

# **Operational Guidelines for Implementation of Distribution of Tractor units under CMSGUY**

## **1. Notification of the rates**

- Once the Manufacturing companies are shortlisted and the rates of the Tractors and Matching implements are finalised and approved by the CMSGUY it will be notified by the Agriculture department and all the farmers will be informed about the approved rates by wide publicity in newspapers, in the official website of Department, CMSGUY, District Websites.
- Only shortlisted Manufacturing Companies shall operate the scheme.
- Based on the approved short list of the manufacturers and the rates, the farmer groups shall submit a fresh choice on the tractors and implements (optional) to the DAOs of the respective districts in the prescribed formats.
- The tractor units may be purchased by the farmers from the authorised dealers of the approved companies operating in the respective districts.

## **2. Choice of the applicant groups:**

All the applicant groups of the single application villages who have already applied for the tractor unit will be required to furnish their choice as under:

- a) Whether they will avail bank finance for the beneficiary share- Yes/No.
- b) Name of the brand and model out of the list notified by the State Govt.
- c) Names of the implements out of the 5 (five) implements.

(Note: The applicant group is free to choose all/any/none of the implements. The subsidy at the rate of 70% will be available to the applicant group on the total cost of the tractor unit (tractor along with optional implements) so opted subject to maximum of Rs.5.5 Lakh).

## **3. Sanction for procurement of tractor units**

- a. The DAO will place the fresh choice of farmers groups before the DLC for approval and after approval, the DAO cum Member Secretary, DLC would accord

sanction of subsidy in favour of the selected group for procurement of tractor unit as per choice of brand/model indicated in the application form.

- b. An undertaking from the group shall be obtained by the Member Secretary prior to issue of sanction order.

#### **4. Procurement of Tractor units**

- The tractors units are to be purchased by the farmers from the authorised dealer's or the manufacturing companies present in the respective districts only.
- The farmers may opt to buy any or all of the matching implements as per their requirement.
- The approved rates of the matching implements will be notified from the quoted rates of the manufacturing companies participating in the bidding process.
- The implements shall be purchased only from the range of rates approved by the CMSGUY.
- The implements shall be purchased from the dealers from whom the tractor is purchased, provided the same dealer is also the authorised dealer for the implement(s) of the implement manufacturing company and without compromising the warranty of the tractor purchased.
- In no case the subsidy will be bifurcated or divided into parts. Hence the purchase shall be from a single point to ensure proper calculation and disbursement of the subsidy amount .
- It is at the liberty of the farmers group to bargain with the dealer to bring down the price. In that case, the final rate so arrived at will be taken into consideration for calculation of subsidy.

#### **In case of bank credit linkage the following procedure will be adopted:**

- The Member Secretary of DLC will forward proposals of the selected groups to Bank branches indicated by the groups for sanctioning of loan initially equal to 20% cost of the Tractor unit and subsidy permissible, in case of bank credit linkage

- In case of bank credit linkage, the group shall contribute 10% of the cost of tractor unit and the balance amount, if any as upfront margin money.
- In case of bank credit linkage on sanctioning of loan, the bank branches will place the order for procurement of tractor unit on behalf of the beneficiary group and request DAO to release the amount of subsidy in favour of the bank.
- On procurement of tractor unit and receipt of certification by Executive Engineer, (Agri) or his representative after physical verification. In case of bank credit linkage the bank will release 100% payment to the vendor on behalf of the beneficiary group with instruction to all concerned to hypothecate the tractor unit in favour of the bank.
- The Tractor will be registered in the name of the beneficiary group but hypothecated to the bank branch concerned minimum for a period five years.
- The subsidy amount released by DAO will remain in the account of bank as backended subsidy for the tractor unit. The bank will neither pay any interest on the amount of subsidy nor charge any interest on the equivalent amount of loan from the beneficiary group.
- In case of bank credit linkage, the Bank branch will transfer the amount of subsidy to the beneficiary account on completion of period of hypothecation.

**In case bank loan is not opted for**

- i. The beneficiary group will deposit bank demand draft of the amount equal to beneficiary share with the manufacturer/dealer concerned.
- ii. The manufacturer/dealer will supply the tractor unit to the beneficiary group after registration and insurance of the vehicle in favour of the beneficiary group.
- iii. The vendor shall inform the DAO about the supply of tractor and implements along with the particulars of registration and insurance. The RC will have contain the information that the tractor is hypothecated in case there is a bank work or stamp of the Registering authority that the tractor cannot be sold, leased or transferred for a period of 5 years from the date of registration
- iv. The DAO shall cause physical verification of the tractor unit through the Executive Engineer concerned. The report of physical verification along with photographs showing tractor, implements (if any) ,beneficiary group (At least 2

members and the group leader) and the Executive Engineer or his representative will be furnished to the Director Agriculture.

- v. The DAO will request Director, Agriculture to transfer the subsidy amount to the account of manufacturer/dealer.
- vi. The Director Agriculture will take action to release the amount of subsidy from the Mission concerned to the manufacturer/dealer with intimation to the DAO.

## **5. Monitoring:**

The Directorate of Agriculture will arrange for monitoring of the scheme as follows-

- a) Uploading of all information regarding implementation of the scheme in the district viz. Minutes of DLC meeting for selection of beneficiary groups, particulars of selected beneficiaries, Brand & models of Tractor Units procured by the Groups in the relevant/ departmental websites.
- b) All items delivered to the Group will have to be Geo-tagged/ GPS enabled-cost, by respective DAOs of this authorised representative.
- c) Verification of Log book, Cultivation register etc. maintained by the Group.

## **6. Collaboration with banks and manufacturers:**

- a) The Department of Agriculture will sign an MOU with the banks and manufacturers willing to participate in the scheme to ease out the process of opening of group bank accounts, credit linkage, fund flow, monitoring etc. throughout the period of the scheme.
- b) The manufacturer will be responsible for all the financial dealings and other actions of their authorized dealers and carrying out warranty obligations etc.
- c) Only the signatory banks and manufacturers should be allowed to join the scheme.

The banks shall not charge any interest on loan amount equal to the subsidy released. This condition should be strictly followed by the banks. The same should be mentioned in the MOUs to be signed with banks.

Further, a Notarised Indemnity Bond may be got signed by all members of that group, declaring inter alia, to indemnify the officials of Agri. Deptt. in case they violate any of the conditions

under where the tractor has been provided including sale, lease, transfer or hire out the tractor procured with govt subsidy.