

Guidelines for scheme for setting up / up gradation of quality control / food testing laboratories

(1). Objectives:

The Scheme for setting up / up-gradation of quality control / food testing laboratories would benefit all stakeholders including domestic industry, exporters, entrepreneurs, small and medium enterprises, existing academic & research institutions, food standards setting bodies and Government. Food testing laboratories are the only way to ensure safety and quality of food products by Regulatory authorities, exporters, importers, processors, farmers, consumers etc. The other objectives of the scheme are:

- To establish a surveillance system for monitoring the quality and composition of food
- To analyse the samples received from food processing industries, and other stakeholders.
- To reduce the time of analysis of samples by reducing transportation time of samples.
- To ensure compliance of International standards on food in case of exports as well as imports.

(2). PATTERN OF ASSISTANCE:

(i). Central/State Government and its organizations /Universities (including deemed universities) will be eligible for grant-in-aid of entire cost of laboratory equipments required for labs. In addition, they would also be eligible for 25% of the cost of technical civil works to house the equipments and furniture and the fixtures associated with the equipments for general areas and 33% for difficult areas.

(ii). All other implementing agencies/private sector organisations will be eligible for grant-in-aid of 50% of cost of laboratory equipments and 25% of the cost of technical civil works to house the equipments and furniture and fixtures associated with the equipments for general areas and 70% of cost of lab equipment and 33% of technical civil works for difficult areas.

(iii). This includes 5% of the grant amount as professional fees for Programme Management Agency (PMA) engaged for providing advisory and implementation services to Food testing/Quality Control Laboratories and follow up actions.

(iv). When the Ministry establishes / sponsors such food testing laboratories, there would be no ceiling to financial assistance and the amount to be approved will be decided on case to case basis with the approval of Competent Authority.

(v). The food testing facilities so created will be accessible to public and will be made available to the food processing units for testing their products in and around the area at specified rates.

(3). DOCUMENTS REQUIRED:

(i) Application in the MFPI prescribed format (Format available on website: <http://mofpi.nic.in>). Format at Annexure-I.

(ii) Detailed project report clearly indicating the total project cost (item-wise and cost – wise break-up), Means of finance to meet the project cost, recurring expenditure, information on availability of land and building, qualified manpower, implementation schedule, list of lab equipments (their cost, purpose/parameters being tested), Technical civil works etc.

(iii) Sanction letter of term loan from bank / financial institutions , if any

(iv) Certificate of incorporation/registration of the organization, Memorandum and Articles of Association and Bye laws of the society (if applicable)/ partnership deed etc. Bio-data/background of the office bearers/promoters of the organization

(v) Annual reports and Audited Statement of Accounts of last two years, in case of upgradation proposals/cases

(vi) Blue Print of the laboratory building Plan

(vii) Notarized copy of land document of owned land / building or rent / lease agreement with a validity period minimum 15 years, preferably with an extension clause (notarized English version, in case document is in regional language).

(viii) Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).

(ix) Item wise and cost wise details of lab equipments envisaged duly supported by quotations. In case of up-gradation of lab, list of existing lab equipments with complete details are also to be furnished.

(x) 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)/ inter connected company/Group company as well as the applicant company itself has not obtained any financial assistance for a food processing project in the past from MFPI.

(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.

(xi) An undertaking (duly notarized) on non-judicial stamp paper, minimum value Rs.100/-, solemnly affirming that the grant will be utilized for the purpose it is sanctioned.

4. The Applicant Organization has also to confirm the following:

- (i) If the applicant is a Govt. / University / Public sector institution, the Organisation's share of expenditure is borne from their self generated funds and not from other grants received by it from other Govt. departments/bodies, which is meant for some other purpose.
- (ii) The facility created out of financial assistance of MFPI may be availed of by the food processing units in and around the area for getting their products at specified rates and shall create awareness through wide publicity of such facilities among the units.
- (iii) The Organization will Submit six monthly periodical progress report to this Ministry.
- (iv) The gap in the means of finance between grant amount sought and approved shall be borne by the organization.
- (v) The source of funds to meet recurring expenditure and maintain/up grade testing facilities
- (vi) Availability of qualified manpower vis – a- vis the facility created.
- (vii) Implementation schedule of the proposed laboratory restricting it to maximum 2 years.
- (viii) In case of up-gradation of food testing labs, status of NABL accreditation. Whether lab has obtained NABL accreditation, if yes, give details. If not, time frame by which the NABL accreditation will be obtained.

5. Implementation procedure:

- (a). Proposals for financial assistance for setting up / up-gradation of food testing laboratories will be received directly by Ministry of Food Processing Industries (MFPI).
- (b). All the proposals received for financial assistance will be placed before Techno Scrutiny Committee (TSC) constituted by MFPI for examining such proposals from technical angle. Applicant organizations will make presentations before TSC. The organizations will have to furnish information / documents as sought by TSC.
- (c). Thereafter, the proposals recommended by TSC from technical angle and complete in all respects will be placed before Project Approval Committee (PAC) for consideration and approval.
- (d). The following schedule will be adopted for release of grant assistance:-

- (i) 1st instalment of 40% of the total grant under the scheme will be released after ensuring that 40% of the promoters contribution and 40% of the term loan has been spent on the project.
- (ii) 2nd instalment of another 40% of the total grant under the scheme will be released after ensuring that utilization of first instalment of grant and 80% of promoters contribution and 80% 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.
- (iii) 3rd and final instalment of remaining 20% 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 3rd and final instalment.
- (iv) In case of Government / public sector organizations, 1st installment will be released after receiving requisite documents / confirmations as mentioned at para (4) of these guidelines. Second installment will be released only after ensuring full utilization of 1st installment of grant towards purchase of lab equipments and completion of Technical Civil works (TCW) for housing the equipments and ensuring incurring of 100% of promoters contribution.
- (e). The implementation schedule for the project would be about 18 months from the date of the approval of each project.
- (f). Difficult areas include J&K, Himachal Pradesh, Uttarakhand, Sikkim, North-Eastern states, Andaman & Nicobar Islands, Lakshadweep, Integrated Tribal Development Projects (ITDP) area.

Annexure-I

Application Form For Setting up/ up-gradation of Quality Control / Food Testing Laboratory

S.No.	Particulars	Details
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 the organization	
4	Objectives of the laboratory	
5	In case of up-gradation of existing lab, performance of the last three years indicating types of food products tested, parameters, revenue earned and any other relevant information etc.	
6	Range of products / parameters to be tested	
7	Number of Food Processing Industries situated in the region / nearby area and other potential users which may avail testing facilities. Attach list giving names & address of units along with their products.	
8	Name and address of the Laboratory from where these units are getting their products tested and constraints.	
9	Total Project cost : a) Land - not eligible for grant b) Building (i). Technical civil works which include only the constructed area required for housing the lab equipments, storage of samples / chemicals / consumables, and training hall. (ii). Non technical civil work such as office area, library, roads, boundary wall, canteen, guesthouse etc. (c) Laboratory Equipments - Indigenous - Imported (d) Recurring Expenditure - (i). Consumables (ii) Salaries & Wages (iii) Any other expenses	

	(e). Furniture & Fixtures (f). Any other items Total	
10	Means of Finance : (a) Promoters Contribution / equity (b). Grant from MFPI (c). Term Loan from Bank (d) Any other source Total	
11	Details of lab equipments proposed to be installed in the Laboratory indicating specifications, make, quantity, cost, purpose etc. (Please furnish detailed technical literature and quotations for each equipment) along with full justification	
12	Total no. of manpower to be employed (with their name, qualifications and experience)	
13	Implementation Schedule - Bar Chart / mile Stone Chart	
14	Recurring Expenditure & how this will be met. Cash flow for the next five year	
15	Whether Lab has obtained NABL accreditation, if yes, give details. If not, time frame by which the NABL accreditation will be obtained	
16	Any other relevant details	

Signature
Name and Designation
Seal of the organisation

Encl: List of documents attached

Check list for the scheme of setting –up/ upgradation of food testing laboratory

1.	Application in the MFPI prescribed format
2.	Total project cost (item-wise and cost – wise break-up)
3.	Means of finance to meet the project cost
4.	Details of Recurring expenditure,
5.	Availability of land and building,
6.	Details of Qualified manpower
7.	Implementation schedule
8.	List of lab equipments with their specifications, cost, purpose/parameters being tested in a tabulated form
9.	Details of Technical civil works etc.
10.	Sanction letter of term loan from bank / financial institutions
11.	Certificate of incorporation/registration of the organization
12.	Memorandum and Articles of Association and Bye laws of the society
13.	Bio-data/background of the office bearers/promoters of the organization
14.	Annual reports and Audited Statement of Accounts of last two years
15.	Blue Print of the laboratory building Plan
16.	Notarized land document of owned land/ building or rent/ lease agreement with a validity period minimum 15 years (notarized English version if the land document is regional language).
17.	Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
18.	Item wise and cost wise details of lab equipments envisaged duly supported by quotations duly Certified by chartered Engineer (Mechanical)
19.	List of existing lab equipments with complete details
20.	An affidavit on non-judicial stamp paper of Rs.100/-, duly notarized.
21.	An undertaking on non-judicial stamp paper of Rs.100/-, duly notarized.

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: _____

