



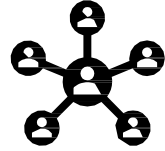
WORKSHOP
for
BUSINESS ASSOCIATES (BA'S)

Agri Enterprise Loan (AEL)

State Bank Institute of Rural Banking
Hyderabad

Agri Enterprises Loan (AEL)

Eligibility:



- ❖ Proprietorship/ Farmer (Non-individual) 
- ❖ Partnership concerns, 
- ❖ Private Limited Companies, 
- ❖ LLPs, 
- ❖ Corporates, 
- ❖ FPOs. 



Quantum of Loan:



- ❖ Rs. 1 lakh - Rs. 100 crores.
(Aggregate sanctioned Limit should not exceed Rs. 100 Crores in the Banking system).



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Target Group/ Eligible Entities :



Agri Commodity Processing Units viz., Rice Mill, Dal Mill, Cotton Mill, Oil seeds processing, etc.



Food Processing Units involved in Fruits & Vegetables Processing, Grains/ Pulses Processing, Production of Jaggery and Nuts processing, etc.



Agri Exporters viz., Export of Fruits & Vegetable Dairy products, Spices and Oil, etc.

Agri Input Manufacturing Units engaged in Production of bio-pesticides, bio-fertilizers and biofuels, etc.



Farmer Producer Organizations.





Eligibility Criteria:- For Agri based Enterprises:

- ❖ Profit making existing units with SB-8 and better.
- ❖ Take-over of good units, subject to compliance of takeover norms.
- ❖ Newly proposed / Newly established units with SB-7 and better (greenfield units).
- ❖ Track record of previous two years to be considered for new connections / enhancements.
- ❖ CRA rating to be worked out for regulatory purpose and should be better than hurdle rate SB-10.



Eligibility Criteria:- For FPOs:

- ❖ **Must be legal entity registered with any of the following:**
 - ❖ **The State Cooperative Societies Act of respective state.**
 - ❖ **Mutually aided society act of respective state.**
 - ❖ **Multi State Cooperative Society Act 2002.**
 - ❖ **The FPCs registered under Companies Act 1956/2013.**
- ❖ **It should have a minimum member base of 300.**
- ❖ **The FPOs should have been in operation for at least 12 months.**
- ❖ **May fulfill the eligibility criteria and process for availing credit Guarantee from NABSanrakshan Trust**

Activities covered* :-



- ❖ An indicative list of eligible activities is given as part of circular in Annexure III A under :
- ❖ Agriculture infrastructure
- ❖ Ancillary activities
- ❖ Permissible Activities under Food Processing Sector

***Source: Master Directions – Priority Sector Lending (PSL) – Targets and Classification vide RBI circular no. FIDD.CO.Plan.BC.5/04.09.01/2020-21**



Exclusions:



- ❖ Loans for Input & Output Trade;
- ❖ Manufacturing & Selling of Chemical Fertilizer, Pesticides; and
- ❖ Crop seasonality-based activities.

Interest Rate:-



- ❖ Loan up to Rs.50 lakh: EBLR+ 2.00% p.a.

(Concession of 1% for credit guarantee cover or SARFAESI Compliant 40% collateral security).

- ❖ Loan Above Rs. 50 lakh- EBLR + CRP (ranging from 0.95-2.00%) p.a.

(Concession of 1% if covered under credit guarantee or SARFAESI Compliant 40% collateral security).

However, for all the loans i.e. below Rs. 50.00 lakhs and above Rs. 50.00 lakhs : Interest rate should not be below EBLR.

Nature of Facility:

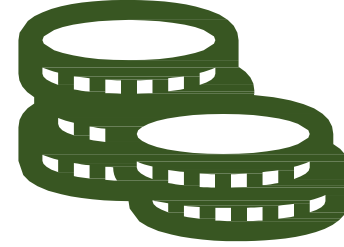
- ❖ Cash Credit (CC),
- ❖ Term Loan (TL),
- ❖ Bank Guarantee (BG), and
- ❖ Letter of Credit (LC).



Additional Facilities for Agri Exporters:



- ❖ Pre-shipment Export Credit/ Packing Credit : RPC/ Pre-shipment Credit in Foreign Currency
- ❖ Post-shipment Export Credit : both in Foreign Currency (FCY) and Indian Rupees.
- ❖ Bill Discounting (BD).



Margin (%):

a) Term Loans:

- ❖ 10% of the project cost for loans up to Rs 25 lacs.
- ❖ 15% for loans above Rs 25 lacs and below Rs 50 lacs.
- ❖ 20% for loans Rs 50 lacs and above.

b) Working capital Cash Credit:

- ❖ Stocks: 20%;
- ❖ Book debts/Receivables: 40%.

c) In case of a borrower having a corporate tie-up, Margin for Working capital Cash Credit:

- ❖ Stocks: 10%;
- ❖ Book debts/Receivables: 20%.

Security:



A. Primary Security: Hypothecation of plant, machinery, stocks, receivables, etc. and other movable assets created out of **Bank's** finance. Present and Future.



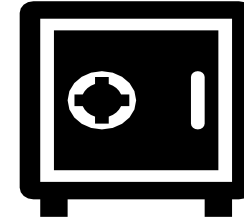
B. Collateral Security: Where Credit Guarantee Available:-

- ❖ **Loans up to Rs 5 Crores:** No Collateral for Guarantee coverage under CGTMSE / NABSanrakshan / CGFMU.
- ❖ **Loans > Rs. 5 Crores:** Covered under CGTMSE for amount up to Rs 5 Crores under Hybrid Model. 40% SARFAESI compliant security to be obtained for amount above Rs. 5 crores.



C. Collateral Security :

Where Credit Guarantee **Not** Available :



- ❖ NIL for Loans up to 1.60 lakhs.
- ❖ For Loans above Rs 1.60 lakhs: Mortgage of SARFAESI Compliant property having market value not less than 40% of the limit sanctioned.

Relaxation in Collateral Security norms may be approved by Circle CGM in deserving cases. However, Collateral Security cover post relaxation should not be less than 25% of the Loan amount.

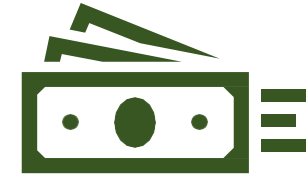


Loan term:

a) For Term Loans:- 1-10 years (including moratorium of upto 24 months)

b) For Cash Credit: - Tenure: 1 year.

Repayment Frequency:



a) Term Loans: Negotiated Repayment.

b) Cash Credit: Repayable on demand and to be renewed annually.

Moratorium period:



✓ 6- 24 months as per the cashflow generation.

Special Enabler for Takeover:



❖ Processing fee & Inspection charges: **75% concession**

Other T&C:

❖ Stock statement for cash-credit : Monthly

❖ Documentation : SME series

❖ Disbursement

❖ Monitoring

❖ Penal Interest: 2% p.a. for the defaulted portion for the period of default



Cover available:



Credit Guarantee Cover:

**CGTSME, CGFMU, NABSanrakshan,
CGSS cover up to loan Rs. 5.00 Crs**

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S. No.	Activity Code	Code Description
1.	1152	Purchase of Farm Transport vehicles
2.	1156	Storage and Marketing of Agl Products
3.	1157	Culturing Micro-organism For Agriculture
4.	1163	Purchase of transplanters
5.	1201	Dairy including construction of Shed
6.	1202	Rearing Goats/Sheep
7.	1203	Poultry including construction of Shed
8.	1204	Piggery
9.	1205	Beekeeping
10.	1209	All other animals / Birds etc.
11.	1402	Biotechnology Including Tissue Culture
12.	5111	Poultry: Broiler
13.	5112	Poultry: Hatchery
14.	5113	Poultry: Layer
15.	1158	Harvesting and Related Activities
16.	5949	Storage and Market Yard
17.	65904	coop marketing societies
18.	1409	Agri Service Units
19.	67101	Agro-Industries Corporations
20.	5001	Aquaculture, Fisheries

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21.	1401	Cotton Ginning, Cleaning and Bailing
22.	15201	Mfg of Dairy Products
23.	15301	Mfg. of grain mill product
24.	15302	Mfg. of starch & starch products
25.	15303	Mfg. of Animal Feed, etc.
26.	15402	Mfg. of sugar & sugar products
27.	15403	Mfg. of indigenous sugar
28.	15404	Mfg. of Cocoa, Chocolate
29.	15405	Mfg. of semi-processed food items
30.	15406	Tea processing and blending
31.	15407	Coffee processing
32.	15408	Processing of edible nuts
33.	15410	Mfg. of other food products
34.	16001	Tobacco processing
35.	16002	Manufacturing Of Tobacco Products
36.	17101	Processing of cotton
37.	17102	Processing of jute and fibre
38.	17202	Mfg. of jute, mesta, products

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39.	17203	Mfg. of coir & coir products
40.	15101	Meat: Slaughter, process, preservation
41.	40104	Generation/distribution of Biogas/energy
42.	15104	Oils & Fats: Mfg. Of Vegetable Oils
43.	40109	Generation/distribution of Electricity from Biomass/Waste/Biofuel
44.	5902	IND AGL-Dealing in Organic & Bio-Fertiliser



THANK YOU