

Capital Investment Subsidy Scheme under National Bamboo Mission Procedure for Sanction and Release of Subsidy

There are a number of activities under NBM which are to be financed by a credit linked back ended subsidy by Financial Institutions (FIs) including banks. The following is a gist of the procedure to be followed, to be read along with the flow chart and formats annexed:

1. Advance Subsidy

50% of the eligible subsidy amount will be released as advance by State level Bamboo Development Agency to the participating FI (bank) on submission of a project scrutiny note cum claim form as per requirement and the norms of NBM. The same would be kept in a Subsidy Reserve Fund Account of the concerned borrowers, to be adjusted finally against loan amount of the bank towards the end of the repayment period and completion of project as per the time schedule.

2. Final instalment of subsidy

The remaining 50% would be disbursed to the participating banks by State level Bamboo Development Agency after conduct of an inspection by the Joint Monitoring Inspection Committee consisting of officials from the financing bank, State and District level Bamboo Development Agency and their recommendations to that effect.

3. Adjustment of subsidy to Borrower's Account

The subsidy released to the bank for individual project will be kept in a separate borrower-wise account. The adjustment of subsidy will be back-ended. Accordingly, the full project cost including the subsidy amount, but excluding the margin money contribution from the beneficiary, would be disbursed as a loan by the banks. The repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after the full bank loan component with interest is liquidated.

4. Utilisation Certificate

After release of final instalment of subsidy, a Utilisation Certificate is required to be submitted by the financing bank certifying that the full amount of subsidy received in respect of the project has been fully utilised (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.

5. No interest chargeable on subsidy portion

No interest should be charged on the subsidy by the bank. For the purpose of charging interest on the loan component, the subsidy amount should be excluded. The balance lying to the credit of the subsidy reserve fund A/C will not form part of demand and time liabilities for the purpose of SLR / CRR.

6. Pattern of Assistance

i) Owner's contribution	10%
ii) Subsidy from Government of India more	50% subject to the maximum ceiling (10% for NER States)
iii) Bank loan	40%

7. Institutional Lending

7.1 a) Eligible Financing Institutions

The eligible financing institutions under the scheme are i) Commercial Banks, Regional Rural banks (RRBs), State Cooperative Banks (SCBs), State Co-operative Agricultural and Rural Development Bank (SCARDBs), Scheduled Primary Urban Cooperative Banks (PUCBs), Agricultural Development Finance Companies (ADFCs), North Eastern Development Finance Corporation (NEDFI), and such other institutions ii) Cooperatives where they seek loan from National Cooperatives Development Corporation (NCDC).

b) Term Loan

50% of the project cost can be raised as term loan from the financing banks. As the subsidy

is back-ended, eligible amount of the subsidy (25%) would be initially allowed as term loan to the beneficiary. The repayment schedule will be drawn on the total loan amount (including subsidy) in such a way that the subsidy amount is adjusted after liquidation of net bank loan (excluding subsidy). The financial institution may provide working capital separately for undertaking the business by the entrepreneurs.

7.2 Rate of Interest and Scale of Financing to the ultimate borrower

As decided by the financing bank, as per their respective Board approved policy.

7.3 Security

The security will be as per norms prescribed by RBI from time to time.

7.4 Repayment period

Repayment period will depend upon the cash flow and may be generally up to 8 years with a grace of one year.

7.5 Time limit for completion

If the project is not completed within stipulated 8 years period, the benefit of subsidy shall not be available and advance subsidy has to be refunded forthwith six months after 8 years.

8. Procedure to be followed for sanctioning of project and release of subsidy.

I. Projects financed through Banks

- a) Interested promoter will submit the project proposal for term loan and subsidy to Bank on application form as prescribed by the concerned Bank along with project report and other documents for appraisal and sanction of loan.
- b) Bank after appraisal and scrutiny of loan will furnish a brief project profile-cum-claim form for advance subsidy in the prescribed format given at Annexure I to District level Bamboo Development Agency. **The loan shall be disbursed by the FI only after the project has been cleared and**

approved by State level Bamboo Development Agency, which shall have a representative of the FI too.

c) District level Bamboo Development Agency on receipt of project profile cum claim form from participating bank, will recommend the proposal to the State level Bamboo Development Agency who will after scrutiny sanction and release 50% advance subsidy to the participating bank for keeping the same in the Subsidy Reserve Fund Account (Borrower-wise).

d) When the project is nearing completion, the promoter will inform the bank who will initiate action for an inspection by the Committee consisting of officials from bank, State and District level Bamboo Development Agency to ensure that the unit conforms to technical & financial parameters. After inspection is conducted, the bank will submit the claim form for final subsidy in the prescribed format given in the **Annexure II** to District level Bamboo Development Agency. The inspection report of Committee and completion certificate should invariably be enclosed with claim form for final subsidy. State level Bamboo Development Agency shall release the final subsidy to banks which will be replenished by the implementing agency or adjusted against the subsidy amount provided to banks in advance.

9. Monitoring

i) The monitoring of each project shall be done by Bank's branches and District level Bamboo Development Agency with periodic reporting to the State level Bamboo Development Agency.

ii) An inspection committee consisting of Officials from State and District level Bamboo Development Agency, participating bank's branch would inspect the project work within the overall scope of the operational guidelines of the above scheme and would submit its report which should be enclosed with the **Annexure II**. For this purpose, the promoter / participating bank will initiate necessary action to get the inspection conducted on the project site by the committee at the time when the project is completed, so as to avoid any delay in release / adjustment of subsidy.

iii) After crediting the final installment of subsidy in the reserve fund of the borrower, a utilization certificate as per the format at **Annexure III** is required to be submitted by the participating bank's branch to State level Bamboo Development Agency to the effect that amount of subsidy received by them has been fully utilized/adjusted in the books of account under the sanctioned terms and conditions of the project, within the overall guidelines of the Scheme.

(iv) The progress report of the scheme as per the formats of shall be sent by State level Bamboo Development Agency to the Mission Director, National Bamboo Mission, Department of Agriculture Cooperation and Farmers Welfare on a quarterly basis.

10. Other Conditions

- i. The participating bank's branch will adhere to their own norms, for appraisal of the projects.
- ii. A signboard at the site "assisted under Subsidy Scheme of National Bamboo Mission, Government of India" will be exhibited.
- iii. Govt.'s interpretation of various terms will be final.
- iv. Any other pre & post inspection may be undertaken to find out physical & financial progress as and when required.
- v. Govt. of India reserves the right to modify, add, and delete any term and condition without assigning any reason.

Annexure-I

NATIONAL BAMBOO MISSION

PROJECT PROFILE CUM CLAIM FORM FOR CLAIMING ADVANCE SUBSIDY

(TO BE SUBMITTED BY FINANCIAL INSTITUTION / GOVT. AGENCY TO DISTRICT LEVEL,
BDA)

To,

The Officer, in-charge

Bamboo Development Agency,

.....District

1. (i) Name & full Address of project including Tehsil / Taluka / District with telephone number and email ID :
(ii) Whether located in North East Region / Tribal Areas :

2. (i) Name & full address of promoter with telephone number and email ID :
(ii) Whether belongs to Govt. Sector / Private Sector :
(iii) Constitution: Individual/FPO/Coop./ proprietorship/ partnership etc. :
(iv) If Individual, Please specify whether Women / SC/ ST :
(v) Rate of entitlement of subsidy (%) :

3. (i) Name & full address of financing financial institution with telephone number and email ID (for Pvt. Sector) :
(ii) Name & address of the controlling authority (for Govt. Sector) :

4. Date of receipt of proposal/application :

5. (a) Date and amount of sanction of term loan by financial institution :
(b) Date of disbursement of first instalment of loan and amount disbursed :

6. Type of Infrastructure projects (indicate sub categories)
A. Propagation and Cultivation :
B. Promotion of Bamboo treatment and Preservation :
C. Product Development and Processing :

- D. Promotion & Development of Infrastructure for Bamboo Market:
- E. Development of Tools, equipment and Machinery :
- F. Skill Development and Awareness campaign :
- G. Research and Development :
- H. Project Management :

7. Rate of entitlement of subsidy for projects (%):

8. Item-wise financial projections

Items	As per project report (Rs.)	As approved by FI (Rs.)
Sub Components under para 6 (A/B/C/D/E/F/G/H) above, as per operational guidelines		
1.		
2.		
3.		
Total outlay		

9. Means of finance:

Items	As per project report (Rs.)	As approved by FI (Rs.)
Promoter's contribution		
Term loan		
Total outlay		

10. Subsidy

- a) Total eligible subsidy (Rs.) :
- b) Eligible advance subsidy (Rs.) :
- c) Subsidy from any other agency :
- State Govt. :
- Central Govt. (for other components, if any) :

11. Brief account of the infrastructure to be created under the project :
(Description of components with cost)

New unit to be created / existing unit Pls. Specify :

12. a) Account No. and IFSC code of FI :

b) AADHAR no of Promoter, if any :

13. Brief coverage on technical feasibility and :

Financial viability (Enclose along with project report)

14. Other relevant information:

15. The project has been appraised and found to be technically feasible and financially viable. Appraisal note is enclosed

16. We note that the repayment schedule cannot be altered. We also note that a time limit of months is stipulated for completion of the project and submission of relevant documents from the date of disbursement of first instalment of loan. We also note that the advance subsidy has to be refunded forthwith if the project is not completed and the relevant documents are not submitted within the above stipulated period and as per the broad parameters of the scheme guidelines. It is further noted that in case of any delay in refund of subsidy, the financial institution will be liable for payment of penal interest. If subsidy is not refunded within 90 days of intimation, penal interest shall be charged @ bank rate + 1% from the financial institution and not promoter.

17. It is also certified that no subsidy / grant has been or will be availed for the project from any other Central Government Department/ Agency.

18. Certified that the project shall commence from..... and promoter has invested Rs..... which is% of the TFO or shall invest Rs..... which is% of the TFO towards the project.

19. Financial institution / (Name of Govt. Agency) will monitor the progress of the execution of the project to ensure that the project is completed as per the technical specifications envisaged in the guidelines of the sub-scheme and project proposal without any variation and within the stipulated time as per the broad parameters of the sub scheme.

20. Certified that the financial institution will ensure that the promoter will not alienate the land and the project for a minimum period of term loan for any purpose other than the purpose for which the subsidy is extended.

21. An amount of Rs..... (Rupees.....) being 50% of the eligible amount of subsidy may please be released in respect of the project for crediting to the "Subsidy Reserve Fund Account-Borrower wise". Financial institution confirms that that the subsidy will be kept in SRF Account only and not in other accounts like Fixed Deposits, Saving account etc.

(_____)

Seal and signature of the

Authorized Signatory of Financial Institution / State Agency

Place:

Date:

Annexure-II

PROJECT PROFILE CUM CLAIM FORM FOR CLAIMING FINAL SUBSIDY UNDER

NATIONAL BAMBOO MISSION

(TO BE SUBMITTED BY FINANCIAL INSTITUTION / GOVT. AGENCY TO DISTRICT LEVEL,
BDA)

To,

The Officer, in-charge

Bamboo Development Agency,

.....District

1. (i) Name & full Address of project including Tehsil / Taluka / District with telephone number and email ID :
- (ii) Whether located in North East Region / Tribal Areas :

2. (i) Name & full address of promoter with telephone number and email ID :
- (ii) Whether belongs to Govt. Sector / Private Sector :

- (iii) Constitution: Individual/FPO/Coop./ proprietorship/ partnership etc. :

- (iv) If Individual, Please specify whether Women / SC/ ST :

- (v) If yes, rate of entitlement of subsidy (100% or 50%) :

3. (i) Name & full address of financing financial institution with telephone number and email ID (for Pvt. Sector) :
- (ii) Name & address of the controlling authority (for Govt. Sector)

4. Type of Infrastructure projects:
 - A. Propagation and Cultivation :
 - B. Promotion of Bamboo treatment and Preservation :
 - C. Product Development and Processing :
 - D. Promotion & Development of Infrastructure for Bamboo Market: *
 - E. Development of Tools, equipment and Machinery :
 - F. Skill Development and Awareness campaign :
 - G. Research and Development :

H. Project Management :

4. Rate of entitlement of subsidy for projects (50% / 100%) :

5. Name and address of financing financial institution
with telephone number and email ID :

a) Account No. and IFSC code of FI :

b) AADHAR no of Promoter :

6. Date of sanction of term loan by financial institution :

(a) Amount of loan sanctioned :

(b) Date of disbursement of first instalment :

(c) Date of disbursement of the last instalment :

(e) Total Loan amount disbursed :

(enclose the loan account statement showing details of amount released)

7. Date of completion of the project :

a) Date of submission of Completion certificate :

b) Date of submission of item wise actual expenditure certificate :

8. Date of last inspection of project by financial institution :

9. Item wise cost of project

	As per project report (Rs.)	As approved by FI (Rs.)	Actual expenditure incurred (Rs).
Sub Components under para 6 (A/B/C/D/E/F/G/H) above, as per operational guidelines			
1.			
2.			
3.			
Total outlay			

10. Means of finance:

	As per project report (Rs.)	As approved by FI (Rs.)	Actual expenditure incurred (Rs).
Promoter's contribution			
Term loan			
Subsidy Component			
Total outlay			

11. Brief account of the infrastructure to be created under the project
(Description of components with cost) :

12. Total entitlement of the Subsidy :

13. Advance subsidy

i) Date of receipt :

ii) Amount :

14. Subsidy from any other agency:

State Govt.:

Central Govt. (for other components, if any). :

15. Balance subsidy to be released :

16. Certified that the Infrastructure facility created is as per the technical specifications envisaged in the guidelines of the scheme and the project proposal.

17. Certified that all the special conditions have been followed.

18. Certified that various permissions/approvals have been obtained by the promoters for establishment and commissioning of the project from various

government authorities. FI has ensured that the project has all requisite permissions/approvals.

19. It is certified that no subsidy / grant has been or will be availed for the project from any other Central Government department/ agency.

21. Certified that the financial institution will ensure that the promoter will not alienate the land and the project for a minimum period of term loan for any purpose other than the purpose for which the subsidy is extended. We note that the subsidy under the scheme is back ended **which cannot be adjusted before the minimum locking period of 5 years.**

22. Since the above project is complete as per terms & conditions stipulated under the sub scheme, an amount of Rs. _____ (Rupees _____) being the final instalment of subsidy may please be released for crediting to the Subsidy Reserve Fund Account Borrower wise.

23. It is certified that the observation(s) made by the Joint Inspection Committee if any, will be complied within 60 days of joint inspection.

[_____]

Seal and Signature of the Branch Manager

(Financial Institution)

Place:

Date:

Enclosures: Completion certificate, Item wise actual expenditure certificate, etc.

Annexure-III

NATIONAL BAMBOO MISSION

PROFORMA FOR JOINT INSPECTION REPORT

Date of

Inspection:

1. Members of Joint Inspection Committee:

Organization	Name of the Officer	Designation	Address
BDA			
FI			
OTHERS			

2. (i) Name & full Address of project including Tehsil / Taluka / District with telephone number and email ID :

(ii) Whether located in North East Region / Tribal Areas :

3. (i) Name & full address of promoter with telephone number and email ID :

(ii) Whether belongs to Govt. Sector / Private Sector :

(iii) Constitution: Individual/FPO/Coop./ proprietorship/ partnership etc. :

(iv) If Individual, Please specify whether Women / SC/ ST :

(v) If yes, rate of entitlement of subsidy (100% or 50%) :

4. (i) Name & full address of financing financial institution with telephone number and email ID (for Pvt. Sector) :

(ii) Name & address of the controlling authority (for Govt. Sector)

5. Type of Infrastructure projects:

A. Propagation and Cultivation :

B. Promotion of Bamboo treatment and Preservation :

C. Product Development and Processing :

D. Promotion & Development of Infrastructure for Bamboo Market:

- E. Development of Tools, equipment and Machinery :
- F. Skill Development and Awareness campaign :
- G. Research and Development :
- H. Project Management :

5. Rate of entitlement of subsidy for projects (50% / 100%)

6. Name and Address of the FI with telephone No. and Email ID :

7. Details of loan sanctioned

- i. Date of receipt of proposal / application to the FI :
- ii. Date of sanction of loan :
- iii. Amount of loan sanctioned :
- iv. Date & Amount of disbursement of first instalment :
- v. Date & Amount of disbursement of last instalment :
- vi. Total loan amount disbursed :
- vii. Date of commencement of project :
- viii. Date of Completion of Project & submission of documents :
- ix. Whether completed & documents submitted in time :

If not, subsidy calculation based on date of completion & submission of documents

- a. Prescribed date of completion & submission of documents :
- b. Actual Date of completion & submission :
- c. Time period of delay (b-a) :
- d. Applicable deduction of subsidy _____ % &
Amount: _____ IF ANY
- e. Final applicable subsidy _____ % &
Amount: _____

x. Date of intimation of completion & submission of documents of project for joint inspection to BDA :

7. Details of sanctioned Project :

i) Date and TFO of Project sanctioned by BDA

ii) Details of infrastructure created (in brief) :

iii) Total Project cost :

iv) Item-wise cost of project :

Sl. No.	Items	As per Project Report (Rs)	As appraised by FI (Rs)	Actual expenditure incurred (Rs.)	Expenditure verified by the JIC (Rs.)
1					
2					
3					
	Total				

8. Brief account of the infrastructure created under the project

(Description of components with cost)

9. Means of finance :

	As per project report (Rs.)	As approved by FI (Rs.)	Actual expenditure incurred (Rs.)	Expenditure verified by the JIC (Rs.)
Promoter's contribution				
Term Loan				
Total				

10. Whether project implemented as per approval (specifications etc.) :

If no, specify the deviations :

11. Total entitlement of Subsidy

a) Eligible subsidy, as sanctioned by BDA :

b) Final subsidy recommended :

- 12. Date and Amount of Advance subsidy received :
- 13. Subsidy from any other agency :

 - a) State Govt. :
 - b) Central Govt. (for other components, if any) :

- 14 Balance subsidy to be released :
- 15. Any other observations/ deficiencies :
- 16. Recommendations of the Joint Inspection Committee :

Signature & date
Signature & date

Signature & date

BDA
Other Agency

Financial Institution

Flow chart showing the release of subsidy under NBM

Promoters of Govt. Sector through their controlling department And Promoters of private sector through their financing bank's branches after scrutiny submits proposals to

District level Bamboo Development Agency

District level BDA compile and after primary scrutiny of received proposals, submit to State level BDA for appraisal within the Annual Action Plan approved by SLEC and DAC&FW

Project Recommendation Committee of State level BDA after appraisal, sanction the proposal for release of the advance subsidy to the FI (financing bank's branches) for Private sector and to Govt. agency for Govt. Sector. Financing bank's branches advised to sanction and release loan to private promoter and claim advance subsidy from State level BDA

State levels BDA compiled the sanctioned project list and submit at national level for information and/or confirmation of funds

When the project is completed / about to complete,

Promoters of Govt. Sector through their controlling department and Promoters of private sector through their financing banks submits progress report and request for inspection and release of balance subsidy to

JIC submit its report with recommendation to State level BDA for release of final subsidy

Scrutiny of claim and sanction of final subsidy by State level BDA. Release of final subsidy to concerned Agency

District level BDA

Review of loan sanction and release of subsidy under National Bamboo Mission by District level Consultative Committee convened by Lead District Manager and by State Level Bankers Committee (SLBC) of the State quarterly interval

District level BDA, constitute the Joint Inspection Committee comprising the officers from FI,
District level BDA and /or State level BDA

State levels BDA compiled the sanctioned project list and submit at national level for
information and/or confirmation of funds