

R-99014/34/2021-NLM-DADF  
Government of India  
Ministry of Fisheries, Animal Husbandry and Dairying  
Department of Animal Husbandry and Dairying

Krishi Bhawan, New Delhi  
Dated: 2<sup>nd</sup> November 2022

**Subject: Revised Standard Operating Procedure (SoP) for lenders on Animal Husbandry Infrastructure Development Fund (AHIDF)**

Sir/ Madam,

The undersigned is directed to enclose herewith the revised Standard Operating Procedure (SoP) for Lenders under Animal Husbandry Infrastructure Development Fund (AHIDF) being implemented by Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India.

2. This issues with the approval of competent authority.

Yours faithfully,



(Dr. Lipi Sairiwal)  
Assistant Commissioner (AH)

Distribution,

1. PPS to Secretary (AHD), DAHD, Krishi Bhawan, New Delhi
2. PPS to Additional Secretary (C&DD), DAHD, Krishi Bhawan, New Delhi
3. PPS to Financial Advisor, DAHD, Krishi Bhawan, New Delhi
4. PPS to Joint Secretary (NLM), DAHD, Krishi Bhawan, New Delhi
5. Joint Secretary, Department of Financial Services, 3rd floor Jeevan Deep Building, Sansad Marg, New Delhi.
6. Joint Secretary, Ministry of Food Processing Industries, Panchsheel Bhawan, August Kranti Marg, Khelgaon, New Delhi
7. Director, Animal Husbandry and Dairying Department, all States & UTs
8. Chief General Manager, NABARD, Plot C-24, G Block, Bandra Kurla Complex, BKC Road, Bandra East, Mumbai, Maharashtra 400051
9. Chief General Manager, SIDBI, Atma Ram House, Tolstoy Marg, New Delhi.
10. Chief Executive officer, CGFTAHD, NABSAnrakshan Pvt Ltd. Mumbai
11. Manager, SIDBI, for necessary actions and to upload SOP on the portal
12. Nodal officer of all concerned Banks
13. Joint Commissioner (Poultry)
14. PMA-AHIDF
15. NIC to upload on Department's website

**Animal Husbandry Infrastructure Development Fund (AHIDF) Scheme  
Department of Animal Husbandry and Dairying**

**Standard Operating Procedures for the Banks**

**1. Background of AHIDF**

Under the Prime Minister's AtmaNirbhar Bharat Abhiyan a 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 Fund (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 (v) Animal waste to wealth management (Agri-waste Management) and (vi) Veterinary Vaccine and Drugs production facilities.

The scheduled banks in the RBI list and NCDC will extend loan up to 90% to the Eligible Entities for the establishment of projects in any eligible category under the Scheme. 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 have been issued and circulated amongst the banks.

**2. Interest subvention**

All the eligible entities 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 dedicated account of the Lending Bank or any other account indicated by the Lending bank where interest on the interest subvention amount shall not accrue. On receipt of the interest subvention the lending bank shall transfer the subvention amount to the Eligible Entities / adjust the interest

subvention amount against the interest due from Eligible Entities. The interest subvention amount is to be transferred or adjusted by the bank to EE as the case may be as when the interest becomes due against the disbursements made.

### **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.

### **4. Loan Amount**

The Eligible Entities are entitled to get loan up to the 90% of a project cost. However, loan shall 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 Cover**

#### **5.1. Credit Guarantee Cover by Nabsanrakshan Trustee Co. Pvt. Ltd.**

Rs 750 cr. Credit Guarantee Fund Trust for Animal Husbandry & Dairying (CGFTAHD) is being managed by the NABSAnrakshan Trustee Private Limited, a 100% subsidiary of 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)26539410  
Email:ho@nabsanrakshan.org)

NABSanrakshan Trustee Private Limited have also developed a portal for handling credit guarantee claims from the banks.

## 5.2 Credit Guarantee cover by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Eligible units may also avail credit guarantee cover from CGTMSE under their Scheme for the loan amount up to Rs. 2.0 crore with the guarantee cover of maximum 85% of the loan amount. Guidelines of CGTME may be referred to at [www.cgtmse.in](http://www.cgtmse.in).

## **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](http://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 for 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 through the portal.

(f) After sanctioning of the loan, the Lender shall upload the loan sanction order along with the calculation of interest subvention amount for a particular year (year on year or quarterly basis) on Udyamimitra portal ([www.ahidf.udyamimitra.in](http://www.ahidf.udyamimitra.in)).

(g) The lender shall also upload the appraisal note for appraising the project at the time of sanction the loan. Also, If the land documents are in vernacular language, the bank shall be required to furnish the translated (to English or Hindi) copy of the land documents duly notarized.

(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 chaired 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 on the [www.ahidf.udyamimitra.in](http://www.ahidf.udyamimitra.in) portal.

(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. The sanctions of these applications will be uploaded on the portal after the approval of the Project Sanctioning Committee.

(l) Banks need to appoint a nodal officer, not below the rank of DGM, for handling the AHIDF Scheme related matters in the bank and interacting with DAHD. Also, in the project Approval Committee and Project Sanctioning Committee, there representative from the Banks need to be present. Therefore, the Banks need to intimate their nodal participating officers name in the following proforma:

For the proposals recommended to PAC	For the proposals recommended to PSC
Representative from the Concerned Bank not below the rank of DGM	Representative of participating Banks not below the rank of GM or appropriate higher authority.
Name	Name
Designation	Designation
Contact Number	Contact Number
Email ID	Email ID

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

- The eligible interest subvention amount will be remitted to the account of the lending bank and not to the lending bank branch.

- The Lending Bank needs to intimate a dedicated account number or subsidy account number wherein the interest subvention amount will be transferred by DAHD. The banks shall not earn any interest/income out of the same. Further, no other monies shall be credited in the said account.
- The banks shall furnish interest subvention claims through the ahidf portal.

**Interest subvention will be claimed by the banks in the following manner:**

- Department will release the interest subvention amount sanctioned by the banks for the FY (for part FY during which the application is being considered by DAHD, and for full FY in subsequent years) based term loan amount already disbursed, disbursement schedule for the loan, and repayments. For proposals where disbursement has taken place in previous financial years, the banks shall submit the claim for the same along with first interest subvention claims.
- Interest subvention will be released to the banks on a quarterly basis in advance for each quarter. Quarterly interest subvention claims will be submitted by the bank (calendar quarter-wise) based on term loan amount already disbursed, disbursement schedule for the loan, and repayments. Quarter for this purpose will be April- June, July-Sept, Oct-Dec and Jan.- March.
- On receipt of calculations of quarterly interest subvention by various banks, programme division will seek the concurrence from IFD for the FY and on concurrence of the full amount the release shall be made quarterly by the programme division. Files need not to be sent for concurrence to IFD for quarterly release of interest subvention.
- The mechanism of obtaining the quarterly interest subvention disbursement plan and already disbursed plan will be developed on the ahidf portal.
- The subvention disbursement will be marked on the ahidf portal with the monitoring functionality with features for geo tagging/ photo upload of the project as well as the marking date of actual passing on of the benefit to beneficiary by the bank.
- Interest subvention will be paid to the banks only after it has made the first disbursement to the borrower and updated the same on the udyamimitra portal.
- Any excess or shortfall in payment of interest subvention by the DAHD shall be adjusted in the subsequent quarter.
- Interest subvention for a project will be available for maximum first 8 years from the date of first disbursement of loan.
- Interest subvention will be calculated on the same base on which original due interest is calculated and demanded by the banks. The banks shall not load

penal interest or delayed interest amount on the principal for the purpose of interest subvention calculation.

- Banks need to upload their claim for the interest subvention amount through the portal only.
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  - The banks need to ensure that the entity is not classified as NPA at the time of release of Interest subvention. Further, the interest subvention will not be available for the duration during which an entity is an NPA. A check-list for claiming second instalment of Interest Subvention is enclosed.
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- For claiming interest subvention for proposals eligible in terms of decision of the Project Sanctioning Committee held on September 30, 2021 and conveyed to banks vide D.O. letter F.No. R-43023/1/2019-NLM-DADF dated December 21, 2021 i.e. applicants who have received sanction for term loan by the Banks/ Lending Institution before or after the date of notification of scheme guidelines shall be considered under AHIDF provided project has not commercially operationalized prior to the date of notification of scheme, the bank shall not claim interest subvention for the period the unit was NPA.
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- The bank needs to pass on the due interest subvention (either by way of bank transfer or adjustments in next interest dues) to the entity as soon as it receives interest subvention amount from DAHD within a time-period not exceeding 10 days from the receipt of the interest subvention amount. The banks need to follow repayment schedule / payment of interest schedule as per their own internal guidelines.
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- The banks shall maintain all records and calculations related to interest subvention, repayment. The banks shall also submit quarterly progress reports on the projects assisted under the Scheme.
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- Since interest is chargeable on the principal amount, interest subvention will be available for interest charged during moratorium period as well.
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- The interest subvention amount will be transferred through PFMS system. Therefore, the scheduled banks need to map the account with PFMS where the interest subvention will be transferred.
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- The Bank shall ensure that the interest subvention amount transferred to the beneficiaries is also uploaded on EAT module.

- If for any reason, interest subvention is not released by the bank to the unit for which it has been claimed, the bank shall immediately remit the same to the Department.
- For claiming the interest subvention, the bank shall 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 exists	
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 needs 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.

- The interest subvention will be released depending on the availability of budget in the Department

The flowchart for the interest subvention is depicted in the Annexure II.

## **8. SOPs for change of bank, takeover and consortium finance projects etc.**

### **8.1 SOP for cases where applicants change lending bank after PAC/PSC approval of the proposal**



The applicant needs to advise DAHD immediately and request for change of the preferred bank. DAHD will initiate the process for cancellation of approval accorded by PAC / PSC. Once the original sanction has been cancelled and updated on the portal, the applicant will need to apply afresh on the portal with the new preferred banker.

## 8.2 SOP for take-over cases

Take-over of loans is a standard industry practice. To handle such cases the following SOP is proposed:

- (a) Where the application has been submitted by the bank but interest subvention has not been approved by PAC / PSC

As soon as the bank which has submitted application to DAHD for approval of interest subvention comes to know of take-over of its loan by another bank, it shall immediately advise DAHD of the same and request for withdrawal of its application. / change of bank on the portal. The bank shall withdraw the sanction issued to the application and new sanction letter shall be uploaded by bank which is taking over the loan.

- (b) Where the interest subvention has been approved by PAC / PSC but no disbursement of it has been made by DAHD to the bank

As soon as the bank which has submitted application to DAHD for approval of interest subvention comes to know of take-over of its loan by another bank, it shall immediately advise DAHD of the same and request for withdrawal of its application. DAHD shall initiate internal process for cancellation of interest subvention approval to the original bank. Once the cancellation has been made and updated on the portal, the bank taking over the loan shall apply afresh for approval of interest subvention.

- (C) Where the interest subvention has been approved by PAC / PSC and interest subvention (part or full) has been released by DAHD to the bank

- (i) Where interest subvention has so far not been released to the beneficiary:

As soon as the bank which has originally sanctioned and uploaded term loan details (w.r.t. the application submitted by the beneficiary) for approval of interest subvention comes to know of take-over of its loan by another bank, it shall immediately advise DAHD of the same and request for withdrawal of its sanction letter against the application. DAHD shall initiate internal process for cancellation of interest subvention approval to the original bank. The bank shall return the interest

subvention amount to DAHD within 7 days. If the interest subvention amount is not returned with 7 days, interest @ 10% p.a. will be payable for the number of days of delay.

Once the cancellation has been made and updated on the portal, the bank taking over the loan shall apply afresh for approval of interest subvention. Fresh approval of interest subvention will be considered only after return of interest subvention amount to DAHD by the original bank.

- (ii) Where interest subvention has been released by the bank to the beneficiary

As soon as the bank which has originally submitted application to DAHD for approval of interest subvention comes to know of take-over of its loan by another bank, it shall immediately advise DAHD of the same and request for withdrawal of its application. DAHD shall initiate internal process for cancellation of interest subvention approval to the original bank. The bank shall return the interest subvention amount to DAHD within 7 days. It shall initiate the process of recovery of interest subvention released to the beneficiary forthwith along with interest @10 % p.a. For this purpose, suitable clause may be included in the loan documents executed with the borrower by the banks.

Once the cancellation has been made and updated on the portal, the bank taking over the loan shall apply afresh for approval of interest subvention. Fresh approval of interest subvention will be considered only after return of interest subvention amount to DAHD by the original bank.

The process of takeover should be carried out over the portal – this shall include NOC from previous bank, and new bank being responsible for the proposal there onwards. This will also enable to know the entire loan history and ensure that interest subvention is limited to overall eight years (including the interest subvention availed from previous bank).

### 8.3.SOP for consortium finance projects

For consortium finance projects, the lead bank will be responsible for dealing and coordinating with DAHD for all matters related to interest subvention and complying with the formalities. The lead bank will be responsible for updating the requisite details on the portal for the total loan amount. It will claim the total interest amount for the total loan sanctioned for the project by all the bankers combined furnishing the break-up for all the banks. On release of the total interest amount by DAHD to the lead bank, the lead bank will release the interest subvention amount pertaining to individual banks to them. The same process will be followed up for subsequent disbursements. The lead bank will ensure this arrangement with consortium banks

as part of overall consortium arrangement. DAHD will be interacting with only the lead bank of the consortium for passing on the benefits under the AHIDF Scheme.

#### **8.4 SOP where repayments of term loan have commenced**

It is possible that some applicants have already repaid/will repay their loan to the banks before submitting their application to DAHD on the portal or sanction/release of interest subvention by DAHD. In such instances, irrespective of the repayments already made by the applicants to their banks, interest subvention amount will be calculated based on accrual basis w.e.f. the date of first disbursement of the term loan or scheme notification date whichever is later. This will also apply to instances where proposals are eligible in terms of decision of the Project Sanctioning Committee held on September 30, 2021 and conveyed to banks vide D.O. letter F.No. R-43023/1/2019-NLM-DADF dated December 21, 2021 i.e. applicants who have received sanction for term loan by the Banks/ Lending Institution before or after the date of notification of scheme guidelines shall be considered under AHIDF provided project has not commercially operationalized prior to the date of notification of scheme. (This provision is not applicable to the two newly added categories of Animal waste to wealth management and Veterinary vaccine and Drugs Production facilities).

### **9. Legal clauses for abandoned and incomplete projects**

In terms of the extant guidelines, DAHD will have authority for recall of interest subvention along with interest (10% per annum) within 30 days after a notice is issued under any of the following circumstances:

- a) If project is not completed within approved project period including extension if any.
- b) If the assisted project stops its commercial operations within seven (7) years from the date of commencement of commercial production of the project.
- c) If during such period, it comes to the notice of the Department that interest subvention has been availed by manipulating / concealment of information of facts or that the interest subvention has been utilized for purposes other than those for which it was sanctioned.
- d) In case beneficiary rescind/ abandon the project after receiving the interest subvention amount.

For this purpose, at the time of applying for interest subvention on the portal, the applicant shall furnish a surety bond/undertaking incorporating the aforesaid clause undertaking to refund the interest subvention amount received by it. The banks shall ensure receiving such an undertaking along with other documents.

## **10. 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.

Once a credit guarantee is invoked for a project by a bank, interest subvention will not be available to the entity from the date of such invocation.

## **11. Verification of End Use of funds**

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

- Receipt of funds by the scheduled banks
- Subsequently, when lenders have settled all the claims to borrower, they will need to submit a Utilisation Certificate to DAHD regarding extending the interest subvention benefit to respective applicants.
- Utilisation Certificate for interest subvention amount can either be signed by the nodal officer of the bank or the authorised signatory of the bank.

### **Other documents to be submitted**

- Quarterly progress reports (containing physical and financial progress of the project which may include photographs of the unit before and after) shall be captured on the AHIDF portal as per format prescribed by DAHD. Physical verification of projects to be carried out quarterly during implementation period, and once a year thereafter.
- Regular reports related to interest subvention utilisation

## **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](mailto: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

**Annexure I:****Checklist of documents for claiming next instalment of Interest Subvention**

<b>No.</b>	<b>List of the document</b>
1.	Utilization certificate of interest subvention of first FY by DAHD by lending bank
2.	Status of account -certificate by lending bank 1. Standard 2. SMA 3. NPA
3.	Bank request letter stating that entity is eligible for 2 <sup>nd</sup> /next instalment.
4.	Recent site report including physical and financial progress prepared by lending bank
5.	Display board at the site (This project is funded under AHIDF scheme of Gol)
6.	Detailed calculation of interest subvention amount claimed as 1st instalment and 2 <sup>nd</sup> /next instalment along with disbursement of term loan till date.
7.	Certificate from lending bank if projects are completed.

**Annexure – II: Flowchart for interest subvention**



