

**GUIDELINES FOR SUBMISSION OF PROPOSAL UNDER BACK-ENDED
CREDIT LINKED SUBSIDY PROGRAMME FOR PROMOTION OF TREE
BORNE OILSEEDS**



**NATIONAL OILSEEDS AND VEGETABLE OILS
DEVELOPMENT BOARD**

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OPERATIONAL GUIDELINES FOR BACK-ENDED CREDIT LINKED SUBSIDY PROGRAMME FOR PROMOTION OF TREE BORNE OILSEEDS

1. Introduction

National Oilseeds & Vegetable Oils Development (NOVOD) Board is a statutory Body under Parliament Act 1983 constituted for integrated development of oilseeds and vegetable oil industries under the control of Union Government. The Board has been entrusted with nodal responsibility for 'Integrated Development of Tree Borne Oilseeds'.

2. TBO's – Potential & Exploitation

The country has enormous potential of oilseeds of tree origin like mahua, neem, simarouba, karanja, ratanjyot, jojoba, cheura, kokum, wild apricot, bhikal, wild walnut, kusum, tung etc. which can be grown and established in the wasteland and varied agro-climatic conditions. These have domestic and industrial utility like agriculture, cosmetic, pharmaceutical, diesel and substitute, cocoa-butter substitute etc. Most of these TBOs are scattered in forest and non-forest areas and hardly 20% of the existing potential is being crushed and utilized that too of poor quality and the rest potential is going waste.

3. Constraints in exploitation of TBOs

Though the country has vast potential of above TBOs found in forest & non forest area's with multiple use. But it is not being utilised fully due to lack of awareness of their uses, collection and marketing etc. Besides, lack of proper facility for storage, seed collection, long gestation period, fruiting/maturity season coinciding with rain etc. are main constraints limiting to the collection and utilization of above TBOs.

4. Salient features of Back-ended Credit linked subsidy programmes for development of Tree Borne Oilseeds

The following activities are being undertaken by providing 30 percent back-ended capital investment subsidy by which the subsidy is linked up with credit (50%) from the institutional finance. The remaining 20% margin money is to be contributed by the beneficiaries. The margin money is monetized in the form of labour, land cost, watch & ward etc. The scheme have been made broad based, decentralized, entrepreneur driven and result oriented.

4.1 Establishment of seed procurement centre

In order to increase the procurement of quality seeds of various TBOs, the infrastructural facilities for handling and storage of TBOs, equipped with pre-processing facilities like seed driers, depulper, decorticator, cleaner, grader, digital moisture meter, digital weighing machine, seed storage, drying floor godown, expellers etc. are being created. It will help in maintaining the quality of collected seeds by avoiding deterioration of seeds due to prolonged storage at unequipped centres and to provide remunerative prices to seed collectors. The sub-centres are also established around main centres to facilitate easy transportation of village level collection by the farmers and subsequently disposal of bulk collections from sub-centres to the main centre.

4.2 Installation of multi-purpose pre-processing and processing facility

The multi-purpose pre-processing and processing facilities like seed driers, depulper, decorticator, cleaner, grader etc. are installed to maintain the quality of seed.

The installation of these pre-processing facilities would enable the seed collector to get the remunerative price.

4.3 Installation of oil expeller

Presently, the oil from TBOs is being extracted through traditional ghani. The recovery of oil in the traditional ghani is lesser and that too of inferior quality. Moreover, its capacity is lesser as compared to improved oil expellers. Therefore, it is proposed to install the improved oil expeller preferably multipurpose to increase oil recovery, efficiency, avoid nutritional losses, lesser extraction cost etc.

4.4 Nursery raising and Commercial Plantation of TBOs

The plantation of quality seedlings of various TBOs i.e. mahua, simarouba, kokum, jojoba, jatropha, karanja, neem, wild apricot, cheura and tung is being undertaken in compact areas comprising of cultivable wasteland/degraded land in potential states. The maintenance of these plantations would be ensured by providing necessary technical and financial support to the programme implementing agencies till the initiation of fruiting. The gestation period of most of the TBOs is long ranging from 2 to 9 years. The unit cost of raising nursery, plantation and maintenance in respect of various TBOs has been worked in consultation with NABARD.

5. PATTERN OF FINANCIAL ASSISTANCE

The scheme-wise pattern of funding for various components under the back-ended credit linked subsidy programme.

Project -1: Establishment of model seed procurement centre & Installation of pre-processing and processing equipments

Quantum of assistance Subsidy restricted to 30% of project cost with the ceiling as under:-

- | | | |
|--|---|--|
| i) Government/Semi Govt Organizations, Co-operative institutions, Federations, Corporations etc. | - | 4 projects with a ceiling of Rs.25.00 lakhs |
| ii) NGOs/VOs/Individual | - | One project with a ceiling of Rs. 6.50 lakhs |

1.1 The components for Establishment of model seed procurement centre: One unit

Sr. No.	Component	Tentative cost (Rs.)	Back-ended credit linked subsidy restricted to 30% of project cost with ceiling of Rs.
I.	Cost of building (PCC floor with asbestos roof) Processing shed+godown for keeping raw material and storage for oil and cake 50x40 sq.ft.@ Rs. 200 per square (2000 sq.ft.)	4,00,000	1,20,000
II.	Cleaner and grader	25,000	8,000
III.	Decorticator/dehuller	25,000	8,000
IV.	Drier	25,000	8,000
V.	Depulper	25,000	8,000
VI.	a. Oil expeller (5 MT per day capacity)	5,00,000	1,50,000
	b. 40 HP motor	40,000	12,000
	c. Starter/main switch	3,000	1,000
	d. Installation	10,000	3,000
	e. Conveyor/Elevator	25,000	8,000
	f. Electric line from main feeder upto centre	10,000	3,000
VII.	Security deposits for electric connection 3 phase, water connection etc.	38,000	11,600
VIII.	Stitching machine	6,000	2,000
IX.	2 storage tank for oil – 1 MT each @ Rs. 5000/- MT	10,000	3,000
X.	Filter press	25,000	8,000
XI.	Weighing machine	25,000	8,000
XII.	Moisture meter (1)	10,000	3,000
XIII.	Gunny bags for oil cake etc.	20,000	6,000
XIV.	Drying floor – 2000 sq.ft. (40 ft.x50 ft.) PCC @ Rs. 100/-sft.	2,00,000	60,000
XV.	DG set - 1 (10 KVA)	2,00,000	60,000
XVI.	Furniture & stationary	65,000	20,000
	Total	16,87,000	5,10,000

Model seed procurement Sub centre – One unit

i.	Weighing machine @ Rs. 0.10 lakh	10,000	4,000
ii	Office & store @ Rs. 1.00 lakh	1,00,000	30,000
iii	Miscellaneous such as furniture, stationery etc	20,000	6,000
	Total	1,35,000	40,000

1.2 Installation of multi-purpose pre-processing and processing equipments

Sr. No.	Component	Unit cost (Rs.)	Back-ended credit linked subsidy restricted to 30% of project cost with ceiling of Rs.
i.	1. Depulper	25,000	8,000
	2. Drier	25,000	8,000
	3. Decorticator/dehuller	25,000	8,000
	4. Cleaner & Grader/any other equipment	25,000	8,000
	Total	1,00,000	32,000

1.3 Installation of oil expeller

Sr. No.	Component	Unit cost (Rs.)	Back-ended credit linked subsidy restricted to 30% of project cost with ceiling of Rs.
i.	Oil expeller for TBO's	1,50,000	45,000/-

Project-2: Nursery raising, commercial plantation & maintenance of Tree Borne Oilseeds.

Quantum of assistance Subsidy restricted to 30% of project cost with the ceiling as under:-

- | | | | |
|-----|---|---|---|
| i) | Government/Semi Govt Organizations, -
Co-operative institutions, Federations,
Corporations etc. | - | One project with
ceiling of Rs. 25.00 lakh |
| ii) | NGOs/VOs/Individual | - | One project with ceiling
of Rs. 6.5 lakh |

2.1. Nursery raising & commercial plantation

Sr. No.	Name of TBO	No. of Plants per ha.	Cost of cultivation (Rs./ha.)	Back-ended credit linked subsidy restricted to 30% of project cost with ceiling of Rs.
1.	Simarouba	500	16,000	4,800
2.	Neem	400	11,000	3,300
3.	Jojoba	2500	80,000	24,000
4.	Karanja	500	13,000	3,900
5.	Mahua	200	9,000	2,700
6.	Wild apricot	400	10,000	3,000
7.	Jatropha	2500	25,000	7,500
8.	Cheura	250	9,000	2,400
9.	Kokum	250	10,000	3,000
10.	Tung	500	14,000	4,200

2.2 Maintenance (From 2nd year onwards of plantation during gestation period)

Sr. NO.	Name of TBO's	Gestation period (year)	Cost of maintenance per ha. upto gestation period	Back-ended credit linked subsidy restricted to 30% of project cost with ceiling of Rs.
1.	Simarouba	5	14,500	4,400
2.	Neem	5	12,000	3,600
3.	Jojoba	4	15,000	4,600
4.	Karanja	4	11,000	3,100
5.	Mahua	8	23,500	7,100
6.	Wild apricot	4	10,500	3,200
7.	Jatropha	2	5,000	1,500
8.	Cheura	4	9,000	2,800
9.	Kokum	6	13,000	3,900
10.	Tung	4	12,000	3,700

6. TERMS & CONDITIONS FOR SUBMISSION OF PROPOSALS FOR “LETTER OF INDENT (LOI)” AND RELEASE OF SUBSIDY

- (i) The beneficiaries will submit the Project Proposal for “**LETTER OF INDENT (LOI)**” for back-ended credit linked subsidy programme to the Executive Director, NOVOD Board, Gurgaon in prescribed format (Annexure-I).
- (ii) After scrutiny the NOVOD Board shall place, all such proposals before the Managing Committee of the Board for “Letter of Indent” of the subsidy component and the same shall intimated to the beneficiary.
- (iii) The LOI will be valid for one year from the date of issue. The beneficiary will accordingly approach Bank/Financial Institution of his choice immediately after obtaining the LOI from NOVOD Board and get his/her term loan sanctioned by Bank/FI within a period of one year.
- (iv) Mere issuance of the LOI would not guarantee the grant of subsidy to the beneficiary unless the proposal is implemented in accordance with the overall guidelines of the scheme.
- (v) NOVOD Board will not entertain any cost escalation over and above the expenditure shown in the LOI.
- (vi) Additional cost, if any will have to be borne by the beneficiary.
- (vii) While deciding the subsidy the Board will restrict the expenditure on any component as per the ceiling fixed by it.
- (viii) The project will not be eligible to receive subsidy under NOVOD Board programme in case benefit of subsidy for the same from another agency of the Central/State Govt. has been availed.
- (ix) The project would be completed within a period of 2 years from the date of the sanctioned of loan. On completion of the project, the concerned bank would inform the NOVOD Board, that the project has been completed in the prescribed format Annexure-II The payment of back-ended subsidy will be made after project has been successfully completed, according to the terms & conditions of the loan. Thereafter, the Executive Director, NOVOD Board could sanction the release of subsidy of the Bank/Financial Institution on their request subject to the verification of the implemented project by a physical review team.
- (x) Bank will submit to NOVOD Board the progress of investment subsidy achievement in the format (Annexure-III) and also furnish a Utilization Certificate (Annexure-IV) of the subsidy released by the NOVOD Board.
- (xi) Incomplete application & without the enclosure of relevant document, shall be summarily rejected by the Board.
- (xii) Any dispute arising out of the above shall be subject to the jurisdiction of Gurgaon Court.

Letter of Indent (LOI) under the scheme “Back-ended Credit Linked subsidy programme on Tree Borne Oilseeds”.

- i). Date of application.....
 ii). File No.

To

The Executive Director
 National Oilseeds & Vegetable Oils
 Development Board
 Plot No.86, Sector 18, Institutional Area
 Gurgaon-122015 (Haryana)
 India.

(Application for Letter of Indent (LOI) under the scheme “Back-ended Credit Linked subsidy programme on Tree Borne Oilseeds” of National Oilseeds & Vegetable Oils Development Board)

A. PROMOTERS PROFILE

1. Name and address of the beneficiary/organization:
2. Status whether Govt/Co-operative/NGO/Private:
3. Registration No..... Date of Registration.....
4. Area of operation : Name of district/tehsil/taluka
5. Name and address of the Nationalized Bank from which term loan is proposed to be availed.
6. Details of financial assistance availed by the applicant in the past for the similar activity at the same piece of land, if any

Name of Programme/Project	Funding agency	Duration	Amount (Rs. lakhs)

7. Details of financial assistance, if availed for any other project:
8. Whether any scheme with NOVOD Board assistance implemented: (If yes, please write name of scheme and year of implementation):

B. PROPOSED PROJECT

1. Name of the project:
2. Objective of the project:
 - i) Use of wasteland/degraded problematic (acidic/alkaline) etc.
 - ii) Compact area plantation
 - iii) Name of the plant/trees proposed
3. Location

4. Nature/main activity proposed under the project
 - i) Availability of land (in ha.) for nursery and plantation
 - ii) Capacity in MT in case of primary processing unit/procurement centre/sub-centre:
 - iii) Technology tie-up, if any

C. PROJECT COST (COMPONENTWISE)

1. Raising of nursery and commercial plantation:
2. Maintenance of plantation:
3. Establishment of model seed procurement centre:
4. Installation of multi-purpose pre-processing and processing equipments
5. Installation of oil expeller

D. PROPOSED MEANS OF FINANCE

1. Promoter's share
2. Term loan from Banks (address of the Bank branch)
3. NOVOD subsidy
4. Other sources viz. Assistance from State Govt/
5. Govt. of India Agencies, if any.

E. DETAILS OF LAND

1. In case of own land, attested copy of latest title/papers should be enclosed
2. In case of lease/contract/tenancy, a copy of the registered agreement should be enclosed.

F. DETAILS OF SEED COLLECTION/MARKETING

1. Name of the TBOs
2. Expected collection in qutls.(for each TBO)
3. Cost of collection per qutl. (for each TBO)
4. Name of the agency with which marketing tie-up exists(Backward/forward linkages)

G. IMPLEMENTATION SCHEDULE

1. Proposed month for undertaking the project + land development
2. Proposed month for nursery raising
3. Expected month of commercial plantation
4. Duration of completion of civil works for establishing model seed procurement centre/installation of multi-purpose pre-processing and processing equipments.
5. Proposed date for start of the unit in case of processing units

(Authorized signatory)
Name & Address

Format for claiming Final Installment of Subsidy under the scheme “Integrated Development of Tree Borne Oilseeds”

(To be submitted by Bank in triplicate to NOVOD Board)

*Investment Subsidy Scheme for Cultivation / Processing of TBOs*Part-I
For use by Bank

1.	Name & Address/Location of Project	
2.	Name & Address of beneficiary	
3.	Name & Address of Financing Bank	
4.	Date of Sanction of Term Loan by Bank	
5.	Item wise Financial Projection	
6.	i. Total Cost of Project (Copies of bills duly attested by the bank & countersigned by the individual are enclosed) ii. Beneficiary Contribution iii. Bank Loan	Rs. Rs. Rs.
7.	Additional Capacity to be created :	

(a) Establishment of model new procurement centre and installation of pre-processing and processing equipments

Components	No. of unit	Capacity in MTs
i. Existing Unit		
ii. Expansion/New		
iii. Renovation/Upgradation		

Or

(b) Nursery raising, plantation and maintenance (ha.)

Components	Species/ plants	Area (ha.)	No. of plants	Unit Cost/ha
i. Existing				
ii. Expansion/ new				
iii. Maintenance				

8.	Advance Subsidy	
	i. Date of Receipt	
	ii. Amount	Rs.
9.	Rate of Interest being Charged by Financing Bank	% p.a.
	a. In the case of CBs PLR	% p.a.
	b. In the case of others PLR	% p.a.

10. Whether construction/expansion/renovation has been carried out as per the technical parameters envisaged under the project. Yes/No.

11. Since the above project is completed as per terms and conditions stipulated under the scheme, final inspection of the processing unit / plantation has been arranged. and an amount of Rs. _____ (Rupees _____) being the final installment of subsidy may please be released.

Copy of the inspection report of inspection committee is enclosed.

12. It is certified that the observation made by the Inspection Committee have been complied with. A copy of the Inspection Report of Inspection Committee is enclosed.

Seal and signature of the
Branch Manager (Bank)

Place : _____

Date : _____

Encl: As above.

PART-II

B. For use by NOVOD Board

Name of Scheme:	Name of Project:
State:	Bank:
District	1. Total cost of project 2. Total amount of eligible subsidy 3. 50% of advance amount of eligible subsidy

An amount of Rs. _____ is released as subsidy to _____ (Name of the Bank) vide subsidy disbursement advice No. _____ (Copy enclosed) against the project proposal submitted by _____ party.

(_____)
Authorised Signatory, NOVOD Board
(Name & designation)

Date _____

**PROGRESS OF INVESTMENT SUBSIDY SCHEME FOR Processing of TBOs
(ABSTRACT) under Integrated Development of Tree Borne Oilseeds**

(To be filled by Bank)

STATUS AS ON _____

A. Financial Progress

S. No	State	Name of the Party	Location	Capacity Tonne/acreage	Total Financial Outlay	Bank Loan	Beneficiary	Total Eligible Subsidy	Subsidy released to beneficiary

B. Physical progress/Achievement

Sr. No	Component	Physical Progress		Expenditure		Remarks
		Target	Achievement	Target	Achievement	
1.	Establishment of model seed procurement centre					
2.	Installation of multi-purpose pre-processing and processing facility					
3.	Installation of oil expeller					
4.	Nursery raising and Commercial Plantation					
5.	Maintenance of plantation					

* The above information break up be furnished in the same format for schemes sanctioned in NE States, Hilly Areas i.e. location above 1000 meters mean sea level, SC and STs separately.

**(For the use of Financing Bank to be submitted by
(Bank in triplicate to the NOVOD Board))****Investment Subsidy Scheme for Cultivation / Processing of TBOs
Utilisation Certificate**

1.	Name & Address and Location of Beneficiary and Project	
2.	Name of the Financing Bank	
3.	Name & Address of Financing Branch	
4.	Date of Sanction of Loan by Bank	
5.	Date of Inspection by Inspection Committee	
6.	Date of Commission of the Unit	
7.	i. Total Financial Outlay	Rs.
	ii. Margin Money	Rs.
	iii. Bank Loan	Rs.
	iv. Subsidy Received	

Subsidy Received	Letter No. & Date of Receipt from NOVOD Board	Amount (Rs.)	Date of Credit to the Subsidy Reserve Fund A/c of the Borrowers
50% advance subsidy			
Final installment of subsidy			
Total			

8. Capacity Created:

	No. of unit	Capacity in MTs
i. Existing Unit		
ii. Expansion/New		
iii. Renovation/Upgradation		

9.	Rates of Interest charged by Financing Bank	% p.a.
a.	In the case of CBs	PLR - % p.a.
b.	In the case of others - PLR of Convenor Bank of SLBC	

This is to certify that amount of Rs. _____ received as subsidy from NOVOD Board in respect of the above project has been fully utilised for the purpose for which it was sanctioned (by way of crediting to the "Subsidy Reserve Fund Account - Borrower wise") and adjusted in the books of account under the sanctioned terms and conditions of the project within the overall guidelines of the scheme. Remaining un-utilized balance subsidy of Rs. _____ (if any) on completion of the project or non-implementation of the project has been surrendered to the Board

Seal and signature of
the Branch Manager (Financing Bank)

Place _____

Date _____