

F. No M. 02023/2/2017 –CDD (E-5422)  
Government of India  
Ministry of Fisheries, Animal Husbandry & Dairying  
Department of Animal Husbandry & Dairying  
(Dairy Division)

Krishi Bhawan, New Delhi  
Date: 27 October, 2020

**Addendum**

To

Principal Accounts Officer,  
Ministry of Fisheries, Animal husbandry and Dairying  
Department of Animal Husbandry and Dairying  
3<sup>rd</sup> Floor, Jeevan Tara Building,  
Parliament Street, New Delhi-110001

**Subject: Administrative Approval for implementation of Central Sector Scheme, Dairy Processing and infrastructure Development Fund (DIDF) during 2020-2021-reg**

In continuation to the Administrative Approval and operational Guidelines issued by this Department vide letters of even number dated 09.04.2020, dated 01.05.2020 and 15.07.2020 for implementation of Dairy Processing and infrastructure Development Fund (DIDF) during 2020-21, the undersigned is directed to issue addendum in Administrative Approval and/or Operational Guidelines (wherever applicable) w.r.t the following:

Reference	Existing Paragraph	To be read as
Para 7 of Administrative Approval for DIDF dated 09.04.2020	NABARD shall extend loans to NDDDB 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 NDDDB/NCDC) subject to the condition that difference between cost of borrowing funds from market (by NABARD) and the rate at which NABARD passes loan to NDDDB/ NCDC is not more than 2.5% p.a. In case of any further increase in the cost of borrowing of fund by NABARD, the additional cost of fund will be borne by the End Borrowers.	<b><i>The difference of the interest rate at which NABARD borrow from market and the interest rate at which NDDDB/NCDC to transfer to Eligible End Borrowers (EEB) shall be 1.4% with effect from 11.09.2020. In case of any further increase in the cost of borrowing of fund by NABARD, the additional cost of fund will be borne by the End Borrowers.</i></b>
Para 1 of Operational Guidelines	Government of India on 19.02.2020 has approved revision of interest subvention from "upto	<b><i>Interest subvention has been revised from "upto 2% p.a." to a fixed "2.5% p.a. with effect from</i></b>



Reference	Existing Paragraph	To be read as
	2% p.a.” to “upto 2.5% p.a.” (a maximum of Rs. 1167 crore), resultantly the total financial outlay amounts to a maximum of Rs.11184 crore	<b>11.09.2020”</b> (a maximum of Rs. 1167 crore), resultantly the total financial outlay amounts to a maximum of Rs.11184 crore
Para 6 of Operational Guidelines	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. 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. NABARD shall endeavor to keep the cost of borrowing to the minimum and ensure that interest subvention does not exceed 2.5% in order that the loan is provided to the eligible end borrower at 6.5% per annum. However, in future, in case there is any increase in the costs of funds for NABARD, it shall be borne by the end borrowers(Para 9.1 of CCEA Note dated 27th January 2020)	<i>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. 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. NABARD shall endeavor to keep the cost of borrowing to the minimum and ensure that interest subvention does not exceed 2.5% <b>The difference of the interest rate at which NABARD borrow from market and the interest rate at which NDDB/NCDC to transfer to Eligible End Borrowers (EEB) shall be 1.4% with effect from 11.09.2020.</b> In case of any further increase in the cost of borrowing of fund by NABARD, the additional cost of fund will be borne by the End Borrowers (Point (ii) of 6<sup>th</sup> CPSC held on 11.09.2020)</i>
Para 7 of Operational Guidelines	NABARD shall extend loans to NDDB and NCDC at rate of interest of 6% per annum repayable at quarterly rests. The interest rate to the Eligible End Borrower shall be at rate of interest of 6.5 % per annum to be charged by NDDB/NCDC.	<i><b>The difference of the interest rate at which NABARD borrow from market and the interest rate at which NDDB/NCDC to transfer to Eligible End Borrowers (EEB) shall be 1.4% with effect from 11.09.2020.</b> In case of any further increase in the cost of borrowing of fund by NABARD, the additional cost of fund will be borne by the End Borrowers</i>
Para 8 (i) of	The GOI shall pay the interest	<i>The GOI shall pay the interest</i>



Reference	Existing Paragraph	To be read as
		<b>with effect from 11.09.2020</b>

This is issued vide dairy No. 5422 JS (CDD) dated



(Deepak Sethi)

Under Secretary to Government of India

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 Bhavan, New Delhi
2. The Accountant General, Commerce' Works and Miscellaneous' AGCR Building, Near ITO, New Delhi-1 10002
3. Chief Controller of Accounts, Department of Agriculture and Cooperation, Krishi Bhavan, New Delhi
4. Advisor (Agriculture), NITI AAYOG, New Delhi.
5. Special Secretary & Financial Advisor, Department of Animal Husbandry and Dairying, Krishi Bhavan, 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, 3'Floor, Jeevan Deep Building, Parliament Street, New Delhi.
8. Chairman, NDDDB, P.8.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 SS&FA
19. PPS to AHC
20. PS to JS (C&DD), PS to JS (NLM)/ PS to JS (LH)
21. Dir (DD)/ Dir (Budget)/ DC (DD)/ US (Fin)/ AC (DD)/ AO (Budget)

Reference	Existing Paragraph	To be read as
Operational Guidelines	subvention amount to NABARD till due outstanding loan and interest are fully paid off. The interest subvention shall be the difference between (a) costs of borrowing by NABARD (inclusive of interest, taxes, fees, charges, etc.) plus fund management cost of 0.6% per annum, and (b) the rate of interest charged on loans to NDDDB/NCDC by NABARD.	<i>subvention amount (at a fixed rate of 2.5% with effect from 11.09.2020) to NABARD till due outstanding loan and interest is fully paid off. The difference of the interest rate at which NABARD(inclusive of interest, taxes, fees, charges, etc.) plus fund management cost of 0.6% borrow from market and the interest rate at which NDDDB/NCDC to transfer to Eligible End Borrowers (EEB) shall be 1.4% with effect from 11.09.2020. In case of any further increase in the cost of borrowing of fund by NABARD, the additional cost of fund will be borne by the End Borrowers</i>
Para 9 (iii) of Operational Guidelines	NDDDB/NCDC may maintain Debt Service reserve Account (DSRA) with minimum balance equal to two quarters dues towards interest and principal installments. NDDDB/NCDC may maintain minimum balance in DSRA in the form of fixed deposits or bank guarantee.	<i>NDDDB/NCDC may maintain Debt Service reserve Account (DSRA) with minimum balance equal to <b>one quarter (with effect from 11.09.2020)</b> dues towards interest and principal installments. NDDDB/NCDC may maintain minimum balance in DSRA in the form of fixed deposits or bank guarantee.</i>
Para 1 (v) OF Annexure-I of Operational Guidelines	NDDDB/NCDC shall ensure DSRA is created immediately after the fund is disbursed from NDDDB/NCDC to eligible end borrower. Eligible end borrower shall maintain Debt Service Reserve Account (DSRA) covering minimum of 2 quarter interest and principal installment	<i>NDDDB/NCDC shall ensure DSRA is created immediately after the fund is disbursed from NDDDB/NCDC to eligible end borrower. Eligible end borrower shall maintain Debt Service Reserve Account (DSRA) covering <b>minimum of 1 quarter interest and principal installment (with effect from 11.09.2020)</b></i>
Para 2 of Annexure-III of Operational Guidelines	NABARD shall extend loans to NDDDB and NCDC at fixed rate of interest of 6% per annum payable at quarterly rests	<i><b>The difference of the interest rate at which NABARD borrow from market and the interest rate at which NDDDB/NCDC to transfer to Eligible End Borrowers (EEB) shall be 1.4%</b></i>

