

F.No. M-02023/2/2017-CDD
Government of India
Ministry of Fisheries, Animal Husbandry and Dairying
Department of Animal Husbandry and Dairying
(Dairy Division)

Krishi Bhawan, New Delhi-110001
Dated the 09th April, 2020

To

Principal Accounts Officer,
Ministry of Agriculture and Farmers Welfare,
Department of Animal Husbandry and Dairying
16, Akbar Road Hutments,
New Delhi- 110011.

Subject: Administrative Approval for implementation of Central Sector Scheme "**Dairy Processing and Infrastructure Development Fund (DIDF)**" during 2020-21.

Sir,

The undersigned is directed to refer to this Department's OM No 02023/2/2017-CDD dated 21st December, 2017 conveying first administrative approval for Central Sector Scheme – **Dairy Processing and Infrastructure Development Fund (DIDF)** implementation during 2017-18 and No.02023/2/2017-CDD for DIDF scheme for the financial year 2019-20 dated 02.03.2020, **and to convey administrative approval for DIDF during 2020-21** with a total outlay of Rs 11184 Crore, of which Rs 8004 crore shall be loan from National Bank for Agriculture and Rural Development (NABARD) to National Dairy Development Board (NDDB) and National Cooperative Development Cooperation (NCDC) for End borrowers , Rs 2001 crore shall be end borrowers contribution, Rs 12 crore would be NDDB/NCDC's share during 3 years 2018-19 to 2022-23 and Rs 1167 crore shall be contributed by DAHD towards interest subvention on repayment for 10 years (2018-19 to 2030-31 with spill over to first quarter of 2031-32).

2. Objectives of the DIDF:

- i. To modernize the milk processing plants and machinery and to create additional infrastructure for processing more milk.
- ii. To create additional milk processing capacity for increased value addition by producing more dairy products.
- iii. To bring efficiency in dairy processing plants/producer owned and controlled dairy institutions, thereby enabling optimum value of milk to milk producer farmers and supply of quality milk to consumers.

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Under Secretary
DAHD

- iv. To help the producer owned and controlled institutions to increase their share of milk, thereby providing greater opportunities of ownership, management and market access to rural milk producers in the organized milk market.
- v. To help the producer owned and controlled institutions to consolidate their position as dominant player in the organized liquid milk market and to make increased price realization to milk producers.

3. Components of DIDF

The broad investment activities eligible under DIDF are:

- i. Modernization & creation of new milk processing facilities
- ii. Manufacturing facilities for Value added Products
- iii. Milk Chilling infrastructure
- iv. Setting up electronic milk testing equipment
- v. Project Management and Learning
- vi. Any other activity related to the dairy sector targeted to contribute to the objectives of DIDF and decided by Government of India in consultation with the stakeholders.

4. Eligible institutions

(i) NDDDB and NCDC using the loans from the DIDF will lend to the following institutions

- Co-operative Milk Unions
- State Cooperative Dairy Federations
- Multi State Milk Cooperatives
- Milk Producer Companies
- NDDDB subsidiaries

(ii) Financial assistance under DIDF will be given to the end borrowers which are financially viable and willing to avail funds and also fulfill the eligibility criteria, as per Operation guidelines of DIDF.

5. Source of fund

NABARD shall raise fund from the financial markets in compliance with SEBI guidelines. The instrument appropriate for borrowing shall be decided by NABARD depending on the demand.

6. Cost of Fund to NABARD

The cost of fund to NABARD shall be the actual cost of borrowing by NABARD inclusive of interest, taxes, fees, charges, etc., plus fund management cost of 0.60% per annum.


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The interest rate on borrowings from market by NABARD shall vary from time to time depending upon rates prevailing at the time of raising funds.

7. Interest rates on loans by NABARD to NDDB/NCDC and to End Borrower

NABARD shall extend loan to NDDB and NCDC at a rate of interest of 6% per annum repayable at quarterly rests. The interest rate to end borrower shall be upto 6.5 % per annum (to be charged by NDDB/NCDC) subject to the condition that difference between cost of borrowing funds from market (by NABARD) and the rate at which NABARD passes loan on to NDDB/NCDC is not more than 2.5% p.a. In case of any further increase in cost of borrowing of fund by NABARD, the additional cost of fund will be borne by the End Borrowers.

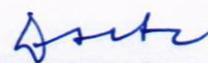
8. Budget for interest subvention:

DAHD shall provide Budgetary support annually towards interest subvention.

9. Revision of interest subvention rate from 2% to 2.5% has been approved on dated 21.02.2020 by competent authority.

10. This administrative approval is issued vide Dy No. JS/DAHD-1 dated 09/04/2020

Yours Sincerely



(Deepak Sethi)

Under Secretary to the Govt. of India

DEEPAK SETHI

Under Secretary

DAHD

Distribution:

1. The Pay & Accounts Officer, PAO(Sectt)-I, Ministry of Agriculture and Farmers Welfare, Department of Animal Husbandry and Dairying, Room No.35, Krishi Bhawan, New Delhi
2. The Accountant General, Commerce, Works and Miscellaneous, AGCR Building, Near ITO, New Delhi-110002.
3. Chief Controller of Accounts, Department of Agriculture and Cooperation, Krishi Bhawan, New Delhi.
4. Advisor (Agriculture), NITI AAYOG, New Delhi.
5. Additional Secretary & Financial Advisor, Department of Animal Husbandry and Dairying, Krishi Bhawan, New Delhi.
6. Joint Secretary (PF-II), Ministry of Finance, Department of Expenditure, North Block, New Delhi.

7. Joint Secretary, Ministry of Finance, Department of Economic Affairs, Banking Operation and Administration Division, Room No.6, 3rd Floor, Jeevan Deep Building, Parliament Street, New Delhi.
8. Chairman, NDDDB, P.B.No.40, Anand 388001.
9. Chairman, NABARD, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
10. Managing Director, NCDC, 4 Siri Institutional Area, Hauz Khas, New Delhi 110016.
11. Chief General Manager, Business Initiatives Department, NABARD, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
12. All State Governments, Department of Animal Husbandry and Dairying
13. All MD, Milk Federation, States/ UTs
14. Technical Director, NIC (With a request to Include the Administrative approval in website of the Department)

Copy for information to:

15. PS to Hon'ble Fisheries, Animal Husbandry and Dairying
16. PS to Hon'ble Minister of State for Fisheries, Animal Husbandry and Dairying
17. PPS to Secretary (AHD)
18. PPS to AS &FA
19. PPS to AHC
20. PS to JS (C&DD)/ PS to JS(NLM)/PS to JS(LH)/JS(Fy)
21. Dir (DD)/Dir (Budget)/DC(DD)/US (Fin)/ AC (DD)/ AO(Budget)

Yours Sincerely



(Deepak Sethi)

Under Secretary to the Govt. of India

DEEPAK SETHI
Under Secretary
DAHD