NE region and difficult areas (North East including Sikkim and J&K, Himachal Pradesh and Uttarakhand) subject to a maximum of Rs 10 Crore.

#### **5. Pattern of release of grant:**

**5.1** The grant-in-aid amount will be admissible for payment only after the private investor has paid his share fully as per the following schedule:-

- a) 1<sup>st</sup> instalment of 25% of the total grant under the scheme will be released after ensuring that 25% of the promoters contribution and 25% of the term loan has been spent on the project.
- b) 2<sup>nd</sup> instalment of another 50% of the total grant under the scheme will be released after ensuring that utilization of first instalment of grant and 75% of promoters contribution and 75% of term loan have been spent on the project. Utilization certificate of the first instalment shall be submitted by the promoter at the time of making claim for the second instalment.
- c) 3<sup>rd</sup> and final instalment of remaining 25% of the grant assistance will be released after ensuring that the utilization of the second instalment and 100% of promoters contribution and 100% of term loan has been invested on the project and the project has achieved completion and commercial operation has started. Utilization certificate of the second

instalment shall be submitted by the promoter at the time of making claim for the 3<sup>rd</sup> and final instalment.

**5.2** The implementation schedule for the project would be about 18 months from the date of the approval of each project.

## **6.0 Expression of Interest (EOI):**

Applications under the scheme will be invited through EOI by the Ministry. An illustrative criteria for assessment for proposals received through EOI is at **Annexure-II** of the guidelines. In addition the following criteria will also be adopted while scrutinizing the applications under the scheme:

- (a) No second proposal from the same applicant / company.
- (b) Selection of proposals to maintain the regional balance.

**6.1** All the proposals received through EOI under the scheme will be scrutinized from technical angle by a **Technical Committee (TC)** having following composition, before placing the proposals for obtaining approval of Approval Committee (AC):

- (a) Joint Secretary, MFPI – Chairman.
- (b) Representative of APEDA.
- (c) Representative of Department of Agriculture and Cooperation.
- (d) Representative of SNA of respective States from where the proposal has been received.
- (e) Representative of NHB.
- (f) Director, MFPI – Convener.

## **6.2 Approval Committee:**

The proposals will be placed before Approval Committee (AC) for consideration and approval, in which suitable representation from Ministry of Agriculture, APEDA, Planning Commission will be nominated for approval of the project. The detailed project approval Note shall be placed before the 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. The composition of the Approval Committee will be as under: -

- (a) Secretary, MFPI – Chairman.
- (b) Additional Secretary & Financial Adviser, MFPI.
- (c) Representative of Ministry of Agriculture, Department of Agriculture and Cooperation.
- (d) Representative of APEDA.
- (e) Representative of Planning Commission.
- (f) Joint Secretary, MFPI – Convener.

## 7. DOCUMENTS REQUIRED:

- (i) Application in the MFPI prescribed format (Format available on website: <http://mofpi.nic.in>) - **Annexure-I.**
- (ii) Detailed project report
- (iii) Sanction letter of term loan from bank / financial institutions, if any
- (iv) Appraisal report from Bank / Financial Institution
- (v) Certificate of incorporation/registration of the organization, Memorandum and Articles of Association and Bye laws of the society (if applicable)/ partnership deed etc.
- (vi) Bio-data/background of the office bearers/promoters of the organization
- (vii) Annual reports and Audited Statement of Accounts of last two years, in case of expansion proposals/cases
- (viii) Blue Print of the building Plan
- (ix) Notarized English version of land document (in case it is in any of the regional languages)
- (x) Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
- (xi) Quotations from the suppliers of Plant & machinery and equipments etc. required for the project
- (xii) Marketing strategy
- (xiii) Diagram of integrated cold chain and proposed interventions
- (xiv) Manufacturing permission such as SSI/IEM registration etc.
- (xv) Implementation schedule indicating (a) date of acquiring land, (b) date of start of construction of building, (c) date of completion of building, (d) date for placing order for plant & machinery (e) date of installation/erection (f) date of trial production/ running and (g) date of commercial production/ running.
- (xvi) In case of irradiation facilities, the following documents are required to furnish.
  - a. Letter from BARC/BRIT that technology is approved for intended process/products & copy of such letter.
  - b. Technical agreement with BARC/BRIT for installation & operationalisation of plant.
  - c. Details of technical personal/expertise by implementing agency showing the competence to run the operations.
- (xvii) An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarized by Notary Public affirming:
  - (a) that organization's sister concern (s)/ related company / group company as well as the applicant company itself availed any financial assistance for a food processing project in the past from MFPI or not. If yes, the details thereof.

(b) that the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Govt/GOI organization/agencies and State Govt for the same purpose/activity /same components. If yes, the details thereof’.

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**ANNEXURE-I****Application Form For The Scheme for Cold Chain, Value Addition and Preservation Infrastructure.**

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
<b>A. Promoters</b>		
1	Name & Address of the Promoter including telephone, fax, e-mail etc.	
2.	Type of organisation like Govt. Institution /organisation, Industry Association, University, NGO, Co-operative, others etc.	
3.	Background/credentials of applicant organisation	
4.	Financial Status	
5.	Existing Industry if any	
<b>B. Project Description</b>		
1.	Name of the Project	
2	Location/Area of the project	
3.	Products/By Products	
4.	Process with complete flow chart	
5.	Technology (Indigenous/ imported)	
6.	Capacity of the Plan/Unit	
7.	In case of expansion/modernisation of existing facilities/unit (details of existing capacity and proposed capacity after expansion & alongwith capacity utilisation)	
<b>C. Project Cost (indicating proposed cost, appraised cost separately)</b>		
1.	Capital Investment (Fixed Capital)  i. Land Area Cost	

	<ul style="list-style-type: none"> <li>ii. Building</li> <li>iii. Civil Works</li> <li>iv. Technical Civil Works</li> </ul>	
2.	Plant & Machinery (Indigenous) (Capacity/Specification /Cost)	
3.	Imported Machinery (Capacity/Specification /Cost)	
4.	Pre-operative expenses	
5.	Working Capital	
6.	Raw Material/Packaging (Source/Quantity/Cost)	
7.	Labour (Quantity/Cost)	
8.	Effluent Disposal (Method/Machinery/Cost)	
<b>D. Means of Finance (indicating proposed &amp; appraised means of finance, separately)</b>		
1	Means of Financing <ul style="list-style-type: none"> <li>a) Equity (Promoter/Foreign/Other)</li> <li>b) Loan (Term/working capital)</li> <li>c) Assistance from other sources</li> <li>d) Fund requirement from Ministry (MFPI)</li> </ul>	
2.	Financial Benchmarks <ul style="list-style-type: none"> <li>a) Cash Flow</li> <li>b) Break Even Point</li> <li>c) Internal Rate of Return</li> <li>d) Debt Equity Ration</li> <li>e) Debt Service Coverage Ration</li> </ul>	
3.	In case of expansion/modernisation all the above benchmarks to be given separately-existing we well as projected	
<b>E. Marketing</b>		
1.	Marketing <ul style="list-style-type: none"> <li>a) Existing Market</li> <li>b) Future Demand</li> </ul>	

	c) Marketing Strategy d) Linkage to farm/backward linkages e) Forward market linkages	
<b>F. Implementation Schedule</b>		
Item of work	Date of implementation (Bar charts/Milestone Charts may be enclosed))	
<b>G. Personnel</b>		
Details of technical & Managerial personnel (Operation, maintenance, managerial, finance, marketing etc.) required & available.		
<b>H. Employment Generation- Direct/Indirect</b>		
1.	a) Direct (male & Female Separately) b) Indirect (male & Female Separately)	

**Date:**

**Place:**

**Signature  
Name and  
Designation  
Seal  
of the organisation**

Encl: List of documents attached



**Illustrative Criteria for Assessment of Proposals received through EOI  
under the scheme for Cold Chain, Value Addition and Preservation  
Infrastructure**

<b>S. No.</b>	<b>Criteria</b>	<b>Points</b>
1.	<b>Viability</b> - Adequate volume of raw materials - A wider mix/variety of raw materials - Agreements /arrangements of raw materials such as backward / forward linkages	25
2.	Proposal investment in core processing facilities / distribution hub / value addition centre / multi chamber & multi product cold storage facilities	25
3.	Proposed investment in minimal processing centre / farm level infrastructure	15
4.	Proposed investment in collection centres at farm level including refer / cooling transport	10
5.	Employment generation	5
6.	Leveraging of investment in the project	5
7.	Adoption of modern technology such as CA / MA storages, packing facilities, IQF etc.	15
	<b>Total</b>	<b>100</b>