

Standard Operating Procedures - Modalities for release of Interest Subvention to the Banks under Animal Husbandry Infrastructure Development Fund (AHIDF)

1. Background of AHIDF:

Under the Prime Minister's AtmaNirbhar Bharat Abhiyan stimulus package mentioned about setting up of Rs. 15000 crore Animal Husbandry Infrastructure Development Fund (AHIDF).

Accordingly, the Cabinet in its meeting held on 24.06.2020 has approved the establishment of Animal Husbandry Infrastructure Development Fund (AHIDF) worth Rs. 15000/- cr to be implemented from 2020-21.

The Animal Husbandry Infrastructure Development (AHIDF) has been approved for incentivizing investments by individual entrepreneurs, private companies, Farmers Producers Organizations (FPOs) and Section 8 companies to establish (i) the dairy processing and product diversification infrastructure, (ii) meat processing and product diversification infrastructure and (iii) Animal Feed Plant and (iv) Breed Improvement Technology and Breed Multiplication Farm.

The scheduled banks in the list of RBI will extend loan up to 90% to the Eligible Entities for the establishment of dairy processing, meat processing and value addition infrastructure and also for establishment of animal feed plant. The funding will be made by these banks from their own resources. The Eligible entities will arrange for Margin Money as prescribed in the scheme guidelines. Detailed guidelines has been issued and circulated amongst the banks.

2. Interest subvention:

All the eligible entity under the AHIDF will get 3% interest subvention under AHIDF scheme. Department of Animal Husbandry and Dairying (DAHD) shall act as an administrative Department for implementing the AHIDF. The interest subvention will be transferred by the Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry and Dairying directly to the Lending Bank to the dedicated account or any other account indicated by the Lending bank. On receipt of the interest subvention the lending bank shall transfer the subvention amount to the Eligible Entities.

3. Rate of Interest:

- The rate of interest to be fixed by lenders should not exceed **200 basis points plus External Benchmark Lending Rate (EBLR)** for the eligible entities whose project is falling **within MSME defined ceilings**.
- However, the rate of interest to be fixed by **lenders for other project** could be based on commercial interest rate of the lenders or as decided by the banks based on the credibility of the Eligible Entities.

4. Loan Amount

The Eligible Entities are entitled to get loan up to the 90% of a project for capital cost, plant and machinery. However, loan does not cover working capital loan or recurring expenditure and land purchase, lease and hiring. Interest subvention will not be allowed for the loan sanctioned for procurement of land, working capital, old machineries and vehicle for personal use.

5. Credit Guarantee:

Rs 750 cr credit guarantee fund trust has been established by NABARD . The Credit Guarantee Fund Trust is managed by the NABSAnrakshan Trustee Private Limited which is a 100% subsidiary to the NABARD. The Fund Trust is located at NABARD Headquarter, Bandra Kurla Complex, Worli Mumbai. The Credit Guarantee Trust will be managed over a period of 10 years.

The Credit Guarantee will be provided to those projects that are covered under MSME ceilings and the beneficiary is falling under MSME category. The Credit Guarantee will cover 25% of the total borrowings.

Detailed Credit Guarantee guidelines has been issued and is available with the Credit Guarantee Fund Trust and NABARD. In this regard, the Bank may contact Mr. Pankaj Kumar, Chief Executive Officer, NABSAnrakshan Trustee Private Limited (*Building Trust for Rural Prosperity*, Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051, Ph: [+91 22 2653 9410](tel:+912226539410) Email: o@nabsanrakshan.org)

6. Operational Procedure by the Banks:

- (a) All the Eligible Entities shall submit the application by uploading all the documents in the AHIDF portal at www.ahidf.udyamimitra.in selecting the preferred lender and branch.
- (b) After filing the application, the Department of Animal Husbandry and Dairying will carry out initial screening called as LAF screening. The LAF screening has

three options (i) Eligible (ii) Returned to the applicant (iii) Rejection of the application.

- (c) After the LAF screening by the DAHD, for eligibility under the AHIDF, applications will be moved to Lending Bank Branch. The Lending Bank Branch will be eligible or processing the application as per the Bank norms and procedure.
- (d) It is desirable that decision on the Loan Application shall be completed within 30 days after the application is made eligible.
- (e) If the bank is not able to sanction the loan or reject the application the same has to be intimated to the DAHD.
- (f) After sanctioning of the loan, the Lender shall mark the application seeking interest subvention by uploading loan sanction order along with the calculation of interest subvention amount for a particular year or for total tenure (year on year or quarterly basis) on Udyamimitra portal under AHIDF module.
- (g) Lender shall also upload the appraisal note for appraising the project at the time of sanction the loan.
- (h) On receipt of the request for interest subvention, the DAHD will scrutinize the application, evaluate and appraise the proposal for sanction by the Project Approval Committee (PAC) chaired by Joint Secretary for the projects up to Rs. 50 crore.
- (i) However, the projects which are above Rs. 50 crore, the same will be sanctioned by the Project Sanctioning Committee headed by Secretary (Animal Husbandry and Dairying) after the recommendation of the Project Approval Committee.
- (j) After approval for grant of Interest subvention of the projects up to Rs 50 crore, the DAHD will upload the sanction order in the [www. ahidf udyamimitra.in](http://www.ahidfudyamimitra.in) portal thereafter, the bank may start disbursement of loan instalments.
- (k) For the projects above Rs 50.00 crore, PAC shall recommend the project to the Project Sanctioning Committee(PSC), chaired by Secretary, Department of Animal Husbandry & Dairying, GOI after screening and evaluation of projects. These sanctions of these applications will be uploaded after the approval of the Project Sanctioning Committee.
- (l) In the project Approval Committee and Project Sanctioning Committee, the representative from the Banks need to be present. Therefore, the Bank need to intimate their nodal officer name in the following proforma:

For the proposals recommended to PAC	For the proposals recommended to PSC
Representative from the Concerned Bank	Representative of participating Banks not less than Deputy Managing Director/ CGM

Name	Designation	Name	Designation
Contact Number	Email ID	Contact Number	Email ID

7. Transfer of interest subvention amount from DAHD to the Lender

- The interest subvention amount so calculated by the banks, will be remitted to the account of the lending bank not to the lending bank branch.
- The Lending Bank need to intimate the account number or subsidy account number wherein the interest subvention amount to be transferred.
- The interest subvention amount for the first year will be transferred upfront. From the second year the bank need to claim the interest subvention amount from the DAHD through Portal when the entities start paying the interest to the bank and the entity does not classify as NPS. In any case, the defaulter of repayment of interest and loan amount should not be eligible for getting interest subvention for the said year.
- Therefore, it is desirable that the bank shall main all records and calculations with regard to entities regarding repayment and also the progress of the project.
- Any excess payment of interest subvention by the DAHD shall be adjusted in the subsequent year.
- The interest is chargeable on the principal amount of loan for the moratorium period also.
- The interest subvention amount will be transferred through PFMS system. Therefore, the scheduled bank need to map the account with PFMS where the interest subvention will be transferred.
- For claiming the interest subvention the bank should submit the account details in the following format

Name of the Bank	
Account Number	
Type of Account	
Address of the Branch where the account is exist	
IFSC Code	
Unique ID in PFMS (if any)	

Note: *If the account number is already mapped with PFMS for other Government scheme, the same account may be used provided that the*

account has not been issued in any personal name. In that case the bank need to map that account with the AHIDF scheme by accepting the scheme when the intimation is sent through the PFMS by the DAHD through PFMS system.

Note: the interest subvention will be released depending on the availability of budget in the Department

8. Credit Guarantee:

The Bank need to indicate in the portal whether the project is eligible under Credit Guarantee and also the status of MSME Registration of the applicant.

9. Verification of End Use of funds:

Following documents/ information would be treated as Utilization Certificate of the Fund released in respect of Interest Subvention:

- a. Receipt of funds by the scheduled banks
- b. Subsequently, when lenders have settled all the claims to borrower, an email confirmation is required to DAHD for extending the interest subvention benefit to respective applicant.

Grievance Redressal:

In case of any query / grievance, Lenders may contact following ministry officials:

1. Dr. O.P. Chaudhary, Joint Secretary P: 01123387804, email: jspf-dadf@nic.in
2. Dr. Sujit Kumar Dutta, Joint Commissioner, Ph: 011 21401454 email: sk.dutta@nic.in
3. Dr. Lipi Sairiwal, Assistant Commissioner, Ph: 01123311036, email: lipi.s@gov.in
