



ABSTRACT

Agriculture - Horticulture – Establishment of Special Purpose Vehicle for supply of quality Agricultural and Horticultural inputs and Water Soluble Fertilizers – Sanction of Rs.50.00 Crore as Revolving Fund for procurement of Water Soluble Fertilizers and Seeds – Orders – Issued.

Agriculture (H1) Department

G.O. Ms. No. 227

Dated 14.11.2013
Thiruvalluvar Aandu 2044
Ippasi, 28.
Read:-

1. From the Commissioner of Horticulture and Plantation Crops Letter No. GOI/8696/2013 dated 30.05.2013.
2. From the Commissioner of Horticulture and Plantation Crops Letter No. GOI/8696/2013 dated 25.09.2013.

ORDER:

In order to supply quality Agricultural and Horticultural Inputs and Water Soluble Fertilizers in time to the Farmers of Tamil Nadu, Hon'ble Chief Minister made an announcement on 06.05.2013 under Rule 110 of the Legislative Assembly for the "establishment of a Special Purpose Vehicle in Horticulture Department and for provision of a Revolving Fund, creation of infrastructure facilities, etc." During the Budget Session of the Legislative Assembly of Tamil Nadu on 21st March 2013, Hon'ble Minister for Finance announced that Liquid Fertilizer are an essential pre-requisite for advancing precision farming technology with fertigation. For procuring, storing and distribution of liquid fertilizers and thereby ensuring their timely availability throughout the cropping cycle, the Government has provided a sum of Rs.50 crores as a revolving fund in the Budget Estimates 2013-14.

2. In his letter first read above, the Commissioner of Horticulture and Plantation Crops has stated that Climate plays a major role in agriculture along with so many other factors like inputs supply, Pest and diseases and Marketing of the commodities. Tamil Nadu is having three major seasons for various Agriculture and Horticulture crops in which timely supply of inputs like seeds, planting materials, fertilizers and pesticides play a major role in cultivation. Improved quality and timely supply of the above inputs is very essential for better productivity. For this purpose, the Commissioner of Horticulture & Plantation Crops has submitted a detailed proposal for the creation of a Special Purpose Vehicle under Companies Act, 1956 for the procurement and supply of Water

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Soluble Fertilizers and other agricultural inputs in time to the farmers based on the needs under various schemes and for sanction of a sum of Rs.112.49 Crore as indicated below :-

SI.No.	Name of the Component	Budget Outlay (Rs. in Crore)
1	Procurement of Water Soluble Fertilizers	50.00
2	Procurement of all other Agricultural Inputs	50.00
3	Equity Share	1.00
4	Fund for Infrastructure facilities	11.49
	Total	112.49

3. In his letter 2nd read above the Commissioner of Horticulture & Plantation Crops has stated that Tamil Nadu Horticulture Development Agency will carry out all businesses pertaining to Special Purpose Vehicle. The Governing Council of TANHODA will act as Empowered Committee for the proposed Special Purpose Vehicle also, under the Chairmanship of Agricultural Production Commissioner and Principal Secretary to Government, Agriculture Department. The Managing Director, TANHODA will be the Member Secretary and the modalities of operation will be taken up as per the existing rules of TANHODA. Further, he has stated that the purchase of every input with required Government procedures will be taken care of by the Technical Committees headed by the Additional Director of Horticulture / TANHODA. Separate Committees for different inputs purchases will function under the Chairmanship of Additional Director of Horticulture.

4. The Government examined the proposal of Commissioner of Horticulture and Plantation Crops in detail and accordingly the following orders are issued :-

- a) Since Tamil Nadu Horticulture Development Agency (TANHODA) is already a Special Purpose Vehicle (SPV), it will serve as Special Purpose Vehicle for procurement and supply of Liquid Fertilizers and Seeds. For the procurement of other inputs the existing procedures will continue. There is no need for creation of separate infrastructures and the existing Godowns / Shops / Storage Godowns under the control of the Departments of Agriculture and Horticulture may be utilized for this purpose.
- b) The Government sanction an interest free amount of Rs.50.00 Crore (Rupees Fifty Crore only) as Revolving Fund for the procurement of Liquid Fertilizers and Seeds.
- c) The Governing Council of Tamil Nadu Horticulture Development Agency will act as Empowered Committee for the Special Purpose Vehicle and the modalities of operation will be taken up as per the existing rules of Tamil Nadu Horticulture Development Agency.

- d) In order to assist the Empowered Committee in the procurement of above inputs, the Commissioner of Horticulture and Plantation Crops is permitted to constitute a Technical Committee headed by the Additional Director of Horticulture.

5. The amount sanctioned in para-4(b) above, shall be debited to the following New head of account opened under Demand No.05.05

2401-00-Crop Husbandry-119-Horticulture and Vegetables Crops-Schemes in the Twelfth five year plan-II State Plan - LG -Revolving fund for procurement of Liquid Fertilizers and Seeds-09-Grants-in-aid-03-Grants for specific schemes.
(DPC:2401-00-119-LG-0936)

6. The expenditure sanctioned in para 4 above constitute an item of NEW SERVICE. The approval of the Legislature will be obtained in due course. Pending approval of the Legislature the expenditure may initially be met from an advance drawn from contingency fund. Orders regarding this will be issued separately in Finance (BG.I) Department. The Commissioner of Horticulture and Plantation Crops is requested to apply for sanctioning contingency fund in the prescribed proforma along with the copy of this order to Government in Finance (BG.I) Department and to send necessary note for supplementary estimates for inclusion of this expenditure in the Supplementary Estimates at appropriate time.

7. The Commissioner of Horticulture and Plantation Crops is the Estimating, Reconciling and Controlling authority of the above Head of Account. The Pay and Accounts Officers and Treasury Officers are requested to open the New Head of Account in their books.

8. The Commissioner of Horticulture and Plantation Crops is authorized to draw the amount sanctioned in para-4 above, and disburse it to the Managing Director, Tamil Nadu Horticulture Development Agency for the purpose mentioned therein.

9. This order issues with the concurrence of the Finance Department vide its U.O. No. 65199/JS(AR)/Agri/2013, dated 13.11.2013 and A.S.L. No. 1956 (One thousand nine hundred and fifty six).

(BY ORDER OF THE GOVERNOR)

SANDEEP SAXENA,
Agricultural Production Commissioner and
Principal Secretary to Government

To
The Commissioner of Horticulture & Plantation Crops, Chennai-5.
The Managing Director, Tamil Nadu Horticulture Development Agency, Chennai-5.

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- The Director of Agriculture, Chennai-5.
- The Pay and Accounts Officer, (East) Chennai-8.
- The Principal Accountant General (G&SSA), Chennai-18.
- The Principal Accountant General (E&RSA), Chennai -18.
- The Accountant General, Chennai-18.
- The Accountant General (Audit), Chennai-18.
- The Residential Officer, Office of the Principal Accountant General
(General and Social Sector Audit), Chennai-9.

Copy to:

- The Chief Minister's Office, Chennai.9
 - The Special Personal Assistant to Minister for Finance, Chennai.9
 - The Special Personal Assistant to Minister for Agriculture, Chennai.9
 - The Finance (Agri)/(BG.I)/(BG.II) Department, Chennai.9
 - The Agriculture (AP2/AP3) Department, Chennai.9
 - The Private Secretary to Agricultural Production Commissioner and
Principal Secretary to Government, Agriculture Department, Chennai-9.
- Copy to file bearing 14000/H1-1/2013
SF/SC

//Forwarded by Order//


Section Officer

WBI
18-11-13