

डॉ. शहाजी फंड

उप निदेशक

कृषि-संबन्धित क्षेत्रों में विस्तार केंद्र तथा
प्रधान समन्वयक - एसी एवं एबीसी योजना



Dr. Shahaji Phand

Deputy Director

Centre for Extension in Agri-Allied Sectors &
Principal Coordinator - AC&ABC Scheme

MNG-20/CAD-196/2019

03.03.2026

To

All Scheduled Commercial Banks/State Cooperative Banks/ Regional Rural Banks/
State Cooperative Agriculture and Rural Development Banks/Other Institutions eligible
for refinance from NABARD

Sub: Sanction of Composite Term Loans under ACABC Scheme– Reg.

Sir/Madam,

This is with reference to the implementation of the Agri-Clinics and Agri-Business Centres (ACABC) Scheme, under which trained agripreneurs are eligible to avail credit-linked back-ended composite subsidy through sanction of composite term loans by banks.

It has been brought to our notice that in certain cases, banks are extending only Cash Credit limits towards working capital for agri-input ventures (such as input shops dealing with seeds, fertilizers, pesticides, organic manures, etc.) instead of sanctioning composite term loans as stipulated under the Scheme guidelines.

In this regard, your attention is invited to the relevant provisions of the ACABC Guidelines relating to Term Loan, which inter alia provide that:

1. For availing credit-linked subsidy benefit, the credit must be in the form of a composite term loan covering both fixed capital cost and working capital for one operating cycle.
2. The loan sanctioned shall be the differential amount between the Total Financial Outlay (TFO) and the margin money.
3. Clause 5.3.2 states:

“Composite subsidy will be provided even for low capital investment cases such as input shops, etc., thereby requiring minimal capital investment. In such cases at least 10% value of the Total Financial Outlay of the project should be in capital form.”

राष्ट्रीय कृषि विस्तार प्रबंध संस्थान (मैनेज)

(कृषि एवं किसान कल्याण मंत्रालय, भारत सरकार का संगठन, राजेन्द्रनगर, हैदराबाद – 500030,
टी.एस. भारत)

National Institute of Agricultural Extension Management (MANAGE)

(An Autonomous Organization of Ministry of Agriculture and Farmers Welfare, Government of India)

Rajendranagar, Hyderabad-500030, T.S. India

Phone: +91 (40) 24594550, +91-7095779988

In this context, it is clarified that:

For example, if the Total Financial Outlay (TFO) of a project is ₹20.00 lakhs,

- Minimum capital expenditure required (10%) = ₹2.00 lakhs, and
- The remaining ₹18.00 lakhs may be considered towards working capital requirement for one operating cycle, as part of the composite term loan.
- Further, the above **₹2.00 lakhs (Capital expenditure) and ₹18.00 lakhs (Working Capital)** together constitute the Total Financial Outlay of **₹20.00 lakhs**, and the loan amount excluding margin money shall be sanctioned and disbursed in the form of a **composite term loan** as per the AC&ABC Scheme guidelines.

Thus, the Scheme does not mandate high fixed capital investment. It only requires that at least 10% of the TFO be in capital form, and the balance amount may legitimately consist of working capital under the composite term loan structure.

Further, the repayment schedule is to be drawn on the total loan amount (including subsidy), with subsidy adjustment after liquidation of the net bank loan (excluding subsidy). The rate of interest shall be as per guidelines of the Reserve Bank of India and the declared policy of the respective bank.

In view of the above, it is requested that eligible agri-input ventures under AC&ABC be considered for sanction of composite term loans as per Scheme guidelines, instead of restricting assistance only to Cash Credit limits, so that beneficiaries may avail the admissible credit-linked subsidy benefits.

We seek your cooperation in ensuring uniform implementation of the Scheme guidelines across branches and facilitating trained agripreneurs in establishing sustainable agri-enterprises.

For any clarification, banks may coordinate with National Institute of Agricultural Extension Management (MANAGE), Mail: acabc-manage@manage.gov.in, AC&ABC Helpline: 9951851556 the implementing agency of the AC&ABC Scheme.

We look forward to your continued support.

Yours Sincerely



Principal Coordinator, AC&ABC

Enclosed:

1. letter with attachments on the subject, Revamping of AC&AC Programme- Promotion of Credit Lending, with the request for necessary kind action for better performance of the programme

राष्ट्रीय कृषि विस्तार प्रबंध संस्थान (मैनेज)
(कृषि एवं किसान कल्याण मंत्रालय, भारत सरकार का संगठन, राजेन्द्रनगर, हैदराबाद – 500030,
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F.No.1(1)/2019-EM-(E-74998)
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture & Farmers Welfare
(Extension Division)

Room No. 244-A, Krishi Bhawan
New Delhi-110001

Dated: the 19th January, 2026

To

1. The Chairman, NABARD, BKC, Bandra East, Mumbai-400051.
2. The Director General, MANAGE, Rajendranagar, Hyderabad-500030.

Subject: Revamping of AC&ABC programme-Promotion of credit lending for venture establishment-reg.

Sir,

As you are aware that the Ministry of Agriculture & Farmers Welfare is implementing the Agri-Clinics and Agri-Business Centres (AC&ABC) Programme through MANAGE, Hyderabad and NABARD, Mumbai since 2002, with the objective of supplementing the public extension system by promoting self-employment among trained agripreneurs in agriculture and allied sectors. The programme provides 45 days of free residential training to unemployed graduates and diploma holders in Agriculture and allied subjects, in the age group of 21-60 years, through Nodal Training Institutes (NTIs) under MoU with MANAGE, followed by credit-linked, back-ended subsidy support disbursed through NABARD.

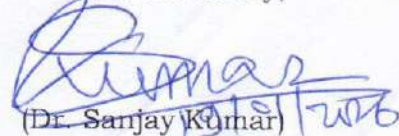
2. As on date, 95,492 candidates have been trained, of which 41,865 have established agri-ventures, reflecting a success rate of 43.84%. However, credit facility could be availed by less than 10,000 trained agripreneurs and subsidy support has been extended to only 4,177 agri-ventures, which constitutes merely 9.98% of the total ventures established. Since subsidy under the programme is credit linked, the low subsidy coverage indicates that a large proportion of established agri-ventures have been unable to access institutional credit. Feedback received from beneficiaries and implementing agencies consistently points to the reluctance of banks to finance AC&ABC projects as the primary reason for poor credit off-take.

3. In response to a D.O. Letter from Secretary (A&FW) to the Secretary (DFS), Ministry of Finance, on the subject cited above, Ministry of Finance has communicated the Chairman, NABARD; Chairman, State Bank of India and MD & CEOs of all Public Sector Banks to promote credit lending under AC&ABC programme to trained agripreneurs, vide the letter F.No.3/57/2022-AC dated 21.10.2022 of Under Secretary, DFS. A copy of the letter is enclosed. Based on this communication, NABARD and MANAGE were also requested to pursue with the banks for tapping the advantages of the communication in letter and spirit, for the benefit of the candidates trained under the programme. It is also requested to advise all the Nodal Training Institutes (NTIs) to attach a copy of the letter of MoF along with the DPR, while submission to banks, and liaison with the banks to support the candidates for getting the credit facilities.

4. It is once again requested to kindly follow with all the RRBs, Cooperative Banks and PSBs for promoting the credit facilitation under AC&ABC programme. MANAGE is again requested to insist NTIs to enclose a copy of the letter from DFS, along with all DPRs submitted to banks.

Encl.: As above.

Yours faithfully,


(Dr. Sanjay Kumar)

Additional Commissioner (Extension)

Tel.: 011-23382714

E-mail: sanjay.kr71@nic.in

F. No. 1(4)/2019-EM
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture & Farmers Welfare
(Extension Division)

Room No.244-A, Krishi Bhawan,
New Delhi

Dated: 2nd November, 2022

To,
Dr. P. Chandra Shekara
Director General (MANAGE)
Rajendranagar
Hyderabad - 500030 (TELANGANA)

Subject: Revamping of AC&ABC programme- Promotion of credit lending for venture establishment-reg.

Sir,

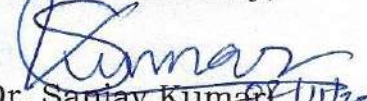
In response to a D.O. letter from Secretary (A&FW) to the Secretary (DFS), Ministry of Finance, on the subject cited above, Ministry of Finance has communicated the Chairman, NABARD; Chairman, State Bank of India and MD & CEOs of all Public Sector Banks to promote credit lending under AC&ABC programme to trained agripreneurs, vide the letter F.No.3/57/2022-AC dated 21.10.2022 of Under Secretary, DFS. A copy of the letter is enclosed.

2. It is requested to kindly follow up with all the banks for tapping the advantages of the communication in letter and spirit, for the benefit of the candidates trained under the programme. It is also requested to advise all the Nodal Training Institutes (NTIs) to attach a copy of the letter of MoF along with the DPR, while submitting to banks, and liaison with the respective banks to support the candidates for availing credit facilities.

This issues with the approval of Joint Secretary (Extension).

Encl: as above.

Yours faithfully,



(Dr. Sanjay Kumar)

Additional Commissioner (Extension)

Tel: 011-23389357

Email: sanjay.kr71@nic.in

Copy to:

Shri Vivek K. Sinha,
Chief General Manager (DOR), NABARD,
3rd Floor, 'A' Wing, C-24,
'G' Block, Bandra-Kurla Complex,
Bandra (East), Mumbai-400051, Maharashtra.



F.No. 3/57/2022-AC
GOVERNMENT OF INDIA
Ministry of Finance
Department of Financial Services

Jeevan Deep Building, Parliament Street,
New Delhi - 110001
Dated: 21.10.2022

1. Chairman, NABARD (For RRBs and Cooperatives)
2. Chairman, SBI
3. MD & CEOs of all PSBs

Subject: Agri-Clinics and Agri-Business Centers (AC&ABCs) Scheme - Reg.

Sir / Madam,

As you are aware, the Agri-Clinics and Agri-Business Centres (AC&ABC) scheme is an entrepreneurship development programme being implemented since the last 20 years by the Department of Agriculture and Farmers Welfare, with the main objective of supplementing the public extension system through trained agripreneurs by helping them establish self-employment enterprises in agriculture and allied sectors. Entrepreneurship training of 45 days' duration for selected candidates possessing minimum educational qualifications, followed by one-year hand holding for the venture establishment with financial support in the form of credit linked back-ended subsidy are the two main components of the programme.

2. As of September, 2022, more than 82673 candidates have been trained, of which 35,552 have established agri-ventures across the country with a success rate of 43%. However, credit facility could be availed by only around 7,000 candidates of whom 3,311 have been extended subsidy (only 9.33% of the established ventures). Since subsidy is credit linked, the poor percentage of subsidy distribution shows that a large number of the established agri-ventures could not tap credit facilities from banks.

3. To improve the uptake of credit, you are requested to take all necessary steps to promote credit lending under the AC&ABC programme to trained agripreneurs.

4. This issues with the approval of competent authority.

Yours faithfully



(Chandragupt Shaurya)

Under Secretary to the Govt. of India

Phone No.23747189

e-mail: acsec-bkg@nic.in

- to:
1. Secretary, Department of Agriculture & Farmers Welfare,
Krishi Bhawan, New Delhi - 110001
 2. IF-II Section

SAMUEL PRAVEEN KUMAR
Joint Secretary



भारत सरकार
कृषि एवं किसान कल्याण मंत्रालय
कृषि एवं किसान कल्याण विभाग
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture & Farmers Welfare

D.O No. 1(4)/2019-EM



Dated the 09th September, 2022

Dear Shri Sameer Shukla ji,

Establishment of Agri-Clinics and Agri-Business Centres (AC&ABC) programme, is an entrepreneurship development programme being implemented since last 20 years by the Department of Agriculture and Farmers Welfare, with the main objective of supplementing the public extension system through trained agripreneurs by helping them for establishment of self employment enterprises in Agriculture and allied sectors. Entrepreneurship training of 45 days duration for selected candidates with minimum educational qualifications, followed by one year hand holding for venture establishment with financial support in the form of credit linked back ended subsidy are the two main components of the programme.

As on date, 82673 candidates have been trained of which 35,552 have established agriventures across the country with a success rate of 43 %. However, credit facility could be availed by only around 7,000 candidates of whom 3,311 have been extended with subsidy which makes only 9.33% of the established ventures.

Secretary (DFS) was addressed by our Secretary (A&FW) with the request to direct all the banking institutions to promote credit lending under AC&ABC programme and also for inclusion of all the indicative activities listed under the programme for coverage under Credit Guarantee Scheme of Credit Guarantee Trust Scheme of India (a copy of the letter is enclosed).

It is requested to kindly provide the status of action taken in this regard and the point of contact in DFS for our further follow up.

With warm regards,

Yours sincerely

(Samuel Praveen Kumar)

Shri Sameer Shukla
Joint Secretary (Banking Operations),
Department of Financial Services,
Ministry of Finance,
No.36, 3rd Floor, Jeevandeep Building,
Sansad Marg, New Delhi- 110001

MANOJ AHUJA
SECRETARY



सत्यमेव जयते



भारत सरकार
कृषि एवं किसान कल्याण मंत्रालय
कृषि एवं किसान कल्याण विभाग
Government of India

Ministry of Agriculture & Farmers Welfare
Department of Agriculture & Farmers Welfare

08-06-2022

D.O. 1(4)/2019-EM

Dear

Sanjay,

Establishment of Agri-Clinics and Agri-Business Centres (AC&ABC) programme, an entrepreneurship development programme being implemented by Department of Agriculture and Farmers Welfare has been on boarded on the National Portal for Credit Linked Government Scheme, Jan Samarth. The programme is under implementation since 2002 with the main objective of supplementing the public extension system through trained agripreneurs by helping them for establishment of self-employment enterprises in Agriculture and allied sectors. Training & Handholding and Subsidy are the two components of the programme which involves 45 days entrepreneurship training for candidates with minimum educational qualification of Intermediate in Agriculture and allied subjects to Graduate in Agriculture and allied subjects, Life Sciences and Environmental Science, followed by credit linked back ended subsidy @ 36% to General category and 44% to SC/ST/Women/NEH candidates subject to a project cost ceiling of Rs.20.00 lakh (Rs.25.00 lakh to extremely successful projects) to individuals and Rs.100.00 lakh to groups of minimum 5 trained candidates for establishment of ventures. Credits availed from all Commercial, Regional Rural, State Cooperative, State Cooperative Agricultural and Rural Development Banks and such other institutions eligible for refinance from NABARD are eligible for subsidy under the programme.

As on date, 80890 have been trained of which 35,242 have established agriventures across the country with a success rate of 43.50%. However, subsidy has been extended to only 3211 agriventures out of the total established 35,242 which makes only 9.11%. Since subsidy is credit linked, the poor percentage of subsidy distribution shows that a lion share of the established agriventures could not tap credit facilities from banks. Feedback from candidates as well as the implementing agencies reveals that reluctance of banking institutions to finance the projects under AC&ABC programme is the primary reason attributed for poor subsidy coverage.

It is pertinent to mention that the AC&ABC programme is covered under the Priority Sector under Agriculture as per item no. 6.3 of Chapter III of RBI Circular RBI/FIDD/2016-17/33 dated July 7, 2016. Also, nine out of 31 indicative list of items prescribed for agriventure establishment are already covered under Credit Guarantee Scheme of Credit Guarantee Trust Scheme of India (CGTSI) as per the Circular No.29/2005-06 of CGTSI/(44)/862 dated November 14, 2005. As per the circular RBI/FIDD/2017-2018/56- FIDD.SME & NFS.12/06.02.31/2017-18 dated July 24, 2017 of RBI, banks are mandated not to accept collateral security in the case of loans up to Rs 10 lakh extended to units in the MSE sector. In spite of all these, credit lending under the programme is not promising.

Issued on 09/06/22

As a step forward to the on boarding of AC&ABC programme on Jan Samarth, it is requested to kindly direct all the banking institutions to promote credit lending under AC&ABC programme so that the beneficiaries get the real intended benefits of the programme. Also necessary directions may be given for including all the indicative activities listed under the programme for coverage under Credit Guarantee Scheme of Credit Guarantee Trust Scheme of India.

With regards,

Yours sincerely


(Manoj Ahuja)

Shri Sanjay Malhotra
Secretary
Department of Financial Services,
Jeevandeep Building,
Sansad Marg,
New Delhi- 110001

SAMUEL PRAVEEN KUMAR
Joint Secretary



भारत सरकार
कृषि एवं किसान कल्याण मंत्रालय
कृषि एवं किसान कल्याण विभाग
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture & Farmers Welfare

D.O. No. 1(4)/2019-EM



Dated, the 01st December, 2022

Dear Sir,

This has reference to the D.O. letter No.1(4)/2019 (copy enclosed) dated 08.06.2022 from Secretary (A&FW), vide which it was requested to address all the bankers to promote credit lending and to extend coverage of credit guarantee facility for all the activities covered under Agri-Clinics and Agri-Business Centres programme DA&FW, which is an entrepreneurship development programme of the Ministry.

We would like to express our gratitude on behalf of the Department of Agriculture & Farmers Welfare for duly addressing all the bankers and NABARD to promote the programme, vide the letter No.3/57/2022-AC (copy enclosed) dated 21.10.2022.

Further, it is also requested to address the issue of Credit Guarantee Fund Trust, so as to provide coverage of credit guarantee for all the activities enlisted under the AC&ABC programme for venture establishment.

Encl: As above.

With regards,

Yours sincerely,

(Samuel Praveen Kumar)

To,

Shri Lalit Kumar Chandel
Economic Advisor,
Department of Financial Services,
Ministry of Finance,
Jeevandeep Building, Sansad Marg
New Delhi-110001.