

No. FM/ 11/75/2020-AS  
Government of India  
Ministry of Food Processing Industries  
Panchsheel Bhawan  
August Kranti Marg, New Delhi- 110049

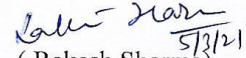
Dated: 05<sup>th</sup> March 2021

Subject: Revised Guidelines for Establishment of Incubation Center under PMFME Scheme.

The undersigned is directed to enclose a copy of the revised Guidelines for Establishment of Incubation Center under PMFME Scheme for information and necessary action.

2. This has the approval of the competent authority.

Yours faithfully,

  
( Rakesh Sharma)

Deputy Secretary to the Government of India  
Ph: +91 11-26406528, +91 11-26492113  
e-mail: rakesh.sharma67@nic.in

To

All States/ UTs.

Copy to: PSO to Secretary, FPI/ Sr. PPS to AS, FPI/ PS to JS (AS), FPI

## **Revised Guidelines for Establishment of Incubation Center under PMFME Scheme**

### **1. Background**

Establishment of Incubation Center based on One District One Product (ODOP) is one of the important components of PMFME Scheme. The scheme envisages providing credit support to 2 lakh existing unorganized micro-food processing enterprises. Through this scheme the micro entrepreneurs/SHGs/FPOs/Cooperatives and groups can utilize this Incubation Center to manufacture their products without capital investment. In addition, this Incubation Center will be utilized to provide training and skill upgradation support to the beneficiaries.

1.2 The raw materials will be converted into finished product by utilizing the primary/secondary/Tertiary processing and auxiliary units that will be set up at this Incubation Center. This facility aids in overcoming the financial burdens on capital investment of start-ups and also supports the existing entrepreneurs to venture into product extension lines. In short, this facility renders machinery support required for conversion of produce from farm to fork.

### **2. Objectives**

- i. To support establishment of Incubation Center for ODOP and other products
- ii. To utilize the Incubation Center on commercial basis
- iii. To provide training to beneficiaries (micro entrepreneurs/SHGs/FPOs/Cooperatives and groups) through Incubation Centers at the training rates prescribed under PMFME Scheme based on National Skill Framework

### **3. Salient features of Incubation Center**

The scheme under its Incubation Center would provide the following support

- iv. Primary processing facility like cleaning, grading and packaging of raw produce
- v. Secondary processing facilities like milling, flaking, minimal processing, thermal processing, brining and so on
- vi. Tertiary processing like processing of Ready to eat, Ready to serve, Ready to cook and so on
- vii. Cold storage facilities to store their fresh and processed produce
- viii. Re-packing of foods
- ix. Supports product extension lines

### **4. Components of schemes**

As per the main PMFME scheme, One District One Product (ODOP) approach is adopted in order to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. Based on the baseline study, the state

governments have identified a food product for a district, keeping in view of the scheme on perishables, cereal based product or a food product widely produced in a district and their allied sectors. Shortlisted ODOPs from the state government have been pooled together and the food produce has been grouped into 11 categories as given below including minor forest produce for tribal districts.

- i. Food products based on Food Grains (Rice, Wheat & Pulses)
- ii. Oil seeds based products
- iii. Millets based products
- iv. Fruits based products
- v. Vegetables & Tuber Crops related products
- vi. Fish and marine products
- vii. Meat/Poultry products
- viii. Dairy products
- ix. Spice products
- x. Plantation crops based products (including coconut and sugar cane)
- xi. Minor forest produce (targeting the tribal population)

#### **4.1 Incubation Center**

Incubation Center shall be the processing cum incubation facility based on ODOP along with 2-4 allied product lines. The Incubation Center should have a minimum three processing lines and maximum five processing lines to be funded from PMFME Scheme. The Incubation Center will be made available for the end users on custom hiring basis for startups and smaller food processing units. But it should run on commercial basis for full utilization of installed capacity. The Incubation Center shall have the complete processing lines as per the standard norms. The space/area for any Incubation Centers should be minimum 7000 Sq. ft.

#### **4.2 Host Institute**

The identified institutes where the Incubation Center to be established is named as Host Institute. Any government owned institutions or govt. funded autonomous Institutions such as technical colleges, universities, other professional institutes, R&D institutes or any private institutions/agencies shall be the host institute. The concerned state government/nodal agency shall identify the host institute and location for establishing the Incubation Center. The institutes which is having existing building shall be given preference for hosting Incubation Center.

#### **4.3 Cost norms for setting up Incubation Center**

Each selected host institute will be funded for the following to establish the Incubation Center

<b>S. No</b>	<b>Processing</b>	<b>Cost ( in Rs. lakh)</b>
1	3-5 processing lines (capacity: 1-2 tonnes/day) for ODOP and allied produce –should include primary, secondary and tertiary	200

	processing, raw material/finished product storage, packaging.	
2	Flooring, minor renovation of existing building, electrical connections and other auxiliary units like boilers, RO plant, ETP etc.	50
3	Building with minimum 7000 sq. ft (to be provided by host institute)*	-
4	Food Testing Lab – If the host institute is not having the in house testing facility, can propose the basic equipment for proximate analysis and microbial load analysis**.	25
<b>Total</b>		<b>275</b>

\*The institute with existing building/space shall be given preference for the grant support.

\*\*Basic equipment required for food testing lab.

<b>S No</b>	<b>Equipment</b>	<b>Approximate Cost (in Rs. Lakh)</b>
1	Hot air oven	1.5
2	Soxhlet apparatus	2.5
3	Protein – Kjeldhal apparatus	7.5
4	Fibre analyzer	5.5
5	Muffle furnace- ash content	2.0
6	Weighing balance	1.0
7	Microbial load analysis- laminar flow chamber, autoclave and incubator etc.	4.0
8	Refractometers, pH meter, Gun thermometer, glassware etc.	1.0
<b>Total</b>		<b>25.0</b>

#### **4.4 Special grant in aid support to host institutes for civil works**

As a special case, if the host institute does not have building infrastructure for Incubation Center shall be supported by PM FME Scheme with grant of Rs.1.0 crore (Rupees One crore only) for construction of buildings.

#### **4.5 Funding details**

Allocation of fund shall follow the below norms

<b>Government Institute/Organization</b>	<b>Private Agency</b>	<b>Private Agency in Tribal Areas, NE States and SC/ ST category</b>
100 percent of funding will be provided from PMFME scheme	50 percent of funding will be provided from PMFME scheme and balance from private agency	60 percent of funding will be provided from PMFME scheme and balance from the private agency

#### **4.6 Role of Host Institute**

- i. The selected host institute is responsible to arrange required land, building and other basic amenities like water, electricity, etc.
- ii. The host institute is responsible for establishment of Incubation Centre with the processing line as per the cost norms and relevant guidelines of PM-FME scheme within one year from the date of sanction.
- iii. Once the Incubation Center is set up, the common incubation facilities shall be leased out to an O&M operator through a transparent process. The O&M operator should operate the Incubation Center on commercial basis. The O&M operator would charge for using the services of the Incubation Center from the micro enterprises and for training. The bidding criteria should be the maximum rates to be charged from micro enterprises for using the services of the Incubation Center and training. Maintenance of Incubation Center including the machinery shall be the responsibility of O&M operator. It shall be ensured by the host institution that the Incubation Center is utilized by a large number of micro enterprises and for all the trainings under PMFME and other State and Central Government Schemes. Any micro enterprise should be able to use the services of the Incubation Center if they are willing to pay for the charges.
- iv. A monitoring and advisory committee shall be constituted by the Host Institute (HI) with a representative from mentor institution for continuous monitoring of the operations to ensure effective implementation of the scheme.

#### **4.7 Mentor Institution**

States should select one of the CSIR/ICAR or other research institutions as mentor institution for each Incubation Center. The role of the mentor institution would be as follows:

- i. Continuous monitoring of the implementation and establishment of Incubation Center at host institutes.
- ii. Providing technical support to host institutes at the stage of establishment as well as running the Incubation Center.

#### **4.8 Application procedure**

**4.8.1. Detailed project report (DPR)** which should contain the following particulars:

- i. **Details of Host Institute:** Host institution details like experience in food processing, technical manpower available, details of land and building, suitability of the proposed building to house the Incubation Centre.
- ii. **Details of proposed location for establishing the Incubation Centre:** The location should preferably be at places where there is likelihood of micro enterprises to come and get their goods processed, It should not be inside any Agricultural University/research centre located away from a city and highway. Also can be at a location of farm produce in case of perishables and nearness to city market in case of goods produced for local market. Specify how accessible is the location to micro

- enterprises to come with raw material and depart with finished goods - distance from road, highway, city, etc.
- iii. Details of the proposed incubation center Proposed processing lines
  - iv. Cost break up of each line (with machinery details, space requirement, cost of individual machines, capacity etc.)
  - v. Details of auxiliary units required, waste utilization plan from the centre
  - vi. Justification for choosing each line based on local production of raw material for perishables, market for finished goods, nearness to market/ cities
  - vii. Expected demand for common processing and training
  - viii. Cost break up of upgradation civil and electrical works required
  - ix. Details of testing equipment required if any for food testing lab
  - x. Details of cost break up in case of private agency (agency contribution details)
  - xi. Recommendation of SLTI and SLAC
  - xii. A feasibility report on the proposed incubation center.

**4.8.2.** Interested Institutes/agency should apply along with DPR to the StateNodal Agency.

## **5. Approval Procedure:**

States/UTs to submit their proposal online on the IIFPT portal i.e. <http://iifpt.edu.in/olapp/pmfme/web/incubation.php> for setting up of Common Incubation Centers. The submitted proposal will be appraised by the Appraisal Committee which will recommend the same for consideration by Project Executive Committee (PEC). The proposals considered suitable by PEC will be submitted for approval by Inter Ministerial Empowered Committee (IMEC).

## **6. Procedure for Release of Funds:**

The financial support to States/UTs for setting up of Common incubation facility would be from the Central Government fund. The release of funds to Host Institutes would be through nodal agency of the respective State/UT. The procedure for release of fund to Government Institute/Organizations or Private agency for establishment of common incubation facility would be as under:

### **6.1 Release of funds to Government Institute/Organizations:**

**6.1.1.** As per Rule 235 of Government Financial Rules, 2017 (GFR, 2017), the Host Institute receiving grants should, irrespective of the amount involved, would be required to maintain subsidiary accounts of the Government grant and furnish a set of audited statement of accounts. These audited statements of accounts would be required to be furnished after utilization of the Grants-in-aid or whenever called for.

**6.1.2.** Further, as per Rule 230(1) of GFR, 2017, the Host Institute seeking Grants-in-aid would certify that it has not obtained or applied for grants for the same purpose or activity from any other Ministry or Department of the Government of India or State Government. Host institute would be required to submit an affidavit/undertaking in compliance with this rule as per Annexure-A at the time of submission of document for claim of 1st instalment of grant.

**6.1.3.** Subject to compliance of above requirement, the procedure for release of fund for establishment of common incubation facility would be as mentioned below:

**6.1.4. Release of funds to Host Institute having Building Infrastructure**

The release of funds to Government Institutes/ Organization establishing common incubation facility would be in two instalments after the approval of proposal by the Ministry.

The funding support would comprise of:

- (a) 100% of the actual cost for Processing Line for establishment of common incubation facility subject to maximum of Rs. 200 lakhs;
- (b) 100% of the actual cost for Minor Renovation works of existing building, for Flooring, electrical connections and other auxiliary units like boilers, RO plant, ETP etc., subject to maximum of Rs. 50 lakhs;
- (c) 100% of the actual cost for equipment for Food Testing Lab subject to maximum of Rs. 25 lakhs.

**6.1.5.** Division may ensure that building norms would be certified by Chartered Civil Engineer and Chartered Mechanical Engineer before considering release proposal for grants of ₹1 crore for construction/renovation of buildings for common incubation facility.

**6.1.6.** The fund would be released in two instalments on compliance of conditions mentioned below:

- i. The 1<sup>st</sup> instalment of grant would comprise of @ 100 % of the approved cost of component (b) and(c) and 80% of approved cost of component (a) as stated above. It would be released after the approval of the proposal by the Ministry based on the approved cost and components given in DPR for the activities mentioned from (a) to (c).
- ii. The balance funding support as 2<sup>nd</sup> instalment of grant would be released upon fulfilment of following conditions:
  - a) A copy of joint inspection report of SNA, mentor institute and Host institute verifying the physical and financial progress of the project at the site including commencement of commercial production.
  - b) CA certificate for actual expenditure incurred on the approved component of the project along with a copy of Purchase/Work order/ Contract document for all the approved components of the project.
  - c) Submission of Chartered Engineer (Civil) and Chartered Engineer (Mechanical) Certificate on the status, quality, progress and expenditure incurred on the approved civil and mechanical components respectively. In case civil work is executed by state government authority, the certificate of competent authority of that organisation in respect of civil work would suffice.
  - d) Compliance of any other Terms & conditions mentioned in the approval letter.

- iii. At the time of release of 2<sup>nd</sup> and final instalment of grant, the balance funding support would be for the amount assessed as per actual cost borne by Host institute subject to the ceiling mentioned above for component (a) to (c).

## **6.2 Release of funds to Host Institute requiring Building Infrastructure**

**6.2.1.** The release of fund to Government Institutes/ Organization setting up incubation center and also requiring construction of building for establishment of common incubation facility would be in three installments after approval of the proposal by the Ministry.

### **6.2.2. The funding support would comprise of:**

- (a) 100% of the actual cost for building construction for Incubation center subject to maximum of Rs. 100 lakhs;
- (b) 100% of the actual cost for Processing Line for Incubation center subject to maximum of Rs. 200 lakh;
- (c) 100% of the actual cost for Works related to setting up boiler, RO plant, ETP etc subject to maximum of Rs. 50 lakh;
- (d) 100% of the actual cost for equipment for Food Testing Lab subject to maximum of Rs. 25 lakh.

**6.2.3.** The fund would be released in three instalments on compliance of conditions mentioned below:

- i. 1<sup>st</sup> instalment of grant amounting to 100% of the approved cost for component (a) i.e. for construction of building would be released after the approval of proposal by the Ministry based on the approved cost of component given in approved DPR subject to maximum of Rs 100 lakh;
- ii. 2<sup>nd</sup> Instalment of grant would comprise of @80 % of contracted cost for component (b) and 100 % of contracted cost for component (c) & (d). This instalment would be released after fulfilment of following conditions:
  - 1) Submission of proof for incurring 75% expenditure out of the 1<sup>st</sup> instalment of grant. The expenditure incurred on construction of building infrastructure for Incubation centre shall be commensurate to physical progress. Host institute would submit expenditure statement duly audited by their auditing authority along with the bank statement indicating the expenditure incurred for the work.
  - 2) Submission of Purchase/Work order/ Contract document\* for Processing Line for Incubation centre, Works related to setting up boiler, RO plant, ETP etc and equipment for Food Testing Lab by the Host Institute.
- iii. The balance funding support as 3<sup>rd</sup> instalment of grant would be released upon fulfilment of following conditions:
  - 1) A copy of joint inspection report of SNA, mentor institute and Host institute verifying the actual physical progress of the project at the ground including commencement of commercial production.
  - 2) CA certificate for actual expenditure incurred on the approved component of the



- project along with a copy of Purchase/Work order/ Contract document for all the approved components of the project.
- 3) Submission of Chartered Engineer (Civil) and Chartered Engineer (Mechanical) Certificate on the status, quality, progress and expenditure incurred on the approved civil and mechanical components respectively. In case civil work is executed by state government authority, the certificate of competent authority of that organisation in respect of civil work would suffice.
  - 4) Compliance of any other Terms & conditions mentioned in the approval letter. At the time of release of 3rd and final instalment of grant, the balance funding support would be for the amount assessed as per actual cost borne by Host institute subject to the ceiling mentioned above for component (a) to (d).

\*In case contract is not finalized for all the above activity or any of the above activity is not required, the funding support shall be provided for the activity for which contract document have been submitted. For remaining activity, funding support shall be provided, if required, only after submission of its contract document and progress of work.

### **6.3. Other conditions to be observed by Host institute/ nodal agency**

The Host Institute availing financial assistance under the scheme would comply the following:

- i. Host Institute would ensure applying for obtaining Consent to Establish from State Pollution Control Board within 30 days of approval of proposal by the Ministry. A copy of the same may be submitted along with the request for 2nd instalment of grant.
- ii. Host Institute would ensure obtaining following licenses and permissions within 60 days from applying for final instalment of the fund:
  - 1) License issued under FSS Act, 2006 for the processing line set up at the common incubation facility,
  - 2) State authority clearance, if any, required including boiler certificate, Consent to Operate etc..
- iii. All interests or other earnings against Grants in aid or advances (other than reimbursement) released to the institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases;
- iv. The unutilized amount of Grant-in-aid with interest thereon should be refunded to the Consolidated Fund of India immediately after finalization of the accounts.
- v. A certificate of actual utilization of the Grants received for the purpose for which it was sanctioned in Form GFR 12-A should be submitted. The Utilization Certificate should also disclose whether the specified, quantified and qualitative targets that should have been reached against the amount utilized, were in fact reached, and if not, the reasons therefor. The Utilization Certificate should be submitted within twelve months of the closure of the financial year by the Institution or Organization concerned.
- vi. Utilization Certificate in format GFR 12-C would be submitted by the Host Institute

through Nodal Agency of State/UT to the Ministry in respect of utilization of grant released for the above purpose.

#### **6.4. Release of funds to Private Agency:**

**6.4.1** The Host Institute would be required to open a dedicated escrow / current bank account for work related to establishment of common incubation facility. All financial transactions (Host Institute's contribution, term loan and grants-in-aid deposited/received and expenditure incurred on the approved activity as per guidelines) related to the establishment of common incubation facility should be through this dedicated escrow/current account only. Any Financial transaction made other than that through this dedicated account will not be considered for the purpose of calculation of eligible grant and such transaction shall be borne by the Host Institute.

**6.4.2.** The grant would be released in 3 instalments subject to funding norms mentioned in para 4.5 of guidelines for establishment of common incubation facility. The total grant support would be restricted to 50%/ 60% (as the case may be in accordance to para 4.5) of maximum ceiling limit of cost of each activity mentioned in para 4.3 & 4.4 of the guidelines. The grant will be disbursed to the dedicated escrow / current bank account for the project. The grant will be released in three instalments i.e. @50% of the total approved grant as 1<sup>st</sup> instalment, 40% of the total approved grant as 2<sup>nd</sup> instalment and @10% of the total approved grant as 3<sup>rd</sup> instalment.

**6.4.3.** Subject to compliance of above, the procedure for release of grant/fund for establishment of common incubation facility would be as mentioned below:

##### **6.4.3.1 Release of 1<sup>st</sup> instalment of grant:**

The first instalment of grant would be released after the Host Institute has incurred 50% expenditure out of approved institute's contribution / equity and term loan, if any, on the approved components of the project. The expenditure incurred on eligible project component shall be commensurate to physical progress of the project. In case of advance payment made for plant & machinery, there shall be commensurate physical progress in technical civil works. The 1<sup>st</sup> instalment of grant @50% of the total approved grant will be released on production of the following documents by the Host Institute:

- i. Duly notarized Surety Bond to be executed by the Host Institute on Non-Judicial stamp paper of not less than Rs. 100/- .(Annexure- B)
- ii. A copy of Purchase/Work order/ Contract document for the approved components of the project. In case contract is not finalized for all the approved activity or any of the activity is not required, the funding support shall be provided for the activity for which contract document have been submitted. For remaining activity, funding support shall be provided, if required, only after submission of its contract document and progress of work.
- iii. CA certificate for actual expenditure incurred on the approved component of the project as per the means of finances along with the transaction statement of the dedicated escrow

- / current bank account for the project.
- iv. CA certificate indicating the institute's contribution / equity and term loan, if any, made in the dedicated escrow / current bank account for the project along with its bank account transaction statement.
  - v. Submission of Chartered Engineer (Civil) and Chartered Engineer (Mechanical) Certificate on the status, quality, progress and expenditure incurred on the approved civil and mechanical components respectively.
  - vi. Consent to Establish from State Pollution Control Board
  - vii. PFMS Registration – Controller General of Accounts (CGA)/State/UT Accounts registration of firm under agency type “private sector companies” and under the scheme name “PMFME”.
  - viii. Details of the dedicated escrow / current bank account for the project is to be provided in the ECS mandate form as provided in Annexure- so as to transfer the grant in same account.
  - ix. Compliance of any other Terms & conditions mentioned in the approval letter.

#### **6.4.3.2. Release of 2<sup>nd</sup> instalment of grant:**

The second instalment of grant would be released/reimbursed after the Host Institute has incurred 100% expenditure out of approved institute's contribution / equity and term loan, if any, on the approved components of the project, utilisation of 1<sup>st</sup> instalment of grant and completion of work through physical verification by the SNA/mentor institute . The 2<sup>nd</sup> instalment of grant @40% of the total approved grant will be released on production of the following documents by the Host Institute:

- i. Utilisation certificate as a proof of utilisation of 1<sup>st</sup> instalment of grant duly signed by competent authority of Host Institute and Chartered Accountant.
- ii. Chartered Accountant Certificate for actual expenditure incurred on the approved component of the project as per the approved means of finance and 100% utilization of Host Institute's contribution and term loan, if any, along with the transaction statement of the dedicated escrow / current bank account for the project.
- iii. Submission of Chartered Engineer (Civil) and Chartered Engineer (Mechanical) Certificate on the status, quality, progress and expenditure incurred on the approved civil and mechanical components respectively.
- iv. iv. A copy of joint inspection report of SNA, mentor institute and Host institute verifying the actual physical progress(completion) of the project at the ground including installation and commissioning of Incubation facility.
- v. Compliance of any other Terms & conditions mentioned in the approval letter.

#### **6.4.3.3. Release of 3<sup>rd</sup> instalment of grant:**

Balance 10% of the total approved grant would be released after commencement of commercial operations of the Incubation Centre and upon production of following documents:

- (i) A valid copy of License issued under FSS Act, 2006 for the processing line set up at the common incubation facility.

- (ii) State authority clearance, if any, required including boiler certificate, consent to operate etc.
- (iii) Compliance of any other Terms & conditions mentioned in the approval letter.

**7. MoU/ Agreement proposed to be signed:**

**7.1. MoU / Agreement -1:** Tripartite agreement / MoU between the SNA, Hostinstitutes and mentor institute to ensure the monitoring of the implementation. The Tripartite agreement / MoU will define the roles, responsibility of all the three parties along with the terms & condition of operation of the Incubation center

**7.2. Agreement -2:** Between the host institute and the private O&M Company to which the incubation facility would be leased out.

**ANNEXURE-A**

**PROFORMA FOR RULE 209 (1) OF GFR 2007 UNDERTAKING**

I, \_\_\_\_\_ s/o  
R/o \_\_\_\_\_ (Address), the deponent  
do hereby solemnly affirm and declare on oath as under: -

1. That the deponent is the Competent authority in the Organization. (*Name of firm and address*) .
2. That the organization has not availed any financial assistance for the same purpose or the same component from the Ministry of Food Processing Industries in the past.
3. That the deponent do hereby affirm that the Organization will not apply/ has not applied for/ obtained any grant/ subsidy from any Ministry/ Central Government Department/ GOI organizations/ any agency of State / Central Government for the same purpose/ activity.
4. That all the documents, explanations/ information's etc. submitted by the organization from time to time are true, correct and complete to the best of its knowledge and belief.

Deponent

**Verification:**

Verified that the content of this affidavit are true and correct to the best of the knowledge and belief of the deponent and no part of this affidavit is kept concealed therein, If anything is found false in this Affidavit subsequently deponent and organization shall alone be liable jointly and severally for action under the laws, hence verified at (Place) on (Date) .

Deponent

**ANNEXURE-B**

**(To be prepared on Non-Judicial Stamp paper of Rs. 100/-)**

**SURETY BOND**

KNOW ALL MEN BY THESE PRESENTS that we, M/s....., a (Type of organization) incorporated /registered under the (Name of the Act) and having its registered office at(hereinafter called the “Obligors”) are held fully and firmly bound to thePresident of India (hereinafter called the “Government”) for the sum of Rs..... (Rupees only) well and truly to be paid tothe Government on demand and without a demur for which payment we firmlybind ourselves and our successors and assignees by these presents.

SIGNED on the day of in the year Twothousand.....

WHEREAS on the Obligors’ request, the Government as per Ministry of Food Processing Industries’ Approval LetterNo Dated (hereinafter referred to as the “Approval Letter”) which forms an integral part of these presents, and a copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligors grants-in-aids-in-aid of Rs. .... (Rupees only) for the purpose of (description of the project) at out of which the sum of Rs. (Rupees only) have been paid to the Obligors (the receipt of which the Obligors do hereby admit and acknowledge) on conditionof the Obligors executing a bond in the terms and manner contained hereinafterwhich the Obligors have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligors duly fulfill and comply with all the conditions mentioned in the approval letter, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligors will abide by the terms & conditions of the grants-in-aid by the target dates, if any specified therein.

THAT the Obligors shall not divert the grants-in-aids and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligors shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligors individually and jointly will be liable to refund to the President of India, the entire amount of the grants -in-aidwith interest of 10% per annum thereon. If a part of the grants- in-aid is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged upto the date of its refund to the Government, unless it is agreed to be carried over.

The Obligers agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property) buildings created / acquired constructed largely from out of the grants-in-aid sanctioned by the Government of India, Ministry of Food Processing Industries or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligers.

AND THESE PRESENTS ALSO WITNESS THAT the decision of the Secretary to the Government of India in the Ministry of Food Processing Industries on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligers

and

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligers the day herein above written in pursuance of the Resolution No.....Dated passed by the governing body of the Obligers, a copy whereof is annexed hereto as Annexure-II and by for and on behalf of the president on the date appearing below: -

Signature of the  
AUTHORISED  
SIGNATORY Signed for and  
on behalf of (Name of the  
Obliger in block letters) (Seal /  
Stamp of Organization)

1. Signature of witness  
Name & Address

2. Signature of witness  
Name & Address

\*\*\*\*\*