

June 11, 2015

To,
The Sr. manager

Sub: Procedural input for inspection visit by various branches of Nodal Bank (Canara Bank, State Bank of Hyderabad) under IDLS scheme

Dear Sir

We would like to take reference to our email communication and your advisory issued to the designated branches and our telephonic conversation with your goodself and thereafter our interaction with various beneficiary units, we are under impression that it is mandatory to issue this advisory to various branches in order to execute in uniform manner by the rest of the units.

1. Upon completion of inspection of machine at the factory site FDDI would intimate the unit to visit their nearest branch (As per enclosed list). The corresponding branch of the Nodal bank is also informed about the beneficiary units.
2. FDDI has prepared a checklist for the Nodal Bank (Enclosed with necessary formats) which has to be handed over to the unit. The unit submit those documents as per mode of finance (Bank and self-financed) within specific time. For tanneries a unit must submit a valid NOC/ Consent to operate from the State Pollution control Board.
3. Upon satisfactory scrutiny of documents, the concerned branch informs the unit about the visit to the factory site (Single or multiple sites) at an earliest possible date. Inspect payment related documents (payment to the supplier of the machines for which grant was sanctioned) as per mode of finance and generally accepted banking practice. Any irregularities about payment to the machine supplier have to be intimated to this PIU for necessary action. However inspection of machines is optional as the respective Project implementation Units (FDDI for product units and CLRI for tanneries) have already completed inspection of acquired assets at site.

Cont....

4. The branch invite all the partners/ Directors/ Sole proprietor including partners/Directors residing abroad to sign the agreement (format enclosed as per mode of finance). Signing of agreement cannot be delegated to any other person. FDDI, Beneficiary Unit, the Nodal Bank branch and the Lending bank (as the case may be) must have an original agreement hence 3/4 copies would be required to sign. The bank in its discretion may obtain partners/ Directors list endorsed by Registrar of Firms or Registrar of Companies as the case may be.

5. The bank prepares the visit report (Format enclosed) which is submitted in original to the concerned official at FDDI Noida along with the copies of other documents. Upon accumulation of reports FDDI lodge claim for disbursement of grant with DIPP at regular interval.
6. Upon receiving the fund from DIPP to FDDI,s central account, FDDI advice Nodal bank to release the grant through its disbursal account to beneficiary units Current account / WC account/Term Loan account(For bank financed proposal fund must be adjusted with the Term loan account) within shortest possible time.
7. **In case it is found that the grant is obtained through false declaration the unit shall be given show cause notice by the bank and legal action by Nodal Bank and FDDI may be initiated if necessary.**
8. The designated branch at Noida shall send statement of disbursal to the concerned person at FDDI on monthly basis for reconciliation.

The branch may also download all the above formats from our website www.fddiindia.com. The URL is:

http://www.fddiindia.com/services-new/idls_index.html

This communication is for circulation to other branches through good office. For any clarification, submission of reports, reconciliation of statement the following official may be contacted

Mr. Avik Patranabish
Footwear Design & Development Institute
A-10-A, Sector- 24 Noida-201301
Ph: 0120-4500170, 9899095827

Thanking you

Yours faithfully

Aritra Das
Project Coordinator (IDLS)

- Encl:
1. Copy of E mail with your office
 2. List of Canara Bank branches.
 3. Checklist for Nodal Bank
 4. Appendix 1 & 1 A (To be signed by the appraising/lending bank)
 5. Draft format of Agreement for Bank financed proposal.
 6. Draft format of agreement for Self-financed proposal.
 7. Pre Disbursal Bank Inspection Report (Visit report)
 8. Timeline for activities