

Ref.No.NB.ICD.GSS/ 1585/DSRR-4/2009-10  
**Circular No. 219 /ICD- 46 /2009**

24 December 2009

The Chairman / Managing Director  
All Scheduled Commercial Banks /  
All Scheduled (Primary) Urban Cooperative Banks  
All RRBs/ADFCs/SCBs/SCARDBs  
All other institutions eligible for NABARD refinance

Dear Sir

**Centrally Sponsored Scheme - Integrated Development  
of Small Ruminants and Rabbits**

As you are aware, sheep and goats are generally reared by the poor households of the rural population and they provide to the society meat, wool and manure. At the same time, these animals have wide adaptability to suit many of the agro-climatic conditions. Nevertheless, poor awareness of the role played by the sector for the downtrodden, absence of attention by the planners/financial agencies and lack of focus on improving productivity of the animals are the main reasons for the sector remaining backward. However, development of small ruminants in an integrated manner holds great potential for generating employment and enhancing rural prosperity.

2. In this background, it has been decided by Government of India to launch a centrally sponsored scheme for integrated development of small ruminants and rabbits for providing Venture Capital assistance during the remaining period of XI Five Year Plan in 24 states with a focus on 114 districts for small ruminants and 12 districts for rabbits as indicated in Annexure I. Under the scheme an Interest Free Loan (IFL) shall be provided based on the total financial outlay (TFO) for the various components as indicated at para 5.1 of the guidelines.

3. The assistance under the scheme shall be available to landless labourers, marginal farmers and their SHGs for setting-up rearing units with preference to traditional shepherds, women and SC/STs. For breeding farms Individual farmers, traditional breeders, entrepreneurs, NGO, etc, would be eligible with preference to those who have organised the farmers into groups for taking up rearing of small ruminants and rabbits. The IFL @ 50% of the TFO of the project with the upper ceiling as indicated at para 5.1 of the guidelines shall be available for all categories of the promoters.

4. Assistance under the scheme would be purely credit linked and subject to sanction of the project by eligible institutions. Banks shall, after sanction of loans, apply through their Controlling Offices to Regional Office (RO) of NABARD for sanction of Interest Free Loan. NABARD RO will scrutinise the claim proposal and ensure that those, which satisfy the terms and conditions are put up to State Level Sanctioning and Monitoring Committee (SLSMC) for sanction. The SLSMC will sanction the Interest Free Loan for projects to eligible institutions. NABARD would provide refinance support to the eligible financing banks for the term loan extended under the scheme. The extent and interest rate on refinance will be as per instructions issued by NABARD from time to time.

5. The implementation of the scheme shall be monitored by a Central Monitoring Committee at national level on half yearly basis. At the state level the progress will be reviewed by the State Level Sanctioning and Monitoring Committee (SLSMC) on a quarterly basis. The participating banks will conduct periodic inspections of the units and give a feedback to the SLSMC on a consolidated basis.

6. The SLSMCs in each State are expected to meet quickly after their 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.

7. We request you to circulate the operational guidelines among your controlling offices and branches with instructions to implement the scheme expeditiously. You may also arrange to give wide publicity to the scheme and advise your offices to submit the proposals to the Regional Offices of NABARD in the respective states. The State Animal Husbandry Department may also be approached for popularising the scheme and mobilising applications from prospective promoters. A copy of the operational guidelines of the scheme is enclosed. English and Hindi versions of the operational guidelines would be placed in the website of NABARD.

Please acknowledge receipt.

Yours faithfully

Sd/-

**(S C Kaushik)**

**Chief General Manager**

*Encl : A copy of the operational guidelines*

# **GUIDELINES FOR SCHEME FOR INTEGRATED DEVELOPMENT OF SMALL RUMINANTS AND RABBITS**

## **1. Background**

1.1. Sheep, and goats are reared by the most poor of the rural population and they provide our society with meat, wool, milk and manure. These animals have wide adaptability to suit many of the agro-climatic conditions. The contribution of the sector to rural economy estimated at Rs.2400 crore mostly to sustain landless, marginal and small farmers. It forms 10% of total value of livestock products. Though our country has around 41 breeds of sheep and 20 breeds of goat, very little scientific breeding has been done to improve their performance at the field level. Efforts to import exotic germplasm to crossbreed local animals have not been successful.

1.2 Poor awareness of the role played by the sector for the downtrodden; absence of attention by the planners/ bankers; lack of focus on improving performance of animals are reasons for the sector remaining backward. There are no farmers' organisations to help them. There are no schemes aimed at this sector at the national level. Their problems are getting acute as fodder availability in the migratory routes is drying up. It is necessary to organise and educate them in the latest technologies available and ensure that animals are selected for better performance and make use of locally available resources.

1.3 The present proposal addresses the past neglect.

## **2. Objectives of the Scheme**

The main objectives of the scheme are:

- i. To encourage sheep/goat/rabbit rearing farmers to go in for commercial rearing rather than subsistence farming by providing incentives for performance.
- ii. The production performance of native breeds will be improved by regular selection and culling based on measurable indicators.
- iii. Facilitate marketing based on acceptable norms so that producer gets a fair share of the price paid by ultimate consumer for the meat.
- iv. To encourage value addition of the products locally and help farmer realise a better income from the animals.

## **3. Implementing Period and Area of Operation**

The scheme will be implemented during the remaining XI Plan period with a focus on 114 districts for small ruminants and 12 districts for rabbits in 24 states ( **Annexure I**). State Level

Sanction and Monitoring Committee (SLSMC) can include new areas in their State taking into account potential in such areas.

#### 4. Eligibility

4.1. Individual farmers, SHGs are the intended beneficiaries for setting up rearing units. Preference would be given for traditional shepherds, women, SC and STs.

4.2. Individual farmers, NGO's , Companies would be eligible for breeding farms with preference for those who have organised the farmers into groups for taking up rearing of small ruminants and rabbits.

#### 5. Project Costs and ceilings on Interest Free Loan (IFL).

5.1. The indicative project costs and ceiling on IFL for different activities are given below

S.No	Component	Total financial outlay (Rs lakh)	Pattern of Assistance
1	Rearing of sheep and goats (40+2)	1.00	50% of the outlay as IFL subject to a maximum of Rs 50,000/-.
2	Sheep and Goat Breeding units (500+25)	25.00	50 % of the outlay as IFL subject to a ceiling of Rs 12.50 lakh
3	Rabbit rearing units	2.25	50 % of outlay as IFL subject to a maximum of Rs 1.125 lakh

#### 6. Funding pattern

- Entrepreneur contribution ( margin) - minimum 10% in the case of rearing units and minimum 25% of the outlay in case of breeding units
- Interest Free loan - 50 % of the total financial outlay subject to a ceiling as per indicated para 5.1 above.
- Bank Loan - Balance amount

In case the outlay is more than that indicated above, either the entrepreneur can bring that amount as additional margin or the bank can sanction it as a loan.

#### 7. Linkage with Credit

Assistance under the scheme would be purely credit linked and subject to sanction of the project by eligible financial institutions

#### 8. Eligible Financial institutions

- Commercial Banks
- Regional Rural Banks
- State Cooperative Banks

- d. State Cooperative Agriculture and Rural Development Banks: and
- e. Such other institutions, which will be eligible for refinance/co-finance from **NABARD**.

## **9. Constitution of State Level Sanctioning and Monitoring Committee and Central Monitoring Committee**

9.1 . The SLSMC will be constituted by concerned Regional Office of NABARD and will be headed by Principal Secretary / Secretary of the Department of Animal Husbandry of the State and have as its member a representative each from

- i. Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, GoI.
- ii. Lead Bank in the State
- iii. State Animal Husbandry Department
- iv. An NGO actively operating in the State
- v. Regional Office of NABARD - Convener

9.2. At the National level, a Central Monitoring Committee will be constituted to approve projects to be sanctioned directly by the Department and to formulate operational plan and policy with respect to the scheme.

## **10. Implementation of the scheme**

### **I. Rearing Units**

#### **a. Identification of NGOs to act as facilitators**

i. The SLSMC shall invite proposals from NGOs working in the field of small ruminants or those ready to work in this area to act as facilitators under the scheme. These NGOs would be responsible for organising the interested beneficiaries into groups, nurture them, provide training in coordination with local Animal Husbandry Department, facilitate sanction of loans to these groups/ members of the groups by the local banks, and arrange for inputs and marketing of the animals. Separate provision for organising farmers into groups, their training and capacity building of NGOs is available.

ii. The SLSMC shall select facilitators ( atleast 2 -3 in each district) and allocate the areas to them.

iii. The identified facilitator shall go ahead with the selection of beneficiaries, formation of groups, training and linking with banks for selection of groups. This will be done under the guidance of local Animal Husbandry Department and the District Development Manager of NABARD.

iv. Good working SHGs already existing in the area also can be considered for rearing activity under the scheme

## **b. Sanction of loans by the banks**

On completion of training, the facilitator shall arrange for sanction of loans by the local banks. Banks shall appraise the projects as per their norms and after sanction of the loans apply through their controlling offices in the format given as **Annexure II**, to the Regional Office of NABARD for sanction of Interest Free Loan.

The banks, if they so desire, can disburse the loan before receipt of IFL, in which case they can charge interest on the entire loan amount till they receive the IFL portion. On receipt of IFL, interest shall be charged on their loan component only and no interest shall be charged on the IFL. However, this will not confer any right on the bank / beneficiary for the IFL component which shall be sanctioned / released subject to the project's eligibility and availability of funds from Government of India

## **II Breeding Units**

The entrepreneur / NGO shall prepare a detailed project report and submit to their financing bank for sanction. The bank shall appraise the project as per their norms and if found feasible and viable shall sanction the loan. Thereafter they shall apply through their controlling offices in the format given as **Annexure II**, to the Regional Office of NABARD for sanction of IFL.

As in the case of rearing units, the banks if they so desire can disburse the loan before receipt of IFL, in which case they can charge interest on the entire loan amount till they receive the IFL portion. On receipt of IFL, interest shall be charged on their loan component only and no interest shall be charged on the IFL. However, this will not confer any right on the bank / beneficiary for the IFL component which shall be sanctioned / released subject to the project's eligibility and availability of funds from Government of India

## **11. Sanction and release of IFL**

11.1. 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 State level Sanction and Monitoring Committee (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.

11.2 The SLSMC will sanction the Interest Free Loan portion (50% of the outlay subject to the ceiling) for eligible proposals. 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.

11.3 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.

11.4 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.

## **12. Repayment Period and Recovery of Loan**

12.1 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. 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.

12.2. Banks shall furnish the status of the accounts on a yearly basis in the format given in Annexure-III.

## **13. Rate of Interest**

Rate of interest on term loan shall be as per RBI guidelines and declared policy of the bank in this regard.

## **14. Security**

The security for availing the loan will be as per guidelines issued by RBI from time to time.

## **15. Refinance Assistance from NABARD**

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.

## **16. Monitoring**

16.1. The National Level Central Monitoring Committee will review the progress on half yearly basis.

16.2. The SLSMC will review the progress on quarterly basis/half yearly as is considered necessary.

16.3. The participating banks should conduct periodic inspections of the units and give a feedback to the SLSMC on a consolidated basis.

## **17. Other Conditions**

- The participating banks will adhere to the norms of appraising the projects regarding technical feasibility and commercial/financial viability.
- The participating banks should ensure insurance of the assets created under the project, wherever required statutorily.
- A signboard displaying “**Assisted by Department of Animal Husbandry Dairying and Fisheries, Ministry of Agriculture, Government of India through NABARD**” will be exhibited at the unit.
- Pre and post completion inspection of the project shall be undertaken by the participating bank to verify physical, financial and operational progress as and when required.
- 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.

**Annexure- I****Potential Districts for Resource Mapping of the Sheep/Goat / Rabbit Rearing Activities**

<b>S. No.</b>	<b>State</b>	<b>Sheep/Goat</b>	<b>Rabbit</b>
1	Andhra Pradesh	Adilabad, Chittor, Cuddapah, Guntur, East and West Godavari, Khammam, Nalgonda, Nizamabad, Prakasam, Rangareddy, Visakapatnam, Warangal	
2.	Arunachal Pradesh	Lohit, Lower Subansiri, West Siang	Tawang
3.	Assam	Barpeta, Dhemaji, Dibrugarh, Jorhat, Kamrup, Lakimpur, Nagoan, Nalbari	
4.	Bihar	Araria, Banka, Baghalpur, East Champaran, Katihar, Khagaria, Muzzafarpur, Purnia, Sitamarhi	
5.	Chattisgarh	Dantewada, Jashpur, Raipur, Raigarh	
6.	Gujarat	Bhavnagar, Dahod, Jamnagar, Kuch, Panchmahal, Rajkot, SabarKantha, Surendranagar	
7.	Himachal Pradesh	Chamba, Mandi, Kangra	Kullu, Shimla
8.	J & K	Baramulla, Doda, Kathua, Rajauri, Udhampur	
9.	Jharkhand	Giridih, Hazaribag, Ranchi	
10.	Karnataka	Belgaum, Chitradurga, Gulbarga, Kolar, Mandya, Raichur, Tumkur	
11.	Kerala	Idukki, Kannur	Thiruvananthapuram, Ernakulam
12.	Madhya Pradesh	Chhatarpur, Jhabua, Shivpuri, Sidhi	
13	Maharashtra	Ahmednagar, Beed, Dhule, Nashik, Pune, Sangli, Satara, Solapur, Yavatmal	
14.	Manipur	--	Imphal East & West
15.	Meghalaya	--	Ri Bhoi
16.	Mizoram	--	Aizawl
18.	Orissa	Khurdha, Raigada	
19.	Rajasthan)	Ajmer, Barmer, Bharatpur, Bhilwara, Bikaner, Churu, Jaipur, Jaisalmer, Jalore, Nagaur, Pali, Sikar, Sirohi Udaipur	
20.	Tamil Nadu	Erode, Krishnagiri, Nagapattinam, Sivaganga, Tirunelveli, Tiruchirapalli, Virudhunagar, Vellore	

<b>S. No.</b>	<b>State</b>	<b>Sheep/Goat</b>	<b>Rabbit</b>
21.	Tripura	--	West Tripura
22.	Uttaranchal	Tehri Garhwal	Pithoragarh
23.	Uttar Pradesh	Aligarh, Etah, Shravasti, Sitapur	
24.	West Bengal	Bankura, Burdwan, Murshidabad, Nadia Purulia, 24 Parganas North & South	Darjeeling

**ANNEXURE II**  
**INTEGRATED SCHEME FOR DEVELOPMENT OF SMALL RUMINANTS AND RABBITS**  
**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:

(Rs.lakhs)

S.No	Particulars	1	2	3	4	5
1	Name & address of Beneficiary (Pl indicate district also)					
2	Category (SF/MF/shepherd/SC/ST/others)					
3	Gender (M/F)					
4	Constitution (Individual / SHG / NGO/ Others)					
5	Branch Address (indicate district also) and BSR code of branch					
6	Loan a/c No.					
7	Date of sanction					
8	Purpose of loan					
9	Unit size					
10	Total financial outlay					
11	Margin					
12	Bank loan					
13	IFL claimed					
14	Repayment prescribed					
15	Rate of interest					
16	Any other information relevant to the project					

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. \_\_\_\_\_ (Rupees \_\_\_\_\_) as interest free loan portion in respect of the above beneficiaries under the integrated scheme for development of small ruminants and rabbits

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

Place:

Date :

Seal and signature of the Officer  
 (Controlling office of the financing bank)

(For the use of NABARD RO, )

The above claim is scrutinised. 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)

---

(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

---

**Scheme for Integrated Development For Integrated Development of Small Ruminants and rabbits- 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

**ANNEXURE III**

**INTEGRATED SCHEME FOR DEVELOPMENT OF SMALL RUMINANTS AND RABBITS  
STATUS OF LOAN ACCOUNTS UNDER THE SCHEME AS ON 31 MARCH \_\_\_\_\_**

**Name of the Bank**  
**State**

(Rs. lakhs)

S.No	Name of the beneficiary	Branch	Purpose	Outlay	Loan sanctioned	of col (6) IFL	As on 31 Mar		Of Col.(9) amt. remitted to NABARD	Loan O/S as on 31 Mar	Remarks
							Demand	Repayment			
1	2	3	4	5	6	7	8	9	10	11	12

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)