

**Government of Haryana
Industries and Commerce Department**

Notification

The 18th April, 2016

No. 49/43/2015-4IB1 in pursuance to the provision under chapter 12 of Enterprises Promotion Policy, 2015 notified vide No. 49/43/2015-4IB1 dated 14th August, 2015, the Governor of Haryana is pleased to formulate Scheme for grant-in-aid for the setting up of Primary Processing Centres(PPCs)/Collection Centres(CCs) in the Rural Areas of the State. The scheme will consist of the following provisions:

1. Objective:

The objective of the scheme is creation of effective backward linkages and empowerment of farmers. This can be achieved by value addition of produce, providing processing and preservation facilities at village level to help the farmers to enhance shelf life of perishable produce resulting in better remunerative prices for their agricultural produce.

2. Salient Features of the Scheme:

The Scheme of setting up of PPCs/CCs will have the following components:

- a) Land requirement will be 1-2 acres.
- b) Processing Facilities at the farm level which may include facilities for weighing cleaning, sorting, grading, packing, pre-cooling, Controlled Atmosphere (CA)/ Modified Atmosphere (MA), Cold Storage, Dry Warehouses and IQF.
- c) Mobile Pre-cooling trucks/ vans and reefer vans which may be suitable for transportation of the perishable agricultural produce/horticulture/ dairy/meat/poultry/fish produce as per requirement.
- d) Value addition and or processing of fruits and vegetables, using local produce as raw material.

Note:

- i. The grant-in-aid shall be granted to the units set up in 'B', 'C' & 'D' category blocks.
- ii. The units engaged in value addition and or processing of fruits and vegetables only, shall not be eligible for grant-in-aid available for the primary processing centre. However, such units would be eligible for interest subsidy of 6% on term loan for a period of 5 years, subject to a maximum of Rs. 10.00 lacs per annum in 'B', 'C' & 'D' category blocks, available to Micro, Small and Medium Enterprises.

3. Eligible Sectors:

The Scheme is applicable to both horticulture and non-horticulture produce such as: fruits, vegetables, grains & pulses, dairy products, meat, poultry and fish etc.

4. Eligible organizations:

The individual entrepreneurs/ farmers, group of entrepreneur/ farmers, associations/organizations, co-operative societies, self-help groups, non-government organizations are eligible for assistance under the scheme for developing the above facilities.

5. Eligibility Conditions:

- i) The applicant should have good financial back ground to implement the project.
- ii) The Proposals for the project should be duly appraised by the Bank/ Financial Institutions.
- iii) The appraisal report should contain the project components for which grant is sought under the scheme.
- iv) Date of commercial operations should not be prior to the date of submission of application.
- v) No second proposal from the same applicant/ organization shall be accepted.

6. Procedure for Submission of Applications:

Applicants seeking financial assistance are required to submit their applications in prescribed format (**Annexure-A**) to the Director General, Industries & Commerce within a period of 6 months from the sanction of term loan by the banks/ financial institutions. Condonation of delay in submitting the application for a further period of one month can be permitted with the approval of Director General of Industries & Commerce, keeping in view the merits of the case.

7. Documents required:

- i) Application in the prescribed format (Annexure-A).
- ii) Detailed project report.
- iii) Sanction letter of term loan from bank/financial institutions.
- 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) Annual reports and Audited Statement of Accounts of last three years, in case of existing establishment.
- vii) Blue print of the building Plan.
- viii) Land title documents i.e. sale deed or lease deed.
- ix) Item wise and cost wise details of civil work envisaged duly certified by Chartered Engineer (Civil).
- x) Item wise and cost wise details of plant & machinery envisaged duly certified by Chartered Engineer (Mechanical).
- xi) Copy of SSI/EM/IEM.
- xii) A declaration to the effect:

“that the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Govt./Gol organization/agencies for the same purpose/activity/same components”.

8. Pattern of Assistance:

8.1 Maximum of amount of grant-in-aid admissible under the scheme is Rs.1.75 crore, which will be provided @ 50% of the eligible project cost, which includes cost of technical civil works and plant & machinery. 35% grant-in-aid if available from Ministry of Agriculture, Government of India shall be deducted from the maximum eligible grant of Rs. 1.75 crore. (in other words, State Government would top-up grant-in-aid @ 15%, if grant-in-aid is also sanctioned by Government of India).

8.2 In-eligible components of civil works:

- (i) Compound wall.
- (ii) Internal Roads.
- (iii) Administrative Office Building.
- (iv) Toilets.
- (v) Labour Rest Room and quarters for workers.
- (vi) Sanitation Room.
- (vii) Security/ Guard Room or enclosure.
- (viii) Consultancy Fee.

In short, all expenditure on account of civil works which is not related to the production or processing is excluded. Construction activities on account of labour welfare are excluded totally.

8.3 Ineligible components of plant and machinery:

- (i) Fuel, consumables, spares and stores.
- (ii) Computers and allied office furniture.
- (iii) Transport vehicles, except reefer vans.
- (iv) Erection, installation and Commissioning, service charges, carriage and freight charges, more than 5 % of the total cost of machinery and equipment.
- (v) Second hand/ old machines / refurbished machinery.
- (vi) Closed Circuit TV Camera and related equipment
- (vii) Consultancy Fee.
- (viii) Stationery items.

9. Sanctioning and Disbursal Authority:

9.1 The cases for sanction of grant-in-aid shall be decided by a State Level Committee (SLC) comprising of the following members:

1.	Principal Secretary, Industries & Commerce	Chairman
2.	Director General, Agriculture	Member
3.	Director General, Horticulture	Member
4.	Director General, Animal Husbandry	Member
5.	Representative of the Finance Department	Member
6.	Director General, Industries & Commerce	Member-Secretary

The committee will meet twice in a year. However, keeping in view the number of cases, its frequency can be increased accordingly.

9.2 Quorum of the meeting: The Quorum of the meeting is four members.

9.3 Disbursal Authority: The Director General of Industries & Commerce shall be competent to disburse the grant after compliance of the requisite formalities.

10. Release of grant: The approved grant-in-aid will be released in 2 installments after the beneficiary has spent his share of equity as per the following schedule:

10.1 Release of the 1st instalment @ 50% of the approved grant amount will be released directly in a bank account opened specially for this purpose on

production of proof of 50% expenditure by the promoter out of its share of equity and also subject to production of the following documents:-

- i. Duly notarized Surety Bond- To be executed on Non-Judicial stamp paper of not less than Rs. 100 (Annexure -B)
- ii. A Declaration as per Annexure- C
- iii. Chartered Accountant Certificate- Actual expenditure incurred on the project showing the means of financing and 50% utilization of promoter's contribution (Annexure -D).
- iv. An undertaking to the effect that the grant-in-aid shall be utilized for the project and purpose for which it has been sanctioned.
- v. IEM Part-II.
- vi. Site inspection report by a team of officers to be decided by the Principal Secretary Industries.

10.2. The 2nd installment @ 50% will be released subject to the following condition:

- i. UC of 1st installment as per Annexure-E.
- ii. CA certificate showing 100% expenditure of promoters contribution (Annexure-D)
- iii. Site inspection report by a team of officers to be decided by the Principal Secretary Industries.

11. Implementation and Monitoring of Project:

- 11.1 The implementation schedule for the project will be 24 months from the date of the approval of project. The application for 1st installment should be made within 6 months from the date of approval of grant-in-aid failing which it shall be cancelled by the Competent Authority. Accordingly, the application for 2nd installment shall have to be submitted within 6 months of the release of 1st installment. The extension in the time period of implementation shall be given by the State Level Committee, keeping in view the merits of each case.
- 11.2 The units availing grant-in-aid under the scheme would have to remain in production for a period of 5 years from the date of commercial production. In case, the unit is closed before the stipulated period, grant-in-aid shall be recovered alongwith compound interest @ 12% per annum.

(Devender Singh)
Principal Secretary to Government of Haryana,
Industries and Commerce Department

Annexure-A

Application Form for Setting up of Primary processing Centres/ Collection Centres in rural areas:

Sr. No.	Particulars	Details
A. Promoters		
1.	Name and Address of the Promoter including telephone, fax, e-mail etc.	
2.	Type of organization like Govt. Institution /organization, Industry Association, University, NGO, Co-operative, Entrepreneur, partnership firm, Company, etc.	
3.	Background/credentials of applicant organization. Details of having experience in food processing or supply chain management, if any.	
4.	Financial Status	
5.	Existing Industry, if any	
B. Project Description		
6.	Name of the Project	
7.	Location/Area of the project	
8.	Products/By Products	
9.	Complete flow chart of the activities proposed to be undertaken	
10.	Technology (Indigenous/ imported)	
11.	Capacities of the various components of the PPC/CC	
12.	Commodities/ Products to be handled at PPC/CC	
C. Project Cost (indicating proposed cost, appraised cost separately)		
13.	Capital Investment (Fixed Capital): i. Land Area Cost ii. Building iii. Civil Works iv. Technical Civil Works	
14.	Plant & Machinery (Indigenous) (Capacity/Specifications/Cost)	
15.	Imported Machinery (Capacity/Specifications/Cost)	
16.	Pre-operative expenses	
17.	Working Capital	
18.	Raw Material / Packaging (Source/Quantity/Cost)	
19.	Labour (Quantity/Cost)	
20.	Effluent Disposal (Method/Machinery/Cost)	
D. Means of Finance (indicating proposed & appraised means of finance, separately)		

21.	Means of Financing: a. Equity (Promoter/Foreign/Other) b. Loan (Term/Working capital) c. Assistance from other sources d. Fund requirement Total:	
22.	Financial Benchmarks: a. Cash Flow b. Break Even Point c. Internal Rate of Return d. Debt Equity Ratio e. Debt Service Coverage Ratio	
23.	Details of quality/ safety standards to be followed (if any)	
E. Marketing		
24.	Marketing: a. Existing Market b. Future Demand c. Marketing Strategy d. Linkage to farm/backward linkages e. Forward market linkages	
F. Implementation Schedule		
25.	Item of work Date of implementation (Bar charts, Milestone charts or PERT/CPM may be enclosed)	
G. Personnel		
26.	Details of technical & Managerial personnel (Operation Maintenance, managerial, finance, marketing etc.) required & available	
H. Employment Generation- Direct/Indirect		
27.	a. Direct (Male & Female Separately) b. Indirect (Male & Female Separately)	

Date:

Place:

Signature
Name and Designation
Seal of the organization

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 the Governor of State _____ (hereinafter called the "Government") for the sum of Rs. _____ (Rupees _____ only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the _____ day of _____ in the year Two Thousand _____.

WHEREAS on the Obligors' request, the Government as per Sanction Order No. _____ Dated _____ (hereinafter referred to as the "Letter of Sanction") 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 condition of the Obligors executing a bond in the terms and manner contained hereinafter which 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 letter of sanction, 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-aid with 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 Obligors 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 State Government of _____, 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 Obligors. AND THESE PRESENTS ALSO WITNESS THAT the decision of the Chief Secretary to the State Govt. of _____ 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 Governor of State _____ 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

TO BE FILLED UP BY DIRECTORATE OF INDUSTRIES & COMMERCE
(ACCEPTED)

For and on behalf of the Governor of State _____

Name: _____

Designation: _____

Dated: _____

Notary Seal & Signature

Declaration of the grantee

I S/o Resident of director / proprietor of M/s do here by solemnly affirms and state as follows:

- (a) That the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Government/GOI organization/agencies and State Government for the same purpose/activity /same components.

Authorized signatory

(Letter Head of the CA)

CA certificate (With membership No. of CA) in the following format:-

(i) **Project Cost:**

(Rs. In lacs)

Sr. No.	Name of the component/Item	Project Cost	Cost as appraised by the bank	Actual Cost
1.	Land			
2.	Building/Civil Works			
3.	Plant & Machinery			
4.	Misc. Fixed Assets			
5.	Other's			
	Total			

(ii) **Means of Finance:**

(Rs. In lacs)

Sr. No.	Item	Project Cost	As per appraisal report	Actual Cost
1.	Promoter's Equity			
2.	Term Loan			
3.	Unsecured Loan			
4.	Grant-in-aid			
5.	Other's			
	Total			

Details of unsecured loans, if any, duly certified by CA.

Signature and Seal of C.A.

Utilization Certificate
(Letter Head of the CA)

Sr. No.	Letter No. & Date	Amount
1.		

Certified that out of Rs. -----of grant-in-aid sanctioned during the year ----- in favour of ----- under this Ministry/ Department letter No. given in the margin and Rs.----- on account of unspent balance of the previous year, a sum of Rs. ----- has been utilized for the purpose of ----- for which it was sanctioned, that the balance of Rs. ----- remaining un-utilized at the end of the year ---- has been surrendered to Government (vide No. ----dated ----) will be adjusted towards the grants-in-aid payable during the next year -----.

2. Certified that I have satisfied myself that conditions on which the grant-in-aid was sanctioned have been dully fulfilled/ are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised:

- 1.
- 2.
- 3.

Signature (CA)_____

Designation_____

Date_____

<p>Counter signature of promoter of company with Seal</p>
