OPERATIONAL GUIDELINES ON CENTRALLY SPONSORED SCHEME FOR ESTABLISHING MOTHER UNITS FOR RURAL BACKYARD POULTRY

1. Mother units for Rural Backyard Poultry

1.1 It is proposed to set up mother units where day old chicks of low input birds are reared up to 4 weeks and supplied to the beneficiaries under Rural Backyard Poultry programme. These mother units will get the day old chicks from State Poultry Farms or private hatcheries producing low input birds.

1.2 The State Governments shall submit proposals to GoI for rural backyard poultry in the proforma prescribed by DAHD&F, GoI and communicated to them vide administrative approval no. 43-23/2009/LDT-P dated 07 August 2009.

1.3 The details on mother units like number of mother units, State Poultry Farms or private hatcheries to which these mother units are proposed to be linked for supply of day old chicks shall be given by the State Government.

1.4 Unless justified, there should not be more than 10 mother units in each district / cluster.

1.5 After approval by DAHD&F, State Animal Husbandry Department shall identify the beneficiaries for establishment of mother units in consultation with DRDA and local banks. The beneficiaries could be individuals, SHGs, NGOs, who are trained in management of day old chicks and rearing them up to 4 weeks. If necessary, Animal Husbandry Department will arrange for training of the identified beneficiaries.

1.6 The funding pattern for a mother unit with 3 pheriwalas is as follows

Unit cost (unit size 1500 chicks per batch) : Rs 1.361 lakh (of which Rs 1.00 lakh would be fixed cost and Rs 0.36 lakh for kick starting the operations of the unit).
Subsidy : Rs 0.20 lakh (to be treated as borrowers margin when bank loan is availed)
Interest Free Loan : Rs 0.36 lakh
Bank Loan : Rs 0.80 lakh

1.7. The District Animal Husbandry Department will sponsor the applications for mother units and release the subsidy amount to the financing banks. The financing banks on receipt of the subsidy will sanction the amount of unit cost excluding the subsidy as bank loan and apply to the concerned Regional Office of NABARD through their controlling office in the proforma (Annexure II). In case the unit cost is more than
that indicated, banks shall finance the additional cost as their loan or the beneficiaries may bring that amount as margin.

2. Sanction of the project and release of IFL

2.1 NABARD RO will scrutinise the claim proposals and ensure that those which satisfy the terms and conditions laid down in the guidelines only are put up to SLSMC for sanction. The meeting will be convened initially as and when proposals are received and later at quarterly / half-yearly intervals to review the progress of the scheme. The SLSMC in each State are expected to meet quickly after its constitution and decide whether proposal concerning each beneficiary is to be placed before the Committee for approval or proposals of a district/cluster are to be firmed up and bunched together for consideration of the Committee or the Committee would ratify the action taken by the financial institution on individual projects.

2.2 The SLSMC will sanction the Interest Free Loan portion (50% of the outlay subject to the ceiling) for eligible proposals in respect of poultry estates and Rs 36,000 per unit in case of mother units.

2.3 On receipt of the confirmation from HO, the concerned ROs of NABARD will release the sanctioned IFL to the respective banks. The sanction and disbursement of IFL will be for the selected beneficiaries only.

2.4 The banks will release the first instalment within a month of receipt of the IFL component from NABARD. If the bank is not in a position to release the loan due to some reasons, the IFL shall be remitted back to the concerned Regional office of NABARD within a month of its receipt. In case of delay of such refund the bank has to pay interest on such amount @10% per annum from the date of its receipt by the nodal branch.

3. Repayment Period and Recovery of Loan

3.1 Repayment period of loan will depend upon the cash flow and will be up to maximum of 9 years including grace period of 2 years in case of layer units and 6 months to 1 year in case of broiler and mother units. The bank will submit the repayment schedule for the entire loan inclusive of IFL to NABARD and may take all steps to ensure proper follow-up and recover the loan provided to the borrower and return the pro-rata amount to NABARD on a half yearly basis. For convenience sake, the repayment received during January to June should be passed on by the bank to NABARD on 31st July and like wise those received during July to December should be passed on to NABARD on 31st January next year. The risk, if any, will be shared by Government of India on a pro-rata basis. However, the banks will take effective steps for recovering the entire loan amount.
3.2. Banks shall furnish the status of the accounts on a yearly basis in the format given in Annexure-III.

4. Refinance Assistance
NABARD would provide refinance assistance to commercial banks, RRBs, SCBs SCARDBs and other such eligible institutions. Quantum and rate of interest on refinance will be as decided by NABARD from time to time.

5. Security Norms
The security norms will be as prescribed by Reserve Bank of India from time to time.

6. Rate of Interest
Rate of interest on the loan component shall be as per RBI guidelines and declared policy of the bank in this regard. The bank shall however not charge interest on the IFL component.

7. Monitoring

7.1 The Central Level Joint Monitoring Committee will be headed by Joint Secretary (Poultry), Department of AHD&F, Ministry of Agriculture, Government of India with representatives of NABARD, financing bank, state government and facilitator. The Committee will monitor the progress of implementation of projects on half yearly basis.

7.2 SLSMC will sanction the projects and also monitor the progress initially on quarterly basis and after creation of infrastructure on a half yearly basis, the progress under the scheme and take necessary steps for smooth functioning of the scheme.

8. Role of Various Agencies

8.1 NABARD
- To administer the revolving fund and conduct SLSMC Meetings.
- To scrutinise the claims of the banks and release eligible Interest Free Loan amount.
- To submit returns at periodical intervals on sanction and utilisation of the fund.
- To plan for improvement and expansion of the scheme for future, based on the feedback.

8.2 Facilitator
- To develop the infrastructure for establishment of poultry estates.
- To identify the beneficiaries for poultry estates.
- To organize training programmes for them under the guidance of AH Department.
8.3 **Banks:**
- To identify the borrowers, receive, sanction the projects for various components identified under the scheme.
- To recover the loan amount as per repayment schedule and repay the amount recovered pro-rata to NABARD on half-yearly basis.
- To provide feedback on implementation of the scheme at State and National level.

8.4 **State Animal Husbandry Department**
- To identify the borrowers in association with the local banks, provide training and arrange for sanction of loans.
- To release subsidy for the mother units.
- To provide technical guidance to the beneficiaries.
- To monitor the progress of the units and assist the banks in recovery of the loans.
- To provide feedback on implementation of the scheme.

8.5 **Department of Animal Husbandry, Dairying and Fisheries, GoI**
- To convene the meeting of the Joint Monitoring Committee regularly (half yearly basis) and review the implementation with NABARD and financing banks.
- To plan and expand the scheme in future years as per the feedback received from NABARD and financing banks.
- To undertake field visits of project on sample basis.
- To make funds available as and when needed or keeping the amount with NABARD in advance.

9. **Publicity**
NABARD and the implementing banks, AH departments of State Governments will make efforts for wide publicity at the district and state levels through organisation of workshops and through farmer's clubs, NGOs and rural branches of financing banks. The details of the scheme will also be put on the website of NABARD and DAHD&F.

10. **Other Conditions**
- A signboard at the site “Assisted by Department of Animal Husbandry, Dairying and Fisheries, GoI through NABARD” will also be exhibited.
- DAHD&F reserves the right to modify, add and delete any terms / conditions without assigning any reason.
- DAHD&F's interpretation of various terms will be final.
- DAHD&F reserves the right to recall any amount given under the scheme without assigning any reason thereof.
- Any other pre and post inspection would be undertaken by DAHD&F representative to find out the physical and financial progress as and when required.
- Other operational instructions issued by DAHD&F / NABARD from time to time will be strictly followed.
SCHEME FOR POULTRY DEVELOPMENT CONSOLIDATED CLAIM FROM THE CONTROLLING OFFICE OF THE BANK FOR RELEASE OF INTEREST FREE LOAN PORTION (To be submitted to the concerned NABARD, Regional Office)

1. NAME OF THE BANK:
2. MONTH/YEAR OF CLAIM:
3. TOTAL AMOUNT OF CURRENT CLAIM:
4. DETAILS OF CURRENT CLAIM:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>1</td>
<td>Name &amp; address of Beneficiary</td>
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<td>Constitution (Individual / SHG / Others)</td>
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<td>Branch Address (indicate district also)</td>
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<td>Loan a/c No.</td>
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<td>8</td>
<td>Purpose of loan</td>
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<td>9</td>
<td>Unit size</td>
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<td>Total financial outlay</td>
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<td>11</td>
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<td>12</td>
<td>Bank loan</td>
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<td>IFL claimed</td>
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<td>Repayment prescribed</td>
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<td>15</td>
<td>Rate of interest</td>
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<td>16</td>
<td>Any other information relevant to the project</td>
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</table>

1. We undertake having complied with all the instructions contained in NABARD circular No. -------------------------------------------- regarding operational guidelines of the scheme and as amended from time to time while sanctioning above proposals.

2. We request you to release an amount of Rs._____________________________ as interest free loan portion in respect of the above beneficiaries under the scheme for poultry development

3. We also certify that the IFL in respect of previous claims have been fully utilised.

Place: Seal and signature of the Officer
Date: (Controlling office of the financing bank)
The above claim is scrutinized. HO is requested to confirm the release of Interest free loan amount of Rs.__________ (Rupees ______________________ only) to be released to __________________________ (Name of the Bank).

(Signature)
AGM/DGM
(NABARD, RO)

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(For the use of ICD, NABARD HO)

Release of IFL - Confirmation

RETURN FAX MESSAGE

Date

FROM : CGM, ICD, NABARD, HO, MUMBAI
FOR : CGM/GM/OIC, REGIONAL OFFICE NABARD

Central sector scheme for Poultry Development- confirmation

The claim No. is admitted. (Ref. Claim No._________________ for IFL). Since sufficient funds are available with NABARD, under the scheme, the above proposal of releasing IFL amount of Rs.__________________ (Rupees ______________________ only) is confirmed for release.

AGM / DGM
ICD, NABARD-HO, MUMBAI

Date :
### Scheme for Poultry Development Status of Loan Accounts Under the Scheme as on 31 March

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>State</th>
<th>(Rs. lakh)</th>
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<tbody>
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<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the beneficiary</th>
<th>Branch</th>
<th>Purposes</th>
<th>Outlay</th>
<th>Loan sanctioned</th>
<th>Of col (6) IFL</th>
<th>As on 31 Mar</th>
<th>Demanded</th>
<th>Repayment</th>
<th>Of Col.(9) amount remitted to NABARD</th>
<th>Loan O/S as on 31 Mar</th>
<th>Remarks</th>
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<tbody>
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It is hereby certified that the amount at col.9 has been remitted to NABARD towards IFL component out of the recoveries made in the account on pro-rata basis.

Place: __________
Date: __________
Seal and signature of the Officer (Controlling office of the financing bank)