

TERM LOAN

- **A Term Loan is an advance which is granted usually against the security of the borrower's Fixed Assets for a fixed term of not less than 3 years, is intended normally for financing acquisition of Fixed Assets, with a repayment schedule normally not exceeding 20 years. (subject to exceptions)**
- **Term Loans may be drawn / disbursed in lump sum or in instalments depending on the nature of the project.**
- **Term Loans are repayable out of the future earnings (Cash Accruals) of the unit, in instalments, and as per a pre-arranged schedule.**

TERM LOAN

Appraisal of a project involves the examination of:

Prima facie acceptability.

Technical Feasibility.

Economic Viability.

Financial Feasibility.

Commercial Viability.

Managerial Competency.

Misc issues



**ALLIED
ACTIVITIES**



Brief Overview : Indian Dairy Industry



- **India continues to be the largest producer of milk in world**
- **India's contribution in global milk production : 24%**

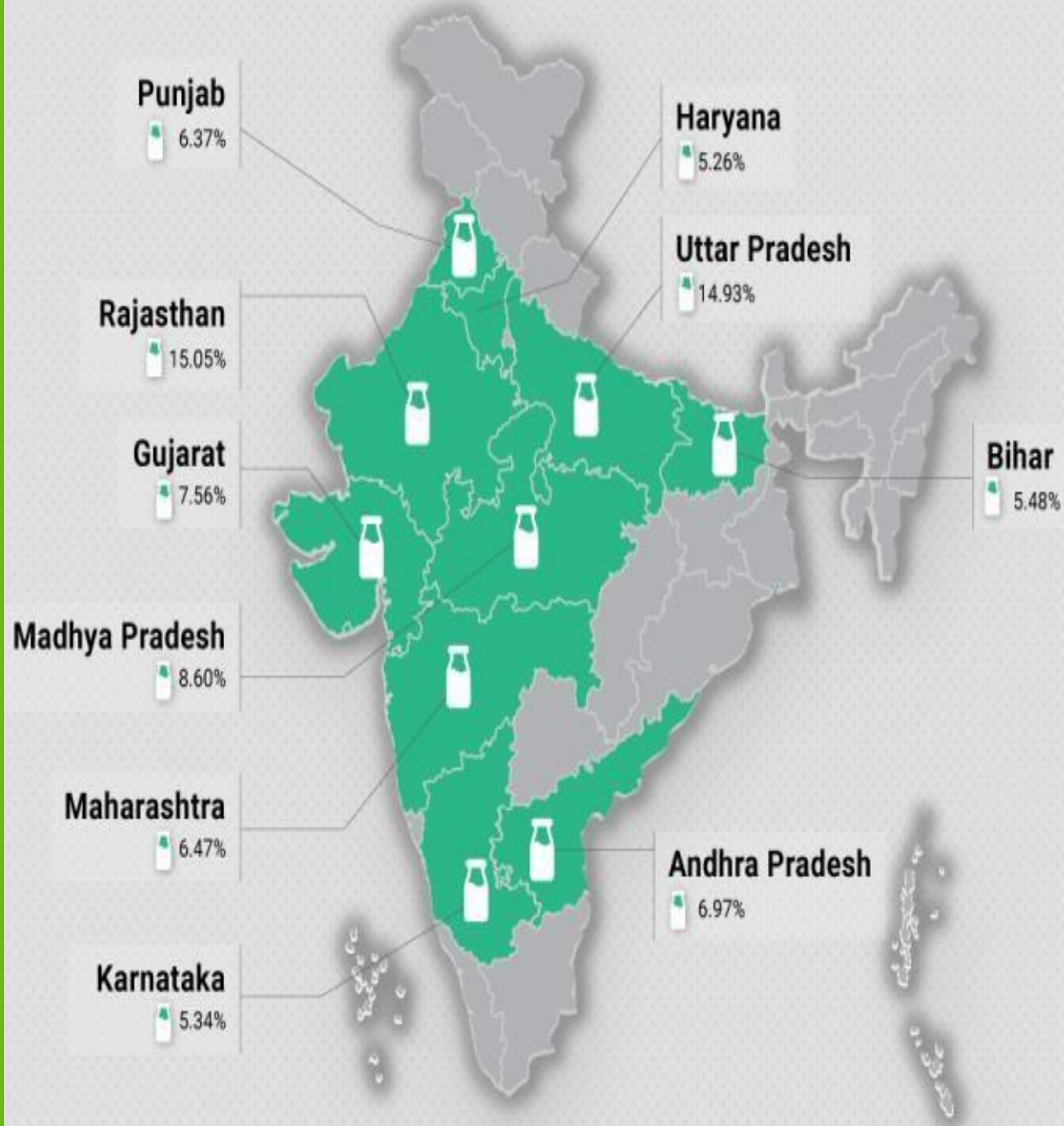
- **Milk production in India**

Year	2020-21	2021-22
Production in Million Tonne	209.96	221.06

showing an annual growth of 5.29%.

- **The per capita availability of milk is around 444 grams/day in 2021-22**
- **Several Govt. measures to increase the productivity of livestock, resulted in increasing milk production significantly.**

Major contributors States



Sources of Milk

Milch Animals

- Cattle- Exotic/Crossbred/Indigenous
- Buffalo- Indigenous
- Goat
- Others- Sheep, Camel, Yak, Mithun

Average Yield Rate for Milk

Exotic Cows (kg/day)	Crossbred Cows (kg/day)	Indigenous Cows(kg/day)	Non-Descript Cows (kg/day)	Indigenous Buffalo (kg/day)	Non-Descript Buffalo (kg/day)	Goat (kg/day)
11.36	8.32	4.07	2.83	6.62	4.81	0.47



Advantages

- ❖ **Employment generation**
- ❖ **Supplementary family income**
- ❖ **Reduction of migration**
- ❖ **Quick returns**
- ❖ **Nutritive food**
- ❖ **Forex earning**
- ❖ **Good source of income to bank**



To whom we can Finance

- **Individuals,**
- **Partnership Farms,**
- **Companies, Corporate Bodies**
- **Cooperative Societies, Unions**
- **SHGs**
- **JLGs**



Scope & Activities Supported

Milk Production

- **Financing for shed**
- **Animals purchase**
- **Equipment**
- **Feed and fodder**
- **Crop loan for fodder**
- **Seed production for fodder**
- **Feed mills**
- **Feed analytical labs**
- **Silo construction**

Value Chain

- **Collection**
- **Chilling**
- **Transport**
- **Processing**
- **Marketing**



Techno Economic and Financial Appraisal of Projects

Assessing the Creditworthiness of Dairy Projects



1. Selection of the area
2. Selection of dairy breeds & quality animals,
3. Inter calving and breeding management
4. Housing,
5. Farm equipment,
6. Feed and Fodder resources,
7. Veterinary facilities and
8. Marketing potential and infrastructure

Various Schemes

- **New Dairy Product under Tie Up**
- **SAFAL**
- **ACC – ALLIED ACTIVITIES**
- **Mudra Dairy**
- **AEL**
- **KCC - AH & F**
- **State specific schemes**



New Dairy Product under Tie Up

Eligibility	Individual Farmers supplying milk to Anchor Companies/ Societies for at least two years prior to the date of loan application.
Age	Less than 65 years
Preference	For limits of 3 lakh and above
Purpose	Purchase of milch cattle



Land stipulation

up to 2 animals: Nil

3-10 animals: 0.5 acres

11-25 animals: 1.00 acre

26-50 animals: 1.50 acre

New Dairy Product under Tie Up



Quantum of Finance

Minimum finance for 1 milch cattle based on unit cost prescribed by lead bank /NABARD with 10% discretion for the branches

Margin

Nil

Processing Charges

Nil

Inspection Charges

Nil

Security

Primary:

Hypothecation of dairy animals, dairy equipment and other assets created out of bank finance

Collateral:

Up to ₹ 1.60 lakh: Nil

Above ₹ 1.60 lakh: Mortgage of SARFAESI compliant immovable property/ agricultural land

Cost Ref.



3	Gir cows	2 animal	1,20,000.00
4	Jersey cross - breed cows	2 animal	91,000.00
5	HF cross-breed cows	2 animal	1,20,000.00
6	Surti buffaloes	2 animal	80,000.00
7	Banni buffaloes	2 animal	1,40,000.00
8	Sheep	20+1	75,000.00
9	Goat	10+1	45,000.00
B)	Draught Animals		
1	Gir Bullocks	2 animal	35,000.00
2	Kankrej Cows	2 animal	80,000.00
3	Kankrej Bullocks	2 animal	60,000.00
4	Non-descript Cows	2 animal	40,000.00
5	Non-descript Buffaloes	2 animal	80,000.00
6	Camel	1 animal	35,000 to 50,000
C)	Poultry		
1	Rhode Island Red (RIR) structure	25 Birds	6,000.00
2	Broiler Structure	100 Birds	36,000.00

(Source: Animal Husbandry Dept., GoG)

ACC ALLIED/ PROCESSING ACTIVITY (6530-1113)

Eligibility: Individual Farmers/ Joint Borrowers, Sole Proprietary Concerns, Partnership Firms, Corporate farmers and Co-operatives of farmers, Takeover of existing units

Loan amount: Minimum: Rs. 25,000/- , Maximum: Rs. 150.00 Crores

Purpose: Working Capital requirement

Scheme - Financing Allied AGRI Activities, Stand Up India (SUI), PMMY

Renewal - Every year

Underwriting – For loan limits up to Rs. 50.00 lakhs - Scoring Model

For loan limits of 50 lakhs and above, CRA model



ACC ALLIED/ PROCESSING ACTIVITY (6530-1113)

Security

Primary

Hypothecati
on of dairy
animals,
dairy
equipment
and other
assets
created out
of bank
finance

Collateral

For Loans up to Rs.
1.60 lakhs - NIL

For Loans up to Rs.
10.00 lakhs - NIL, if
eligible under Mudra.

Limits below Rs. 50
lakhs: Mortgage of
SARFAESI compliant
residential/
commercial property
to the extent of
minimum 110% of
the loan amount (or)
150% incase of
Agricultural land
belonging to either
the applicant or the
guarantor.

Limits above Rs. 50.00
lakhs: - Mortgage of
SARFAESI compliant
residential/ commercial
property to the extent of
minimum 110% of the
loan amount belonging
to either the applicant
or the guarantor.



YONO KRISHI SAFAL DAIRY



- **A Preapproved loan under tie-up**
- **Leveraging of Digital Technology**
- **Resident Indian 18 to 70 years of age**
- **Should have fully KYC compliant SB Account**
- **Quantum of Loan: Min. Rs 25,000, Max. Rs 3 Lakhs**
- **Facility : Dropline OD**
- **Repayment: 12 Months**
- **No processing Charges Up To Rs. 50,000**
- **Pre sanction is to be recorded at YONO portal**

Costing and Appraisal



❖ Lactation days	270
❖ Dry Days	130
❖ Total No of days	400
❖ Total no of days in 1 calendar year	365
Milch animals are purchased after period of 30 days after calving	
❖ Effective lactation days in 1st year	240
❖ 2nd Batch will be purchased after 6 months i. e. 180 days, so lactation days available for 2nd batch during 1st year	185

MILK FLOW CHART FOR TWO SHE BUFFALOES (IN DAYS)

YEAR	Ist BATCH		IInd BATCH		TOTAL	
	LACTATION	DRY	LACTATION	DRY	LACTATION	DRY
I	240	125	185	-	425	125
II	270	95	235	130	505	225
III	270	95	235	130	505	225
IV	270	95	235	130	505	225
V	255	110	235	130	490	240
	TOTAL				2430	1040

Costing and Appraisal



Costing and Appraisal



Calculation affected by milk flow chart

Income from milk yield

Lactation Days X Daily average milk yield X Price per litre

Expenditure on feed

Dry Days X amt of feed required per day X Cost per kg +

Lactation days X amt of feed required per day X Cost per kg

Government and Industry Support Programs

- **Rashtriya Gokul Mission (RGM)**
- **National Livestock Mission (NLM)**
- **Dairy Infrastructure Development Fund (DIDF)**
- **Animal Husbandry infrastructure development fund (AHIDF)**
- **National Programme for Dairy development (NPDB)**
- **Pradhan Mantri Kisan Sampada Yojana (PMKSY)**
- **Kisan Credit Cards (KCC) to Livestock Farmers**



Assessing the Creditworthiness Poultry Projects

Techno Economic and Financial Appraisal of Projects

- 1. Selection of the Land area
and development**
- 2. Selection of Breeds &
Breeding management**
- 3. Housing**
- 4. Farm equipment**
- 5. Feed**
- 6. Veterinary facilities and**

Farm Equipments

- **Equipment and Plant and Machinery**
 - **BROODERS (FROM '0' WEEK TO 5TH WEEK)**
 - **FEEDERS**
 - **WATERERS**
 - **VACCINATORS**
 - **EGG TRAYS**
 - **FOGGERS, COOLERS**
 - **FANS, BULBS**
 - **DEBEAKING EQUIPMENT**
 - **FEED MIXING UNIT**
 - **REFRIGERATOR**
 - **GENERATOR**

WATERING SYSTEMS



Manual drinker



Automatic drinker



Nipple drinker (in deep litter)



Nipple pipeline (in enclosures)



CE ISO9001



FEEDING SYSTEMS



Manual feeder pans



Automatic pans



Contract Farming Model

- **Provides feed and health support to indebted farmers**
- **Company owned feed mills**
- **R & D Centers**
- **Training Programs**
- **Processing Plants**
- **Hatcheries**

New Products for Marketing



❖ Designer Eggs

(out of high cholesterol level and salmonella)

❖ Omega-3 Eggs

(Omega-3 fatty acids such as flaxseed, marine algae, fish and fish oil)

❖ Egg with Low Saturated Fat and Cholesterol

(feeding the chickens an all-vegetarian diet high in canola oil)

❖ Cage free or Free Roaming Eggs or Free-Range Eggs

(eggs produced by chickens raised in a cage-free or free-roaming system)

❖ Organic Eggs (fed certified-organic feed produced without synthetic pesticides or herbicides, antibiotics or genetically-modified crops)



Brief Overview : Indian Fisheries Industry

Reasons to focus

- Blue Revolution (Dec 2015, 3K Cr 5yrs from 2015-16)
- India is the 3rd largest in fish production
- 2nd largest in aquaculture after China
- Considered as a sunrise sector
- Shift from marine dominated fisheries to inland fisheries (36% in the mid-1980 to 70% in the recent past)
- Culture-based fisheries
- Fish is good source of Nutrients – Minerals, Vitamin B Complex, A and D Cod Liver oil, Protein, Omega 3 Fatty Acids, PUFA, Fat
- Therapeutic Importance – Inland Fishes like *Singhi*, *Magur* and *Koi*





PMMSY : Pradhan Mantri Matsya Sampada Yojana

Ecologically healthy, economically viable, and socially inclusive development of the Fisheries sector of India

Estimated investment: Rs. 20050 crores for holistic development of fisheries sector including welfare of fishers

Period: 5 years from FY 2020-21 to FY 2024-25

Generating 55 lakh direct and indirect employment

Targets:

- Increasing fish production to 22 million metric tons by 2024-25 from 13.75 million metric tons in 2018-19
- Productivity to 5 tons per hectare from the current national average of 3 tons.
- Domestic fish consumption from 5 kg to 12 kg per capita.
- Doubling export earnings to Rs.1,00,000 crores by 2024-25 from Rs.46,589 crores in 2018-19



Scheme

Beneficiaries :

- Fishers
- Fish farmers
- Fish workers and Fish vendors
- Fisheries Development corporations
- Self Help Groups (SHGs)/Joint Liability Groups (JLGs) in fisheries sector
- Fisheries cooperatives
- Fisheries Federations
- Entrepreneurs
- Private firms
- Fish Farmers Producer Organizations/Companies (FFPOs/Cs)
- SCs/STs/Women/Differently abled persons

Age: 18-60 Years

Process

- **Detailed Project Report (DPR)/ Self Contained Proposal (SCP) : Submission at District Fisheries Office**
- **One person one project only**
- **Purchase of land not eligible for finance**
- **Lease land can be considered Min. period 10 Years**
- **Eligible project cost for activities covered under PMMSY will be restricted to the unit cost as per the operational guidelines of PMMSY**

Activities for Finance

The beneficiary oriented activities supported under the PMMSY scheme include:

- i. Development of hatcheries,
- ii. Construction of Grow-out and rearing ponds with input cost for culture activities,
- iii. Re-circulatory Aquaculture System (RAS),
- iv. Biofloc unit
- v. Cage culture in reservoirs,
- vi. Open sea cages,
- vii. Seaweed culture,
- viii. Bivalve culture,
- ix. Construction of raceways for trout farming,
- x. Ornamental and recreational fisheries,
- xi. Support for acquisition of deep sea fishing vessels,
- xii. Up-gradation of existing fishing vessels,
- xiii. Support for providing safety kits for fishermen of traditional and motorized fishing vessels,
- xiv. Providing boats and nets for traditional fishermen,

- i. Support for purchase of communication/Tracking and PFZ devices.
- ii. Construction of cold storage, ice plants, fish meal plants/mills,
- iii. Construction of fish retail markets, kiosks,
- iv. Fish value added enterprises units,
- v. Establishment of disease diagnostic and quality testing labs,
- vi. Insurance to fishermen and fishing vessels,
- vii. Livelihood and nutritional supports for socio economically backward active traditional fishers etc



THANK YOU