

F.No: 1-1/06-DP
GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE
DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING & FISHERIES

KRISHI BHAWAN, NEW DELHI
DATED: 24th August, 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 VENTURE CAPITAL FUND" - the release of funds to NABARD for its implementation in the country during the year 2010-11

Sir,

I am directed to convey the sanction of the President of India to the payment of Rs2,00,00,000 (Rupees Two Crore only) to National Bank for Agriculture and Rural Development (NABARD) towards second installment under DAIRY VENTURE CAPITAL FUND during the year 2010-2011. This includes an amount of Rs.61, 52,000/- (Rupees Sixty one lakh fifty-two thousand only) towards the implementation of the scheme exclusively in the North-Eastern Region & Sikkim.

2. This amount is towards plan expenditure and should be utilized on the programme as per approved guidelines of DAIRY VENTURE CAPITAL FUND 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.
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. The scheme will be extended to agriculture farmers/individual entrepreneurs and groups of all sections of unorganized as well as organized sector.
6. 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 interest free loan of 50% of the total cost of the project/proposal subject to the ceiling as indicated in the administrative approval of the scheme. The borrower will bear the 10% of the total investment as his/her margin and bank will charge interest rate applicable, as per their norms on the balance loan amount of 40% of the project cost.
7. The project will be sanctioned by the bank after proper scrutiny as per its laid down procedure and satisfying itself that the proposal is viable and meets the conditions prescribed under the scheme. The bank will submit its claim to the Regional office of NABARD after sanction of the loan proposal.
8. The Project Sanctioning Committee (PSC) will be headed by Regional Officer of NABARD and will include representative of the banks participating in the scheme. The committee will authorize release of the interest free loan as well as the interest subsidy to the banks.
9. The bank will release the entire loan amount in installments depending upon the progress and implementation of the project. The bank will affect recovery as per its prescription and will return pro rata of the recovery made to NABARD for crediting towards the revolving funds on an annual basis.
10. Repayment period of loan will depend upon the cash flow and will be upto a maximum of 7 years including grace period of 2 years. Any deficiency in repayment in the project will be the responsibility of the bank the borrowers are to be identified and selected by them.



11. In case of any deficiency in the repayment of the project sanctioned, the default amount will be borne by financing bank and GOI in the ratio of 4:5, on the same principle as the amount disbursed. However, the participating bank will take due care in identifying the loonies to keep the cases of default minimum.
12. NABARD will scrutinize the claim of the banks and release the amount claimed. It will also monitor the scheme on a regular basis and provide a report to DADF, GOI on monthly/Quarterly basis. It will also plan for improvement and expansion of the scheme for future, based on the feedback.
13. On completion of the project, the participating bank will submit a completion certificate to DADF through NABARD.
14. The National level Joint Monitoring Committee (JMC) will be headed by Joint Secretary, Dairy Development (Department of Animal Husbandry, Dairying & Fisheries, MOA, and GOI) and will have representative of NABARD, State Bank of India, UCO Bank, Punjab National Bank, Canara Bank and Indian Bank and Secretaries of Animal Husbandry and Dairy Development of four State Governments on rotational basis. This Committee will formulate guidelines for the implementation of the scheme and monitor the implementation of the scheme. NABARD will closely monitor the units financed and will conduct periodic inspections to verify the utilization and study the working of the scheme.
15. 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 thereon.
16. Any other operational instructions issued by DADF, GOI/NABARD from time to time will be strictly followed.
17. The interest accrued by NABARD on the funds released by GOI will be ploughed back into the revolving fund account maintained by it. A statement indicating the status of the funds available in the revolving fund account will be submitted to GOI on monthly/quarterly basis by NABARD in the prescribed proforma.
18. Drawing & Disbursing Officer(DDO) of the Ministry is authorized to prefer the bill to the Pay & Accounts Officer for the release of Rs 2,00,00,000 (Rupees Two Crore 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

[Handwritten Signature]

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

- (PLAN) -
- 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

20. The pattern of assistance or rules governing such amount have received the approval of Ministry of Finance as required under Govt. of India Decision(1) below Rule 20 of Delegation of Financial Powers.

21. This issues with the concurrence of Integrated Finance Division vide their Diary No. 2574 AS & FA dated 18.08.2010

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

Yours faithfully,


(B. Prashanth Kumar)
Director (Dairy Development)

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 (DAIDF)
9. PS to JS(A&DD)/PS to AS&FA/Dir(DD)/AC(DD)
10. Guard File


(B. Prashanth Kumar)
Director (Dairy Development)