

February 19, 2008

The Chairman/Managing Director/ Chief Executive Officer  
All Scheduled Commercial Banks

Dear Sir,

Guidelines for Relief Measures by Banks to Poultry Industry (2008)

As you are aware, there have been instances of outbreak of Avian Influenza (bird flu) in some areas of the country. Keeping in view the loss of income that has occurred due to culling of birds as well as steep fall in the demand for poultry products and their prices, banks may consider extending the following facilities to poultry units financed by them:

- (i) Principal and interest due on working capital loans as also installments and interest on term loans which have fallen due for payment on/after the onset of bird flu, i.e. December 31, 2007 and remaining unpaid may be converted into term loans. The converted loans may be recovered in installments based on projected future inflows over a period up to three years with an initial moratorium of up to one year (the first year of repayment may be fixed after the expiry of moratorium period).
- (ii) The remaining portion of term loans may be rescheduled similarly with a moratorium period up to one year depending upon the cash flow generating capacity of the unit.
- (iii) The reschedulement/conversion may be completed on or before April 30, 2008.
- (iv) The rescheduled/converted loans may be treated as current dues.
- (v) After conversion as above, the borrower will be eligible for fresh need based finance.
- (vi) The relief measures as above may be extended to all accounts of poultry industry, which were classified as Standard accounts as on December 31, 2007.

2. For State/District Co-operative banks and RRBs, NABARD will issue circular on the similar lines

3. Please acknowledge receipt.

Yours faithfully,

(G. Srinivasan)

**Chief General Manager**