

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2824
ANSWERED ON:26.11.2010
VENTURE CAPITAL FUND SCHEME
Karunakaran Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received any proposal from the Government of Kerala for extending the benefits of Venture Capital Fund Scheme by NABARD to the remaining districts of State;
- (b) if so, the details thereof;
- (c) whether the Government has conducted any study of the said scheme;
- (d) if so, the details thereof alongwith the outcome of such study and if not, the reasons therefor; and
- (e) the other steps taken/being taken by the Government to make the said scheme successful in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a)to (e) : The Ministry of Agriculture, Department of Animal Husbandry, Dairying and Fisheries (DAHR&F) has reported that it has not received any proposal from the State Government of Kerala seeking benefits under the Venture Capital Fund Scheme. However, the Ministry of Agriculture, (DAHR&F), had assigned an evaluation study of the scheme to the Centre for Management Development, Trivandrum which was conducted during the year 2008-09. The major observations of the study are as under :

- i. The scheme through small dairy farms has created a significant impact among the rural farmers.
- ii. However, it is yet to make a serious impact in initiating major structural changes in the unorganized sector.
- iii. The study recommended that the outlay of different components be increased, include some new components, relax the stipulation on financing of animals and allow implementation of all components of the scheme in all the districts.

Based on the recommendations of the evaluation study of the scheme, Gol has modified the scheme and introduced a revised scheme, the Dairy Entrepreneurship Development Scheme with effect from 1st September 2010. Under this scheme all the components including milch animals can be financed in all the districts of the country. The mode of implementation has changed from 50% interest free loans to a 25% capital subsidy mode.

The guidelines have been issued to all the implementing agencies and the State Animal Husbandry Departments. Workshops are being conducted for Banks, Animal Husbandry Departments, Dairy societies, prospective entrepreneurs for the successful implementation of the scheme in the country.