

SyndicateBank
HO:Manipal CO:Bangalore
Priority Sector Credit Department

SYNDICATE KISAN SAMRUDHI CREDIT CARD (SKSCC) SCHEME

Syndicate Bank introduced Syndicate Kisan Samrudhi Credit Card (SKSCC) Scheme. The objective of the scheme is to meet crop production, consumption and investment credit needs of the farmers with single point of appraisal and documentation. Personal Accident Insurance cover is also extended.

The salient features of the scheme:

- Single point appraisal and documentation for crop production, consumption and investment credit needs of the farmers and hassle free operations in the account.
- The validity of the limit is five years.
- Investment credit requirement of medium term maturity of not more than five years are met.

SCHEME FOR FINANCING AGRICULTURAL PRODUCE MARKETING LOAN

Under the scheme, loans up to twice the amount of crop loan or 75% of the value of the produce up to a maximum of Rs.10 lakh are extended. No mortgage is required up to a loan amount of Rs.1.00 lakh and for loans above Rs.1.00 lakh security as applicable to agricultural loans is required.

SCHEME FOR FINANCING CONSTRUCTION / RENOVATION / EXPANSION OF RURAL GODOWNS (GRAMEEN BHANDARAN YOJANA)

Bank is extending rural godown loans on liberal terms as follows:

Eligible borrowers:

- Individuals, Farmers
- Group of Farmers/Growers
- Partnership/Proprietary Firms
- Non Government Organizations (NGOs)
- Companies, Corporations, Co-operatives
- Agro Processing Corporations
- APMCs

- Self help Groups
- Federations
- Marketing Boards, etc.

Assistance for renovation of rural godowns will, however, be restricted to godowns constructed by co-operatives only.

Location and size:

Under the scheme, the entrepreneur will be free to construct godown at any place and of any size as per his commercial judgement except for the restrictions that it would be outside the limits of Municipal Corporation area and be of a minimum capacity of 100 MT. "If a promoter is constructing several godowns at different locations, each godown may be considered as separate project and hence the eligible subsidy to each godown up to a maximum of 30,000 MT storage capacity may be provided even if the bank has sanctioned loans to all godowns through one common letter, if the godowns are constructed on lands located at different gatta / survey number and godowns are having separate specifications"

Credit Linked Assistance

- Subsidy under the scheme is available on the capital cost of construction of godown including the cost of allied facilities such as boundary wall, internal road, platform, internal drainage system, weighing, grading, packaging, quality certification, warehousing facilities which are functionally required to operate the godown and the subsidy is linked to the Bank loan.
- The farmers keeping their produce in the godowns are eligible for availing pledge loan as per the pledge loan scheme of the Bank.

Rate of subsidy:

- 33.33 % of Capital cost of the project in case of projects located in North-Eastern States, Hilly areas, those belonging to women farmers / their Self Help Groups / co-operatives, and SC/ST entrepreneurs & their SHGs / co-operatives, subject to a maximum ceiling on subsidy of ₹3.33 crore.
- 25% of the Capital cost of the project to all categories of farmers (other than women farmers) agriculture graduates, co-operatives and State/Central Warehousing Corporations subject to a maximum ceiling on subsidy of ₹3.00 crore.
- 15% of the capital cost of the project to all other categories of individuals, companies and corporations etc. subject to a maximum ceiling of ₹1.35 crore.
- 25% of the capital cost of the project, for renovation of godowns of co-operatives with assistance from NCDC.

Pattern of funding:

Source of finance	Other than NE States, hilly areas and projects not belonging to Women Farmers@, SC/ST entrepreneurs & their Self- Help Groups / Co-operatives		NE States/hilly areas & projects belonging to Women Farmers@, SC/ST entrepreneurs & their Self – Help Groups / Co-operatives
	Farmers, Agriculture Graduates, Co-operatives and State / Central Warehousing Corporations	Individuals, Companies and Corporations etc.	
Owner's minimum contribution	25%	25%	20.00%
Subsidy from the Govt.	25%	15%	33.33%
Term loan from Bank	50%	60%	46.67%

Scheme for Development of Commercial Horticulture under National Horticulture Board



The Agricultural Sector sustains livelihood of about 60 percent population of the country, but it contributes just 22 percent of gross domestic product. This shows that per capita income and productivity is very low in agriculture, which has to be raised to reduce disparity. The development of commercial Horticulture especially floriculture, fruit and organic vegetable crops, medicinal & aromatic plants has good potential to increase the income level of the farmers by encouraging diversification in agriculture. With this end in view, Govt. of India has launched a subsidy-linked scheme called “Development of Commercial Horticulture through Production and Post-Harvest Management”. The scheme is being implemented by the Ministry of Agriculture, Govt. of India and administered by National Horticulture Board (NHB).

The objectives of the scheme are:

- To develop high quality horticultural farms in identified belts and make such areas vibrant with horticultural activity which in turn will act as hubs for developing commercial horticulture by adopting high-tech horticulture techniques.
- To develop post-harvest management structure.
- To improve linkages between horticulture produces and markets.
- To create integrated network for marketing of horticulture produces.
- To increase producers' share in consumer price.
- To encourage networking of schemes for resource mobilization with all other related agencies/organizations; both of Govt., Financial Institutions and private agencies engaged in the field of horticulture promotion in the country.

The scheme is quite attractive on account of the following advantages:

- Back-ended capital investment subsidy of 20% of the total project cost is available under the scheme.
- NHB has introduced a scheme of issuing of Letter Of Intent (LOI). Under this scheme the farmers/entrepreneurs, before the commencement of project, will be able to obtain a sort of approval of their project & commitment from NHB to release subsidy on completion of the project as per the guidelines of the scheme. With effect from 1st May 2010, proposals for issue of Letter of Intent (LOI) and subsidy in respect of projects having an area of more than 10 acres under field conditions and 1000 sq. metres under protected cultivation will be considered by NHB.. Projects under the scheme with 10 acres and less in open cultivation conditions and 1000 sq. metres and less under controlled conditions will be considered by the respective State Directorate of Horticultural Mission under the National Horticulture Mission (NHM) scheme.

Eligible projects:

Projects with any of the following broad criteria pertaining to high quality commercial production of horticulture produce, will be eligible for financial assistance under the scheme with the support of back-ended capital investment subsidy of NHB:

- High-density plantations, which include adoption of appropriate plant density/canopy management, quality planting material, support and management system with appropriate inputs.
- Micro propagation (Tissue Culture) for mass production of true-to-type disease free seedlings in shortest time possible.
- Hi-tech cultivation under controlled climatic conditions i.e. in poly houses, Green houses, net house, etc.
- Rain-fed production through efficient water management techniques such as mulching for soil moisture conservation, use of barriers in soil to reduce percolation, irrigation by drip, sprinklers, fertigation and water harvesting structures etc.
- Nursery management for quality seed/plant production of vegetables, flowers, ornamentals, fruit etc.
- Hybrid seed production.
- Organic farming.
- Hydroponics for year-round quality production.
- Use of plastics in horticulture.
- Bio-technology.
- Genetically Modified Organisms (GMOs)

In addition to above, projects falling under the following other broad categories shall also be eligible to finance and avail of capital investment subsidy from NHB under the scheme:

- Development of infra structure for production, post-harvest handling, processing and marketing.

- Development of markets and introduction of new primary processing of products.
- Development of horticulture ancillary industry for improved packaging, equipments, plastics, corrugated boxes, horticulture machinery/tools, etc.

Modalities of scheme of Letter Of Intent implemented by NHB:

- The entrepreneur/farmer/eligible applicant shall make an application to NHB on a prescribed format about his intention to set up a unit/project.
- Applications for project up to 10 acres in field conditions and 1000 sq metres under controlled conditions shall be submitted to respective state directorate of Horticultural Mission and applications for project of more than 10 acres in field conditions and 1000 sq metres under controlled conditions shall be sent to NHB-Head Quarters.
- On receipt of the application, NHM / NHB will examine the application as per prescribed procedure and guidelines of the scheme and if found prima-facie eligible, NHM / NHB will issue a Letter Of Intent (LOI) to the applicant.
- The Letter Of Intent will be valid for one year from the date of issue. The promoter should accordingly approach the bank immediately after obtaining Letter Of Intent (LOI).
- The Project should be completed / implemented within a period of two years from the date of sanction of loan.
- Mere issuance of the Letter Of Intent (LOI) wouldn't guarantee the grant of subsidy to the beneficiary unless the proposal is implemented in accordance with the original project and within overall guidelines of the scheme.
- The project will not be eligible for subsidy under NHB scheme in case a benefit of subsidy/grant-in-aid for the same from another agency of central Government has been availed. However, subsidy assistance from State Govt. may be availed / claimed by the promoter receiving/claiming subsidy under NHB scheme.

Unit Cost:

Unit cost will depend on the type of activity/investment, size of operation and type of technology & equipments. However, the same is indicative and loans will be extended as per actual cost after ensuring that the cost estimates submitted by the borrowers are reasonable.

Production related activities eligible for funding under the scheme:

- High quality commercial horticulture crops.
- Indigenous crops/produce, herbs.
- Aromatic plants.
- Seed & Nursery.
- Bio-technology & Tissue culture.
- Bio pesticides.
- Organic Foods.
- Establishment of Horti-Health clinics/laboratory.

- Consultancy services.
- Bee-keeping.

PHM/Primary Processing related activities eligible for funding under the scheme:

- Grading/ Packing/ Washing/ Waxing/ Sorting/ Drying centres.
- Pre-cooling units/ Cool Stores.
- Reefer Van/ Containers (With multi-chamber, multi-product facility).
- Specialized Transport Vehicles.
- Retail outlets.
- Auction platform.
- Ripening curing chambers.
- Market yards/rope ways.
- Radiation Unit/ Dehydration Unit/ Vapour Heat Treatment Unit.
- Primary processing of products fermentation, extraction, distillation, Juice vending pulping, dressing cutting, chopping etc.
- Horticulture ancillary industry e.g. tools, equipment, plastics, packaging, etc.
- Plastic crates, Cartoons, Baskets, Aseptic Packaging & Nets.

Pattern of Subsidy Assistance from NHB:

- Back ended capital investment subsidy @ not exceeding 20 % of total project cost with a maximum ceiling of Rs. 30 lakh per project in North-Eastern/Tribal/Hilly Areas.
- Back ended capital investment subsidy @ not exceeding 20 % of total project cost with a maximum ceiling of Rs. 25 lakh per project in other areas.
- Cost of land shall not exceed 10% of the project cost, if purchased.

Adjustment of subsidy:

The subsidy released by NHB to the Bank in respect of individual projects will be kept in a separate borrower wise subsidy reserve fund account. The adjustment of subsidy will be on the pattern of back-ended subsidy. Accordingly, the Bank would disburse the full project cost including subsidy but excluding the margin money contribution as loan. The repayment schedule will be drawn on the loan amount in such a way that the total subsidy is adjusted after full Bank loan component net of subsidy with interest is liquidated or after completion of lock-in-period 36 months whichever is later. No interest will be charged on the subsidy portion held in subsidy reserve fund account. In other words, for the purpose of charging interest on the loan component, the subsidy amount will be excluded.

Rate of interest:

As applicable to agricultural loans

Security:

- Mortgage of landed properties.
- Hypothecation of crop/machineries as the case may be.
- Third Party Guarantor/s acceptable to the Bank.

Processing fee / Institutional charges to be remitted to NHB along with application for Letter Of Intent (LOI):

SI No.	Project Cost	Rate of processing fee/Institutional charges	Mode of collection
01	Projects with cost up to Rs.10 Lakh.	Exempted	NA
02	Projects with cost above Rs. 10 Lakh & up to Rs.20. Lakh	0.25% of the project cost.	10% of the Processing fee may be collected & remitted along with application for LOI and balance 90% at the time of release of first/full amount of subsidy.
03	Projects with cost above Rs. 20 Lakh.	0.50% of the project cost	

Repayment period:

The repayment period will depend upon the cash flow and will be up to 11 years but not less than 5 years including a repayment holiday of one year. The first annual installment will fall due after 23 months from the date of first disbursement. However, there is a provision to extend repayment holiday up to two years under the scheme depending on time required for completion of project. The repayment schedule will be drawn on the loan amount in such a way that the subsidy amount is adjusted after full bank loan portion (excluding subsidy) is liquidated.

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