

F.No.22-11/2015-DP
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Animal Husbandry, Dairying & Fisheries

Krishi Bhawan, New Delhi
Dated 25th April 2018

Subject:- Administrative Approval of Central Sector scheme "Supporting State Cooperative Dairy Federations" during 2018-2019

The undersigned is directed to convey the Administrative Approval towards implementation of Central Sector Scheme "Supporting State Cooperative Dairy Federations" during severely adverse market conditions, natural calamities or unforeseen exigencies. The scheme will be implemented by National Dairy Development Board.

2. A corpus of Rs. 300 crore will be kept in perpetuity with National Dairy Development Board to be used for providing soft loans for working capital to enable State Dairy Cooperative Federations to provide a stable market access to farmers.
3. The objective of the scheme is as follows:-
 - i) To assist the State Dairy Cooperative Federations by providing soft working capital loan to tide over the crisis on account of severely adverse market conditions or natural calamities.
 - ii) To provide stable market access to the dairy farmers.
 - iii) To enable State Cooperative Dairy Federations to continue to make timely payments of dues to the farmers.
 - iv) To enable the cooperatives to procure milk at a remunerative price from the farmers, even during the flush season.
4. A copy of the guidelines of the scheme is **enclosed** herewith. Proposal may be prepared and submitted as per the guidelines to National Dairy Development Board, Anand.
5. Participating States/State Implementing Agencies will submit quarterly progress reports (QPR), annual report, audit reports etc along with utilization certificate in the prescribed formats. The funds released under the project will be subjected to AG Audit of the concerned State.
6. This issues with the approval of Joint Secretary (C&DD) vide Dy.No.E-2162 dated 23.04.2018.

Yours faithfully,



(K.C Patra)

Under Secretary to the Government of India

Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

Distribution:

1. Managing Director, National Dairy Development Board, Anand, Gujarat
2. Chief Executive Officer, Niti Ayog, Yojana Bhawan, New Delhi
3. Principal Accounts Officer, Ministry of Agriculture, Department of Animal Husbandry Dairying and Fisheries, 16-A, Akbar Road Hutments, New Delhi-110011.
4. Chief Controller of Accounts, Department of Agriculture, Cooperation & Farmers Welfare, Krishi Bhawan New Delhi.
5. Accountant General, AGCR Building, New Delhi-110002
6. Principal Secretary/Secretary, Department of Animal Husbandry/Dairy Development, All States and UT's
7. Managing Director, Milk Federation, All States and UTs

Copy for kind information to:

Sr.PPS to Secretary (AHD&F),PPS to AHC,PPS to AS &FA,PPS to JS(C&DD)/ Dir (DD)/ Dir (B)/DC (DD)/AC(DD)/US(Fin)/ Guard file.



(K.C. Patra)

Under Secretary to the Government of India

(K.C. PATRA)
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Ministry of Agriculture
Deptt. of A. R. D. & Fisheries
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GUIDELINES OF THE SCHEME

i. The scheme will be driven by a High Powered Committee chaired by Secretary (DADF). The Composition of the High Powered Committee will be as follows:-

- a) Secretary (DADF)- Chairman
- b) AS & FA, DADF- member
- c) Managing Director, National Dairy Development Board- member & convener.
- d) Joint Secretary (Dairy Development), DADF- member

The High Powered Committee will decide on the disbursement under the scheme.

ii. A corpus of Rs. 300 crore in perpetuity with NDDB to be used for providing soft loans for working capital to enable State Dairy Cooperative Federations to provide a stable market access to farmers.

iii. **Eligible Organizations:** State Dairy Cooperative Federations having village level cooperative societies.

iv. **Eligibility Criteria:**

- State Dairy Cooperative Federations which fulfil the following criteria will be eligible for working capital loan from the **corpus fund**; to be repaid within nine months-
 - a. Must not be a defaulter in repayment of long term loan or working capital loan to NDDB and/or NCDC.
 - b. Past accounts, upto the previous financial year, must be attached with the loan application.
 - c. The Debt Service Coverage Ratio (DSCR) of the operations to cover the total liability towards lenders should work out to a minimum of 1.25 times.
 - d. The Federation must post Operating Profits of the last 3 consecutive financial years. 'Other income & grant' should not be considered for calculation of Operating Profit.
 - e. Current Ratio should be a minimum of 1.00. 'Non recoverable debtors' shall be excluded from debtors and 'short term loan & interest due' to be included in current liabilities in calculation of Current Ratio.
 - f. Only those State Dairy Cooperative Federations will be eligible which have not received any element of subsidy from the State Government for milk procurement. Those States where subsidy is paid either to the State Federations or directly to the farmers for milk procurement shall not be eligible to receive working capital loan on soft terms under this scheme.

Note:-

- a. The eligible borrowers must submit their application for working capital in a prescribed format to NDDB.
- b. The details required would include month-wise details of milk procurement, liquid milk sale and milk disposed in various products for the past financial year and month-wise projected

