



Dairy Processing & Infrastructure Development Fund Scheme (DIDF)

18 January 2018

National Dairy Development Board



About the scheme

- ❖ **Dairy Processing and Infrastructure Development Fund (DIDF)** – a Central Sector Scheme approved by DADF, GoI on 21 December 2017.

- ❖ **Objectives of the Scheme:**
 - To modernise and create new milk processing infrastructure and Value Added Product manufacturing facilities
 - To bring efficiency in processing plants thereby enabling optimum value of milk to producers and quality milk to consumers.
 - To increase share of Producer Owned Institutions in organised sector and continue as a dominant player in the organised liquid milk market.

- ❖ **Project period – 3 years** (2017-18 to 2019-20)



Project Components and Outlays

❖ Project Components :

- Modernisation & creation of new milk processing facilities
- Manufacturing facilities for Value Added Products (VAP)
- Creation of village level Chilling infrastructure (BMCs)
- Setting up of electronic milk testing equipment

❖ Project Outlay - Rs. 10881 crore

- Loan – Rs. 8004 crore,
- End Borrower's Contribution - Rs. 2001 crore,
- GoI Interest Subvention - Rs. 864 crore,
- Implementing Agency's contrib. - Rs. 12 crore

❖ **Eligible End Borrower** - Co-operative Milk Unions, State Cooperative Dairy Federations, Multi State Milk Cooperatives, Milk Producer Companies, NDDB subsidiaries



Eligibility Criteria for EB

❖ **Technical Criteria**

- Environmental/statutory clearances.
- Encumbrance free land for setting of new plant.

❖ **Financial Criteria**

- Up-to-date audit of accounts.
- No default to any bank/financial institution.
- All outstanding dues to producer members should not exceed four payment period.
- Positive net-worth.
- Agree to assign all securities given under the scheme in favour of NABARD.
- Financial returns meeting NDDDB's norms. (DSCR = 1.5 times & RoI = 10%)
- Should not have any receivable over one year.

❖ **Institutional/Governance Criteria**

- Duly constituted Governing Body having full time Chief Executive/Managing Director (or equivalent)
- No Director on the board should have defaulted to any bank/financial institution.



Lending Terms and Conditions

❖ **Funding Pattern :**

- Loan Component – 80%
- End Borrower's Contribution - 20%

❖ **Tenure of loan:** 10 years (*moratorium period - 2 years on principal repayment*).

❖ **Interest rate:** 6.5% p.a. (Fixed)

❖ **Security:** State Government Guarantee

❖ **Debt Service Reserve Account (DSRA):** Maintaining minimum balance equivalent to the interest and principal instalments for 2 quarters.

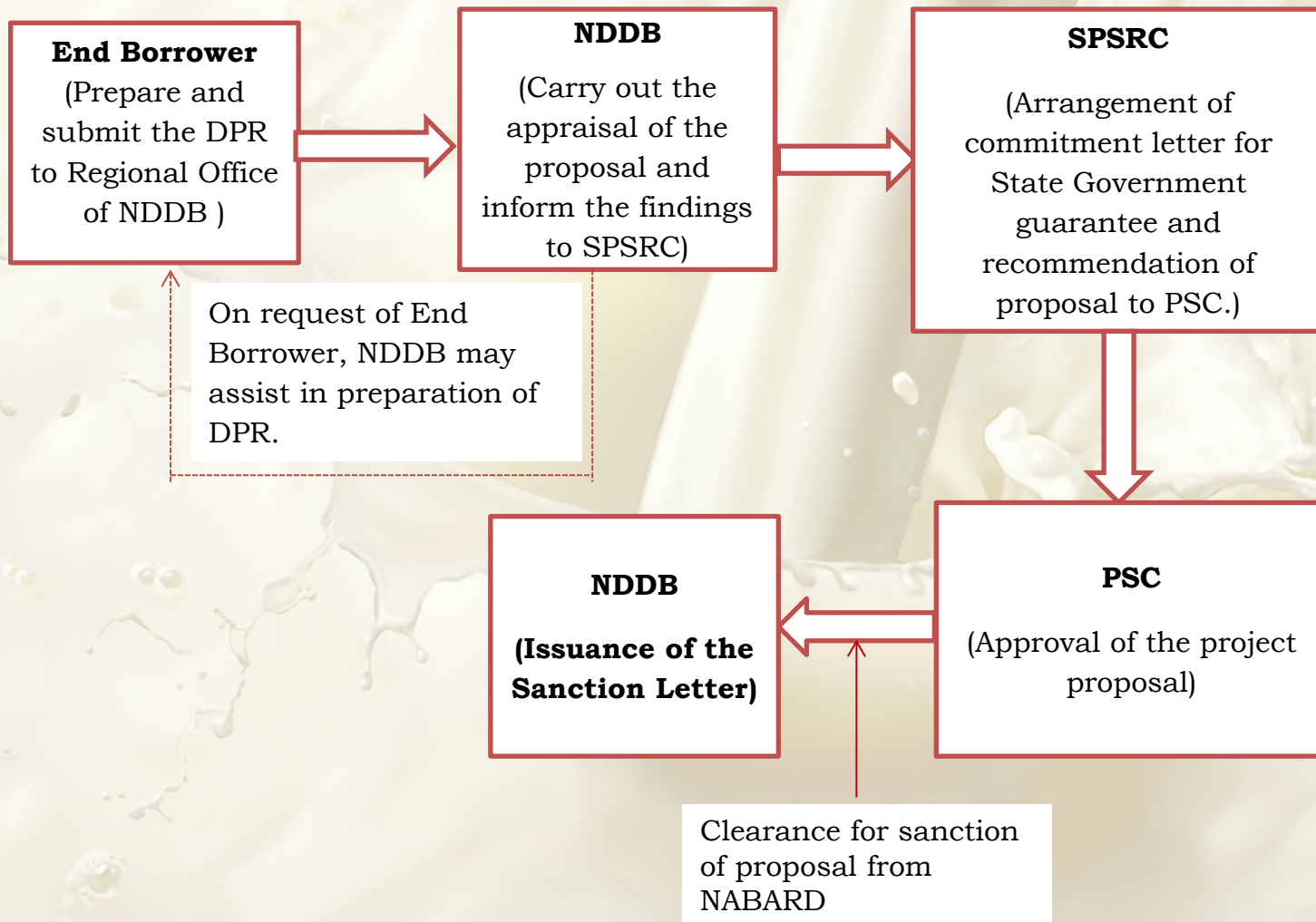


Lending Terms and Conditions

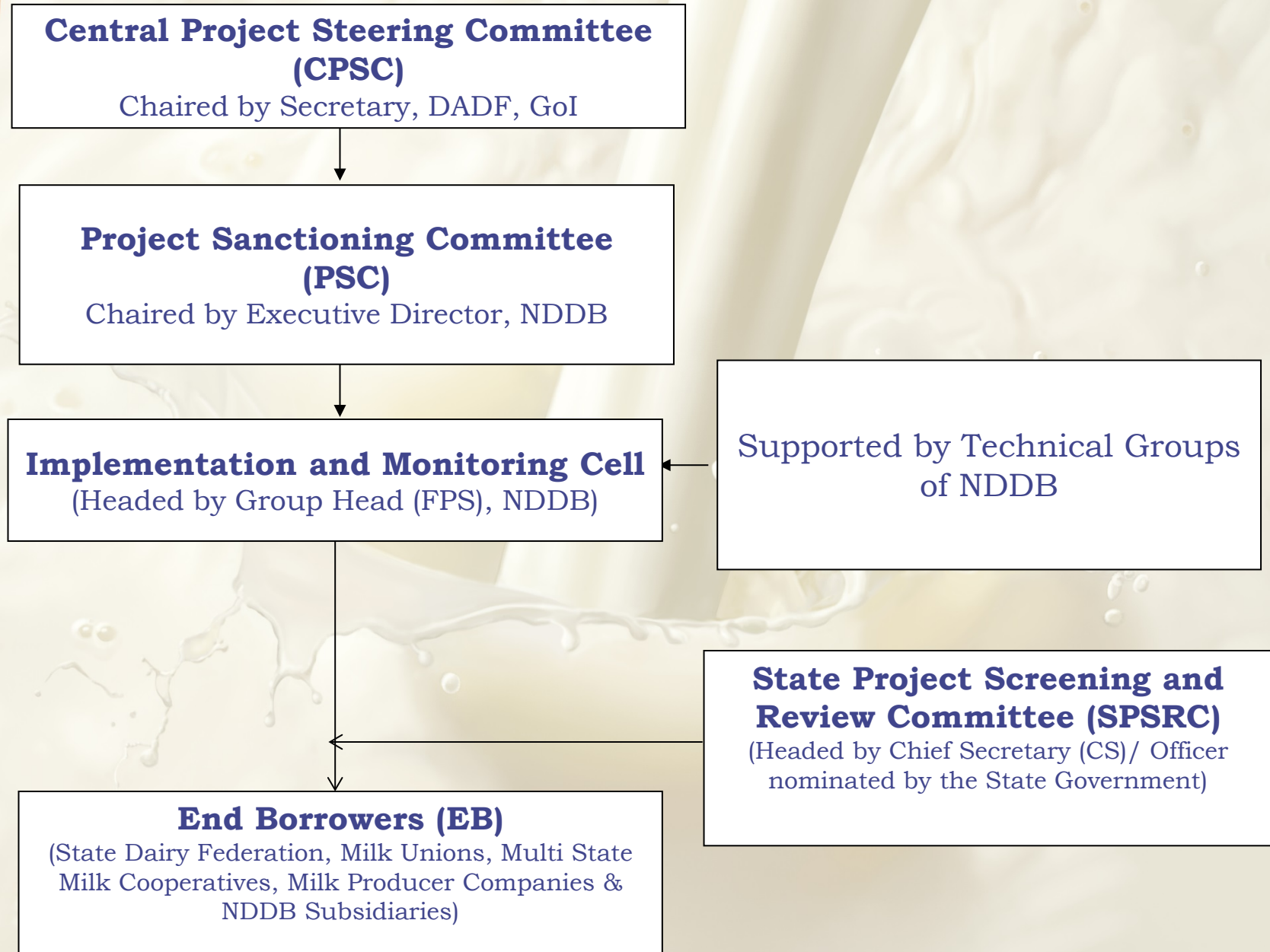
- ❖ **Repayment:** On monthly basis. No moratorium on payment of interest.
- ❖ **Default in repayment:** Additional interest @ 3% p.a.
- ❖ **Commitment Charges:** @ 2% p.a. (if cumulative disbursement at the end of quarter is less than 90% of the pre-approved cumulative draw-down schedule.)
- ❖ **Pre-payment Charges:** @ 2% p.a.



Process of submission of proposal under scheme



Implementation Arrangement





Pre-condition for Loan Swapping

- ❖ Projects under execution and yet to be commissioned
- ❖ Qualify for all eligibility criteria defined under the scheme.
- ❖ NOC from concerned Financial Institutions.
- ❖ No cases / disputes pending in the court
- ❖ Reassessment of
 - Project cost estimate,
 - procurement (purchase) procedures followed
 - Project viability.
- ❖ Arrangement of Security i.e. State Government guarantee.



Thank You