

F.No: 1-2/2010-DP
GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE
DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING & FISHERIES

KRISHI BHAWAN, NEW DELHI
DATED: 28th December, 2010

To,

The Pay & Accounts Officer
PAO(Sectt)-I
Ministry of Agriculture,
Department of Animal Husbandry, Dairying & Fisheries,
Room No.35, Krishi Bhawan,
New Delhi

Sub: Central Sector Plan Scheme "**DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME**"- the release of funds to NABARD for its implementation in the country during the year 2010-11

Sir,

I am directed to refer to this Ministry's letter No.1-1/06-DP dated 9th September, 2010 conveying the administrative approval of Govt. of India for implementation of Central Sector Plan Scheme "**DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME**" through National Bank for Agriculture and Rural Development (NABARD) and to convey the sanction of President to release Rs 1,29,03,000 (Rupees **One Crore Twenty Nine lakh Three Thousand only**) as revolving funds towards implementation of the scheme throughout the country during the year 2010-11.

2. This amount is towards plan expenditure and should be utilized on the programme as per approved guidelines of **DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME** and no deviation from the provisions of guidelines is permissible.

3. This release is further subjected to the following terms and conditions of General Financial Rules-2005.

a) NABARD will maintain subsidiary accounts of the amount. The Ministry of Finance has formulated standard formats for presentation of Final Accounts by Central Autonomous Organization. The Bank will maintain and present their annual accounts in the prescribed standard

b) The accounts of the Bank shall be open to the inspection by sanctioning authority and audit both by Comptroller & Auditor General of India under the provision of C.&A.G.(DPC) Act 1971 and internal audit by Pr.Accounts Office of the Ministry.

c) The certificate of actual utilization of amount for the purpose for which it is sanctioned will be submitted by the institute in form GFR-1-A by the close of financial year.

d) Performance-cum-Achievement report should be submitted after utilization of this amount.

e) The assets acquired wholly or substantially out of the government funds except those declared as obsolete and unserviceable or condemned in accordance with the procedure duly laid down in GFR shall not be disposed off without obtaining the prior approval of authority which sanctioned the grant.

f) NABARD agrees to make reservations for Scheduled Castes and Scheduled Tribes or OBC in the post or services under its control on the lines indicated by Government of India.

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4. NABARD will be the nodal agency for implementation of scheme and the funds released towards implementation of scheme will be administered by NABARD as revolving fund. The scheme will be implemented by the commercial banks, cooperative banks and regional rural banks (RRBs) identified by NABARD.
5. NABARD should arrange for adequate publicity to the scheme throughout the country to ensure benefits of the scheme can be availed by all eligible beneficiaries throughout the country.
6. The scheme will be extended to agriculture farmers/individual entrepreneurs and groups of all sections of unorganized as well as organized sector.
7. Government of India will release fund to NABARD, as revolving fund which will be recouped after balance comes below certain level and will be utilized by NABARD for providing back ended capital subsidy, and these funds will be transferred to lead banks, as per their demand after the project is approved.
8. Capital subsidy will be back ended (adjusted against last few installments of repayment of bank loan) with minimum **lock-in period of 3 years**, and would be refunded if account becomes an NPA. It will be kept in "Subsidy Reserve Fund Account (Borrower-wise) in books of financing bank. No interest will be paid by bank on this amount.
9. The beneficiaries selected by the identified banks will be financed for specific activities, as envisaged in the administrative approval of the scheme under Dairy sector and assisted under the scheme. The borrower will prepare a bankable project and submit it to the banks for consideration under the scheme. From the revolving funds maintained by NABARD, the beneficiary will be given the Back ended capital subsidy 25% of for general category and 33% for SC/ST farmers of the total cost of the project/proposal subject to component wise ceiling as indicated in the administrative approval of the scheme which will be adjusted against the last few installments of repayment of bank loan.
10. Units set up under the scheme will be field monitored on a sample basis by NABARD and major observations will be put up to JMC for discussions.
11. Proposals will be sanctioned by commercial banks as per guidelines of RBI, NABARD and Government of India.
12. Project Sanctioning Committee (PSC) of NABARD Regional Office shall examine the proposal placed before it and sanction the subsidy in case of eligible proposals.
13. Repayment Period will depend on nature of activity and cash flow and will vary between 3-7 years. Grace period may range from 3 to 6 months in case of dairy farms, to 3 years for calf rearing units (to be decided by, financing bank as per requirements of individual projects). Any deficiency in repayment in the project will be the responsibility of the bank the borrowers are to be identified and selected by them.
14. NABARD will submit quarterly report to DAHD&F, providing information on number of proposals received sanctioned, farmers / entrepreneurs benefited including SC/ST & women, release of funds, funds sanctioned, recovery of loan etc.
15. Joint Monitoring Committee consisting of representatives of NABARD, concerned Banks and State Secretaries-in-charge of AH&D under Chairmanship of Joint Secretary (DD) will review implementation of the scheme, at regular intervals.
16. Empowered Committee under the Chairmanship of Secretary(ADF) will have discretion to modify unit cost, based on inputs from NABARD.
17. Department of Animal Husbandry, Dairying & Fisheries reserve the rights to modify, add and delete any terms/conditions without assigning any reasons and its interpretation of various terms will be final. It also reserves the right to recall any amount given under the scheme without assigning any reason thereof.



18. Rate of interest on loans shall be as per RBI guidelines and declared policy of bank in this regard. The bank may charge interest on entire loan amount, till subsidy amount is received and from date of receipt of subsidy, interest has to be charged only on effective bank loan portion i.e. outlay excluding margin and subsidy.

19. Participating banks will adhere to norms of appraising projects regarding technical feasibility and commercial/financial viability and avoid duplication of projects under scheme with similar projects implemented by Directorate of Agricultural Marketing, Ministry of Agriculture in same areas.

20. Drawing & Disbursing Officer (DDO) of the Ministry is authorized to prefer the bill to the Pay & Accounts Officer for the release of Rs 1,29,03,000 (Rupees One Crore Twenty Nine lakh Three Thousand only) to National Bank for Agriculture and Rural Development through Demand Draft/T.T. to its Bank Account No 8692974 with Reserve Bank of India, Shahid Bhagat Singh Road, Fort, Mumbai- 400 001

21. The above expenditure is debitable to the following head of accounts in the financial year 2010-2011

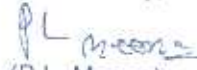
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- 003 -Department of Animal Husbandry, Dairying and Fisheries.
- 2404 -Dairy Development (Major Head)
- 102 -Dairy Development Projects (Minor Head)
- 14 -Dairy Venture Capital Fund
- 140031 -Grant-in-aid-General

22. This issues with the concurrence of Integrated Finance Division vide their Diary No.4997 AS & FA dated 24.12.2010

23. The receipt of this letter may please be acknowledged.

Yours faithfully,


(P.L. Meena)

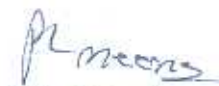
Under Secretary to Govt. Of India

Copy forwarded to:

1. Managing Director, NABARD, C-24, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.
2. Principal Accounts Officer, Ministry of Agriculture, Department of Animal Husbandry, Dairying & Fisheries, 16, Akbar Road Hutments, New Delhi-110 011 through PS to CCA, Room No.242, D Wing, Krishi Bhavan, New Delhi.
3. Accountant General, Commerce, Works and Miscellaneous, AGCR Bldg. Near ITO, New Delhi-110 002
4. Chief Controller of Accounts, Deptt. of Agri. & Coopn. Krishi Bhavan (Room No.242).
5. Under Secretary, IFD Deptt. of AH,D&F, Krishi Bhavan, New Delhi
6. SO&DDO (Cash) for information and necessary action.
7. Technical Director, NIC, Room No.436, Krishi Bhawan, (for updating in Dairy Division Website under the scheme 'Dairy Venture Capital Fund(DVCF)').

Copy for information to:

8. PPS to Secretary (DADF).
9. PS to JS(A&DD)/PS to AS&FA/Dir(DD)/AC(DD)
10. Guard File.


(P.L. Meena)

Under Secretary to Govt. Of India