

Financing facility under 'Agriculture Infrastructure Fund'

Central Sector Scheme

Index

- **Introduction**
- **Objectives of scheme**
- **Eligibility**
- **Eligible Projects**
- **Pattern of assistance**
- **Other Important Points**
- **Participating Institutions**
- **Documents required**
- **How we can help you**

Introduction



- ❑ The role of infrastructure is crucial for agriculture development and for taking the production dynamics to the next level. It is only through the development of infrastructure, especially at the post harvest stage that the produce can be optimally utilized with opportunity for value addition and fair deal for the farmers.
- ❑ Accordingly, Department of Agriculture, Cooperation & Farmers' Welfare Ministry of Agriculture & Farmers' Welfare(DAC&FW) has formulated the Central Sector Scheme to mobilize a medium - long term debt financing facility for investment in viable projects relating to postharvest management Infrastructure and community farming assets through incentives and financial support.

Objectives of the Agriculture Infrastructure Scheme

Improved marketing infrastructure to allow farmers to sell directly to a larger base of consumers and hence, increase value realization for the farmers.

With modern packaging and cold storage system access, farmers will be able to further decide when to sell in the market and improve realization.

Government will be able to direct priority sector lending in the currently unviable projects by supporting through interest subvention, incentive and credit guarantee.

With a dedicated source of funding, entrepreneurs will push for innovation in agriculture sector by leveraging new age technologies including IoT, AI, etc.

With Credit Guarantee, incentive and interest subvention lending institutions will be able to lend with a lower risk.

Eligibility

1) Every organization is eligible

2) Eligible Projects:

(A) Post Harvest Management Projects like:

- Supply chain services including e-marketing platforms
- Warehouses
- Silos
- Pack houses
- Assaying units
- Sorting & Grading units
- Cold chains
- Logistics facilities
- Primary processing centers
- Ripening Chambers

● Eligibility

○ B) Viable projects for building community farming assets including –

- ❑ Organic inputs production
- ❑ Bio stimulant production units
- ❑ Infrastructure for smart and precision agriculture.
- ❑ Projects identified for providing supply chain infrastructure for clusters of crops including export clusters.
- ❑ Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post harvest management projects.

● Pattern of Assistance



Interest Subvention Cost

All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore.

This subvention will be available for a maximum period of 7 years.

Credit Guarantee Cost

Credit guarantee coverage will be available for eligible borrowers from this financing facility under CGTMSE.

The fee for this coverage will be paid by the Government.

● Other Important Points

- ❑ The Scheme will be operational from 2020-21 to 2029-30.
- ❑ Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years.
- ❑ Minimum of 10% of the project cost shall be mandatory as promoter's contribution.

Participating Institutions

- Scheduled Commercial Banks,
- Scheduled Cooperative Banks,
- Regional Rural Banks (RRBs),
- Small Finance Banks,
- Non-Banking Financial Companies (NBFCs) and
- National Cooperative Development Corporation (NCDC)

may participate to provide this financing facility, after signing of Memorandum of Understanding (MoU) with National Bank for Agriculture & Rural Development (NABARD)/DAC&FW.

Memorandum of Understanding (MoU) Signed

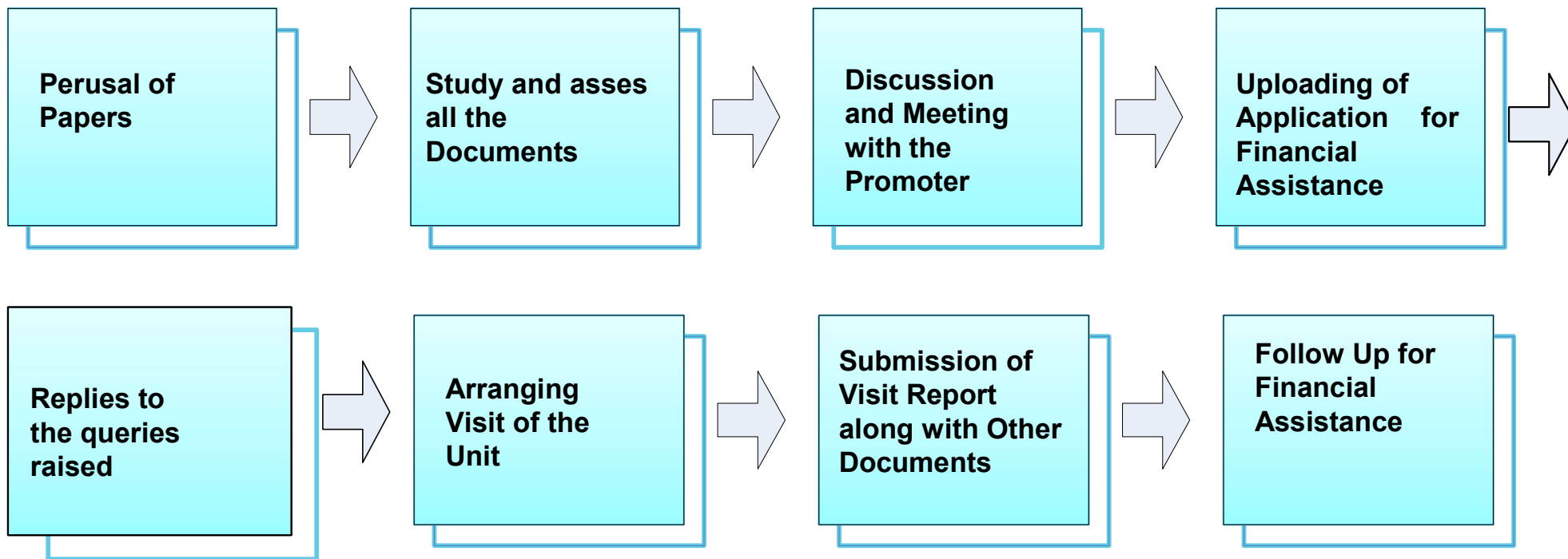
- UCO Bank
- Indian Bank
- Bank of Maharashtra
- Canara Bank
- State Bank of India
- Union Bank of India
- Punjab National Bank
- Bank of India
- Central Bank of India
- Bank of Baroda
- Indian Overseas Bank
- Punjab and Sind Bank
- DCB Bank
- CSB Bank
- IndusInd Bank
- Axis Bank
- KARUR VYSYA Bank
- Kotak Mahindra Bank
- J&K Bank
- HDFC Bank
- IDBI Bank
- Yes Bank
- Karnataka Bank
- South Indian Bank
- ICICI Bank
- Capital Small Finance Bank Ltd
- AU Small Finance Bank Limited
- Maharashtra Gramin Bank

Checklist of Documents

1. Bank's loan application form / Customer Request Letter for AIF Loan duly filled and signed
2. Passport size photographs of the promoter/partners/directors
3. Identity proof - Voter ID card/PAN card/Aadhaar card/Driving license
4. Address Proof :
 1. Residence: Voter ID card/Passport/Aadhaar card/Driving license/Electricity Bill/Latest property Tax Bill
 2. Business Office/Registered Office: Electricity Bill/Latest Property Tax Receipt/Certificate of Incorporation in case of Companies/Certificate of Registration in ca of partnership Firms
5. Proof of Registration:
 1. In case of Company : Article of Association
 2. In case of Partnership : Certificate of Registration of Firm with Registrar of Firm
 3. In case of MSMEs : Udyam Registration
 4. Income Tax Return for last three years, if available.
6. Audited Balance Sheet of last 3 Years, if available.
7. GST Certificate, if applicable.
8. Land ownership records - title deed/lease deed. If applicable, then Permission to mortgage the Immovable Property from the Lessor in case the Property is Leasehold (for primary security)
9. ROC Search Report of the Company
10. KYC documents of the promoter/firm/company
11. Copy of Bank Statement for last one year (If available)
12. Repayment track record of existing loans (Loan Statement)
13. Net Worth Statements of promoter
14. Detailed Project Report
15. As applicable - Local authority permissions, Layout plans/estimates, Building sanction

How can we help?

ARNK understands and analyses the entire business of the promoters. A dedicated team assess the documents provided by the unit. Further the team visits the unit to have complete view of the unit with the production process. Team with coordination of the entity's Bank comply all the procedure in given flow till the sanctioning of Financial Assistance.



THANK YOU

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