

File No. FM/11/55/2021-FME

भारत सरकार

खाद्य प्रसंस्करण उद्योग मंत्रालय

पंचशील भवन, अगस्त क्रांति मार्ग

नई दिल्ली -110049

Dated: 10/12/2021

OFFICE MEMORANDUM

Subject: Procedure for release of funds for proposals approved under the Branding & Marketing component of PMFME Scheme.

Reference:

- i. Regarding Section 7 on Branding & Marketing of the PM FME Scheme guideline dated 19/06/2020.
- ii. OM No. FM/11/55/2021-FME dated 27/09/2021 regarding 'General instructions for preparation of proposal for Branding & Marketing under PM FME scheme'.
- iii. OM No. FM/6/2021/FME-Part (1) dated 10/12/2021 regarding 'Modifications under the Branding & Marketing component of the PM FME Scheme'.

As part of the Atmanirbhar Bharat Abhiyan, the PM FME scheme envisages support to groups of FPOs / SHGs / Cooperatives / or an SPV of micro food processing enterprises for developing a common brand, common packaging, product standardization etc.

2. The procedure for release of funds under the Branding & Marketing component of the PM FME scheme is at **Annexure** for information and necessary action.

3. State Nodal Agencies (SNAs) are requested to follow the procedure for support under the Branding & Marketing component of the PM FME scheme.

This has the approval of the Competent Authority.

Encl. As stated above



(Surendra Singh)

Deputy Industrial Adviser to Govt. of India.

Tel. 011-24606538

To,
SNAs of all States/UTs

Copy to:

- i. PSO to Secretary, FPI/Sr. PPS to Special Secretary, FPI/PS to JS (MA)

Procedure for release of funds for IMEC approved proposals under the Branding & Marketing component of PMFME

1. Approval Procedure:

Interested applicant(s) to submit their proposals to the State Nodal Agency (SNA). The SNA will present the proposal to the State Level Approval Committee (SLAC) for recommendation. After SLACs approval, the proposal will be sent to the Ministry of Food Processing Industries (MoFPI). The submitted proposal will be placed before the Project Executive Committee (PEC) for recommendation to Inter Ministerial Empowered Committee (IMEC) for approval.

2. Procedure for Release of Funds:

The financial support to States / UTs under the branding & marketing component will be as per the sharing proportion mentioned in the scheme guidelines. The release of funds to beneficiaries would be through nodal agency of the respective State/UT. The procedure for release of fund would be as under:

2.1 Release of funds:

2.1.1. The funds for the PMFME scheme will be released as per the OM F. No. 1(13)PFMS/FCD/2021 regarding 'Procedure for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of funds released' dated 23.03.2021 issued by Department of Expenditure, Ministry of Finance. The state government will transfer the central share to the concerned SNA's account within 21 days of receipt. Corresponding State share should be released as early as possible and not later than 40 days of the release of the Central share. Use of EAT module of PFMS is mandatory for disbursing grants under the scheme.

2.1.2. As per Rule 235 of Government Financial Rules, 2017 (GFR, 2017), the beneficiary receiving grants would, irrespective of the amount involved, 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.

2.1.3. The beneficiary would be required to open a dedicated current bank account for work related to the approved project. All financial transactions (Beneficiary's contribution, term loan and grants-in-aid deposited / received and expenditure incurred on the approved activity as per guidelines) related to the branding & marketing component should be through this dedicated 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 beneficiary.

2.1.4. The release of funds would be in three (3) instalments to the dedicated current bank account for the project after the IMEC approval. The proportion of instalments¹ is mentioned below:

Type of Beneficiary	Entity wise Share	1 st Instalment (%)	2 nd Instalment (%)	3 rd Instalment (%)
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¹ This supersedes 'Release of Instalment' in OM File No. FM-11/55/2021-FME dated 27.09.2021

State Entities (incl. Special Purpose Vehicles with State entities, State Rural Livelihood Missions etc.)	PMFME Share	25	12.5	12.5
	Entity's Own Share	25	12.5	12.5
Special Purpose Vehicle of Micro Food Processing Enterprises / Cooperatives / Self Help Groups / Farmer Producer Organizations	PMFME Share	17.5	17.5	15
	Entity's Own Share	17.5	17.5	15

Subject to compliance of above requirement, the procedure for release of fund would be as mentioned below:

1st Instalment:

- a. In case of state entities, the amount will be released upfront.
- b. In case of private entities, PMFME's share will be released after the beneficiary submits CA certificate (on letterhead along with membership number) indicating spending of its share (of 1st instalment, as mentioned in para 2.1.4) from the dedicated current account.
- c. Following information / documents must be arranged by all entities:
 - i. Registration of entity on PFMS portal under 'PMFME' scheme.
 - ii. Statement of the dedicated current bank account for the project duly certified by concerned bank
 - iii. ECS mandate form duly certified by the bank.
 - iv. Compliance of any other Terms & conditions mentioned in the approval letter.
 - v. Recommendation of SNA for release of 1st instalment.

2nd Instalment: Shall be released upon fulfilment of following conditions:

- i. Utilization certificate duly generated through PFMS portal as a proof of utilization of 1st instalment of PMFME's share duly signed by Chartered Accountant and SNA.
- ii. CA Certificate (on letterhead along with membership number) for actual expenditure incurred on the project indicating utilization of entity's contribution and PMFME's share matching with the transaction statement of the dedicated current bank account for the project.
- iii. Entity demonstrating contribution of its share equivalent to the 2nd instalment (as mentioned in para 2.1.4) into the project's Current account supported by CA certificate and bank statement.
- iv. The 2nd instalment cannot be requisitioned before 3 months from the date of receiving the first instalment.
- v. Compliance of any other Terms & conditions mentioned in the approval letter.
- vi. Recommendation of SNA along with report verifying the physical and financial achievement of the project.

3rd Instalment: Shall be released upon fulfilment of following conditions:

- i. Utilization certificate duly generated through PFMS portal as a proof of utilization of 2nd instalment of PMFME's share duly signed by Chartered Accountant and SNA.



- ii. CA Certificate (on letterhead along with membership number) for actual expenditure incurred on the project indicating utilization of entity's contribution and PMFME's share matching with the transaction statement of the dedicated current bank account for the project.
- iii. Entity demonstrating contribution of its share equivalent to the 3rd instalment (as mentioned in para 2.1.4) into the project's Current account supported by CA certificate and bank statement.
- iv. The release of 3rd and final instalment of PMFME share will be released based on the actual expenditure incurred on the project and the sanctioned amount, whichever is lower.
- v. The 3rd instalment cannot be requisitioned before 3 months from the date of receiving the second instalment.
- vi. Compliance of any other Terms & conditions mentioned in the approval letter.
- vii. Recommendation of SNA along with report verifying the physical and financial achievement of the project.

2.2 Other conditions to be observed by beneficiary entity / nodal agency

The beneficiary availing financial assistance under the scheme would comply the following:

- i. Beneficiary would ensure availability of all statutory licenses to conduct business within 30 days of approval of proposal by the Ministry.
- ii. All interests or other earnings against Grants in aid released to the SNA should be mandatory remitted to the Consolidated Fund of India immediately after finalization of the accounts as per Dept. of Expenditure, Ministry of Finance O.M No. 1(13)/PFMS/FCD/2020 dated 30.06.2021. Such accrued interest should not be allowed to be adjusted against future releases;
- iii. Utilization Certificate for 3rd and final instalment shall be submitted by the beneficiary through SNA to the Ministry.
- iv. No cash payment receipts will be allowed as proof of expenditure submitted by the beneficiary.
- v. All traditional media bills including print, television, radio etc. should not be more than the Directorate of Advertising and Visual Publicity (Bureau of Outreach and Communication) / State Press Information Bureau contracted rates.
- vi. Media messaging for the beneficiary should comply with Advertising Standards Council of India / Ministry of Information and Broadcasting guidelines issued from time to time.



ANNEXURE-A

(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 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 Twothousand.....

WHEREAS on the Obligors' request, the Government as per Ministry of Food Processing Industries' Approval Letter No 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 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 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-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 Obligers.
The Obligers will abide by extant administrative rules / law of the land.

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.

1. Signature of witness
Address

2. Signature of witness Name &
Name & Address

