

Government of India
Ministry of Food Processing Industries
Panchsheel Bhavan, August Kranti Marg
New Delhi – 110049

No. 1-42/2005-PC

the 18th July 2008

To

The All Focal Point Banks
(As per List attached).

Subject:- Decentralization of Plan Schemes – Technology upgradation/ Establishment/
Modernisation of Food Processing Industries – surety bond in grants in aid –
regarding revised format.

Sir/ Madam,

In continuation to this Ministry's letter of even no. dated 1.7.08, I am directed to inform that the proforma of surety bond has been revised by the Ministry keeping in view of the difficulties being faced by the applicant Companies to execute the earlier surety bond.

2. It is therefore, requested that henceforth respective Focal Point Banks may instruct their branches that during the processing of proposals of grants in aid, notarized surety bond (executed on non-judicial stamp paper of not less than Rs. 100/-) indicating proper description and location of the concerned project may be forwarded to the Ministry of Food Processing Industries to disburse the grants in aid.

3. This guideline will be applicable to be implemented by the Banks/ FIs with effect from 21.07.2008. Copy of the pro-forma of the revised surety bond is enclosed for ready reference.

4. This issues with the approval of Competent Authority.

Yours faithfully,

Sd/-.....

(Kashi Nath)

Under Secretary to the Government of India

Tel: 26497637

Encl: As above.

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 President of India (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 Ministry of Food Processing Industries's 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 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 Obligors.

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

TO BE FILLED UP BY THE MINISTRY OF FOOD PROCESSING INDUSTRIES

(ACCEPTED)

For and on behalf of the President of India

Name: _____

Designation: _____

Dated: _____

Notary Seal &
Signature