

FREQUENTLY ASKED QUESTIONS (FAQs) on AHIDF

1. What is AHIDF?

The Animal Husbandry Infrastructure Development (AHIDF) is a Central Sector Scheme under the Prime Minister's Atma Nirbhar Bharat Abhiyan stimulus package for incentivizing investments (i) the dairy processing and value addition infrastructure, (ii) meat processing and value addition infrastructure and (iii) Animal Feed Plant with budget allocation of Rs.15000 crore.

2. Who are eligible under AHIDF?

The following entities will be eligible under AHIDF

- a) Farmer Producer Organization(FPO)
- b) Private companies
- c) Individual entrepreneurs
- d) Section 8 companies
- e) Micro Small and Medium Enterprises

4. What activities can be covered under Dairy Sector?

- Establishment of new units and Strengthening of existing dairy Processing Units with quality and hygienic milk processing facilities, packaging facilities or any other activities related to dairy processing.

- **Product Diversification**

The Eligible Entities can also avail loan for establishment of new units and strengthening of existing manufacturing units for value addition of the following milk products:

- Ice Cream unit, Cheese manufacturing unit, Ultra High Temperature (UHT) Milk processing unit with tetra packaging facilities, Flavored Milk manufacturing unit, Milk Powder manufacturing unit, Whey powder manufacturing unit, Any other milk products and value addition manufacturing unit.

5. What activities can be covered under Meat Sector?

- Establishment of new meat processing unit and strengthening of existing meat processing facilities for sheep/goat/ poultry/pig/buffalo in rural, semi-urban and urban areas.
- Large scale integrated meat processing facilities/ plant/ unit.
- **Product Diversification:** Establishment of new or strengthening of existing value addition facilities for meat products like Sausage, nuggets, ham, salami, bacon or any other meat products. These facilities could either be

integral part of meat processing units or Standalone meat value addition unit.

6. What activities can be supported related to animal feed?

- Establishment of **Animal Feed manufacturing and strengthening of existing units/ plant** of the following categories:
- Establishment of Mini, Medium and Large Animal Feed Plant, Total Mixed Ration Block Making Unit, By pass protein unit, Mineral Mixture Plant, Enrich Silage making unit, Animal Feed Testing Laboratory and any other activities related to animal feed manufacturing.

7. What will be the loan amount for a beneficiary under AHIDF?

The project under the AHIDF shall be eligible for loan up to 90% of the estimated/ actual project cost from the Scheduled Bank based on submission of viable projects by eligible beneficiaries.

8. What will be the beneficiary contribution?

The beneficiary contribution in case of Micro and Small units as per MSME defined ceiling could be 10% while in case of Medium Enterprises as per defined MSME ceiling, beneficiary contribution could go up to 15%. The beneficiary contribution in other categories of enterprises could go up to 25%.

9. What will be the lending rate of interest?

- The lending rate of interest is to be fixed by scheduled banks and it should not exceed at 200 basis points plus External Bench Mark Based Lending Rate (EBLR) for the Eligible Entities whose project cost are falling within MSME defined ceilings.
- However, rate of interest to be fixed by scheduled banks for other project could be based on commercial interest rate of Banks.

10. What will be the interest subvention provided by the Department?

- Interest subvention of 3% is provided to all eligible entities by the Department. However, Interest subvention will not be allowed for the loan sanctioned for procurement of land, working capital, old machineries and vehicle for personal use. The Eligible Entities will not be able to get the interest subvention, if the Eligible Entities is defaulter of re-payment of loan amount in any given year.

11. Whether any credit guarantee is provided under the scheme?

- Yes, the credit guarantee will be provided only for those projects which are viable and are covered under MSME defined ceilings and the

guarantee coverage would be up to 25% of the credit facility available to the borrower.

- The Credit Guarantee will not be provided to other beneficiaries who are not covered under MSME norms, however, those EEs will be eligible to get interest subvention.

12. What will be the maximum repayment period?

- The Scheduled Bank shall ensure that maximum re-payment period should not exceed 10 years from the date of first disbursement inclusive of moratorium of 2 years on repayment of principal.

13. How can an entity submit a proposal and what is the process?

- The EE will submit the proposal with complete DPR through “Udyami Mitra” Portal developed by Small Industries Development Bank of India (Sidbi).
- The Schedule Bank after due appraisal and sanction of the project will forward the application/ project to the Department of Animal Husbandry and Dairying for approval of interest subvention through online mechanism.

14. What is the process of sanction of interest subvention?

- The project proposal may be submitted to the Department of Animal Husbandry and Dairying either by the Bank or by the beneficiary through online mechanism for approval of interest subvention by the Project Sanctioning Committee.

15. Is there any limit of amount of loan under AHIDF?

- There is as such no upper limit/ lower limit of the loan provided.

16. Where from the credit guarantee will be made available?

- Credit guarantee will be made available by NABARD,

17. What percentage of loan will be covered under credit guarantee and who is eligible to get credit guarantee?

- Credit guarantee coverage will be of 25 % of loan for eligible entities covered under MSME would be after the bank entered into MoU with credit guarantee trust set up for AHIDF by NABARD

18. Up to what percentage of loan amount will be eligible for 3 % interest subvention?

- Up to 90% of loan of the total project cost will be eligible for interest subvention.

19. What will happen if any beneficiary is found defaulter?

- Interest subvention will not be provided to such beneficiaries which are found defaulter at any point of time for repayment and also the bank is free to take any action as per the lending agreement.

20. What will happen when the repayment period exceeds eight years repayment period?

- The interest subvention will be provided only up to 8 years of repayment period. Beyond no interest subvention will be provided.

21. Whether Government entities and cooperatives are eligible under AHIDF?

- Not eligible under AHIDF.
