

# **Kisan Samriddhi Rin (KSR)**

**For**

**Business Associates (BA's)**

## Kisan Samridhi Rin(KSR)

- ❖ To provide adequate (total requirement for end-to-end farming) and timely cash credit facility to Corporate farmers, Companies of farmers, Agri. firms and Large farmers or other farmers using Scientific and Progressive methods of farming at competitive pricing.



### Target Group:

- Corporate farmers, FPOs/FPCs, Co-operatives of Farmers, Proprietorship/Partnership firms, Companies of farmers, Large progressive individual farmers singly/joint, Other individual farmers, Lease cultivators having registered lease
- Other farmers undertaking various hi-tech/modern activities for crop production viz.





## Additional Eligibility Criteria

- ❖ **Minimum Land Holding:** At least having **4 acres** of land holding or farmer is engaged in scientific methods of farming like **Polyhouse, Hydroponics, Tissue culture, etc.**





## Additional Eligibility Criteria

### Credit score:

- ❖ Farmer having a good Credit Score (i.e., 650 and above, as per CRIF HIGH MARK and CIBIL). Farmers with no credit history can also be considered, if eligible otherwise. In case of joint applicants, worst credit score among the applicants to be considered.
- ❖ In case of farmers other than Individual farmers, credit score of All Directors/Proprietor/Partners to be taken into consideration for eligibility and worst credit score among them to be considered. Individual or Non-individual (as the case be) and the directors/partners/proprietors, etc., should not be in "Wilful defaulter" list.



## Additional Eligibility Criteria

### Age Criteria:

- ❖ Min. 18 years, Max. 70 years. (Above 60 yrs., Co-borrower is must).
- ❖ Credit score of above 650





## Additional Eligibility Criteria

### For Corporates:

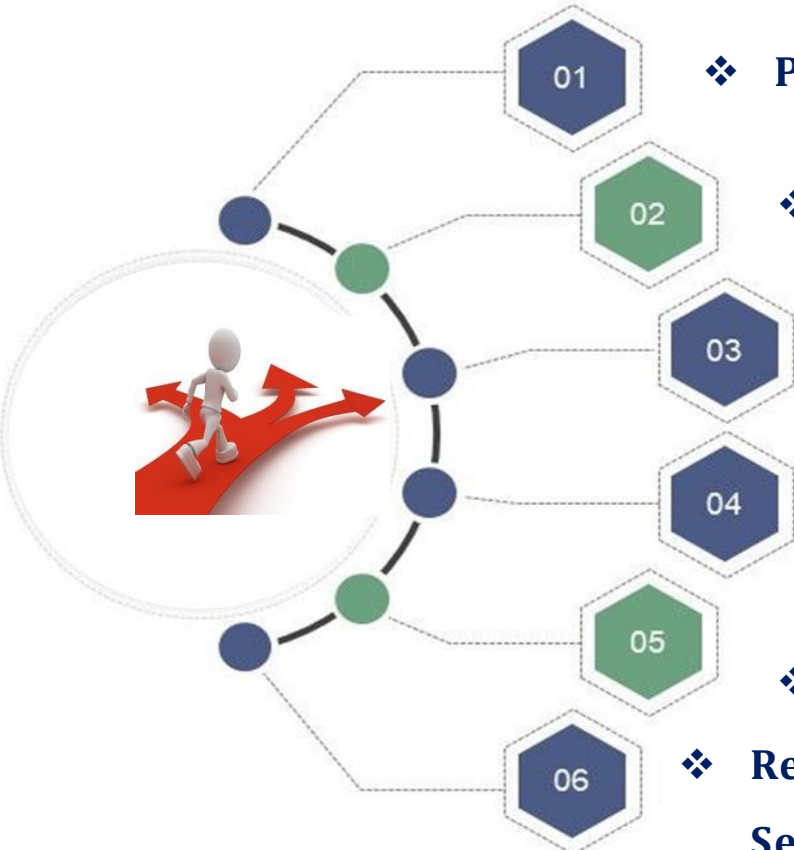
- ❖ For companies older than 2 years, Corporates, Companies, and other Agri. firms, it must be earning profit in at least last two years as per their audited balance sheet.
- ❖ In case of corporates, companies, and other Agri. firms, which are less than 2 years old, there must be net profit for 2 years, as per actual and/or projected balance sheet.



## Kisan Samridhi Rin(KSR)

### Purpose

To provide adequate and timely agriculture cash credit facility for end-to-end farming activities including:

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- ❖ Pre-sowing/planting expenses including land development activities.
  - ❖ To meet the short-term credit requirements for cultivation of crops.
  - ❖ Post-harvest expenses.
  - ❖ Consumption requirement of farmer household.
  - ❖ Working capital for maintenance of farm assets.
  - ❖ Requirement of any fee/charges pertaining to the activity to be undertaken viz, Seed Certification, Organic farm certification or tariff rates pertaining to export of agriculture produce.

## Type of Farmers



**Progressive  
Farmer**



**Scientific  
Farmers**

**For clarity of operating functionaries, type of farmers eligible under the product :**



## Scope of the Scheme

- ❖ The product is applicable for Corporate farmers, Companies of farmers, Agri. firms and Large farmers or other farmers engaged in Hi-tech/Progressive/ Intensive farming methods for crop cultivation or high value crops of export importance.



## KYC and Land Documents to be obtained

The product to be provided only to fully compliant KYC customers in case of existing customers and in case of New to Bank customers (NTB), Customer Due Diligence (CDD) as applicable to be ensured.



## Quantum of Loan

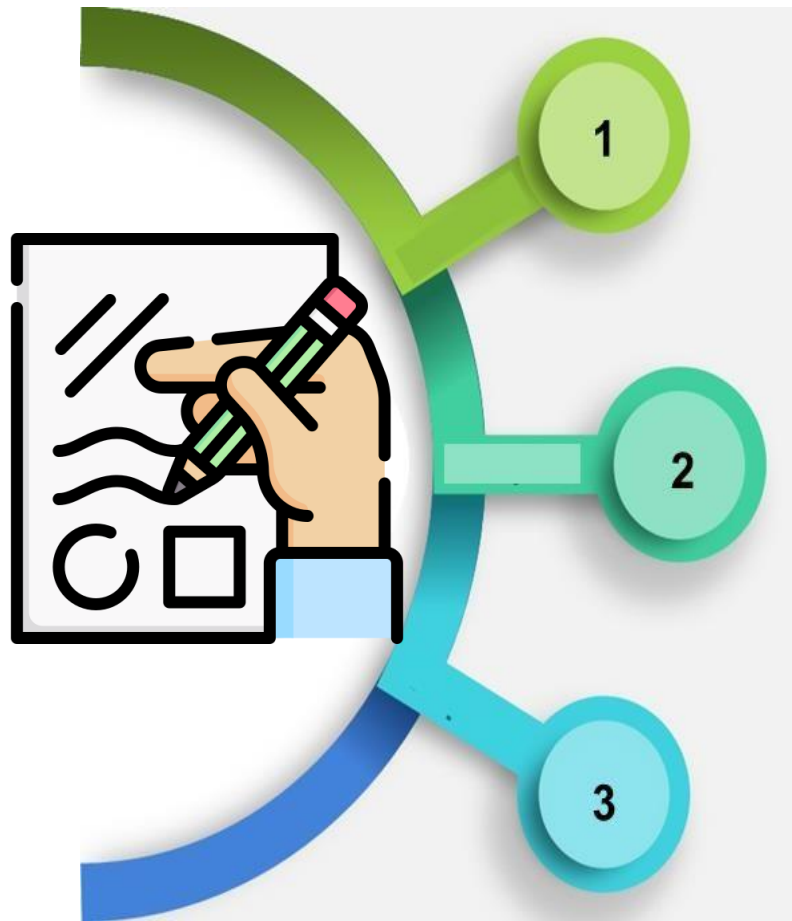
**Minimum Loan:  
₹ 5.00 lakhs.**



**Maximum Loan:  
₹ 50.00 Crores.**

Parameterization purpose, this is kept initially at ₹ 20.00 Crores. And if need is there or proposal is sanctioned for amount beyond this, the same may be amended at parameter level after approval from CGM of the Circle.

## Maximum Drawing Limit Sanctioned per Crop for the First year



**Scale of realistic cost of end-to-end farming X  
Acreage of crop.**

**Incrementally, 30% towards misc. post-harvest  
/household/consumption requirements/repairs and  
maintenance of farm assets.**

**Additionally, Premium for Crop insurance and /or accident  
insurance including PAIS, health insurance & Asset  
Insurance may also be considered.**

## Kisan Samridhi Rin(KSR)

# Activities to be Financed

Crop Loans requirement of farmers/Agri. Entrepreneurs for undertaking various hi-tech/modern activities for crop production viz.:

Polyhouse Crop cultivation.

Cultivation under advanced method of irrigation.

Tissue Culture based seedlings production.

Any other crop production activity involving hi-tech farming methods.



Commercial Seed Production

Hydroponics.

Cultivation of export oriented high value Crops like Cash Crops, Plantation Crops, Fruits & Vegetables, Ornamental Flowers, Aromatic/Medicinal crops, Spices, etc.

Organic crop production.



## Scale of Finance/ICFC



❖ Scale of Finance not applicable for KSR.

❖ Internal Crop Financing Committee (ICFC) for circle level will finalize the quantum of loan.

❖ It may extend up to 200% of Scale of Finance.

(Maximum capping of scale of realistic cost of end-to-end farming of any crop is 200% of DLTC SOF (i.e., double). However, committee may go beyond this limit with prior approval from CGM (Circle) for a particular Crop/Farming activity and for a particular area under the Circle.)

## Interest Rates

The interest rate will be linked to 1 Year MCLR and effective rate is as follows:

Below 50.00 Lakhs-  
1.80% ₹ above 1-Year  
MCLR (Present  
effective rate is  
10.35%).



₹ 50.00 lakhs and  
above-CRA based  
pricing.

## Interest Rates

An additional concession may be granted, up to:



0.10% by the Regional Manager of the concerned RBO.

0.25% by the Deputy General Manager (B&O) of the concerned Administrative office.

0.50% by the General Manager of the concerned network.



## Security (Primary & Collateral)



**Primary:** Hypothecation of crops grown/assets to be created out of bank finance.

### **Collateral:**

- ❖ Collateral Security by way of mortgage (Equitable Mortgage/Registered Mortgage) of immovable property/Agriculture land to be obtained for aggregate loan limit.
- ❖ SARFAESI-compliant immovable property and/or Liquid securities like NSC Term Deposit for at least 25% of the limit. In deserving cases, may be relaxed and may be taken at least 15% of the value of the aggregate limit subject to approval by the DGM (B&O)\*.

**\*(Borrower having CIBIL/CRIF HIGH Score of 700 and above. Or Borrower having existing borrowing relationship with us for at least 3 years and no delinquency observed. Genuineness of securities must be ensured along with proper noting of charge/lien/assignment before disbursement of the loan.)**

## Margin (%)

Internal Crop Financing Committee (ICFC) at Circle to consider 15% of margin while finalizing realistic cost of end to-end farming.



In cases where limit is sanctioned considering other requirements of borrower (other than the realistic cost of end-to-end farming), then Branch to ensure 15% margin.

## Review/Renewal

### Review Within Expiry Date

While reviewing/renewing the Kisan Samridhi Rin before due date, system will validate and allow review only if credit summations are equal to or more than the maximum debit outstanding in the account from previous sanction/renewal date till current renewal date. Farmer is eligible for 10% incremental credit line, given the account is regular and having prompt repayment.

### Review After Expiry Date

The modality will be same as mentioned above. Additionally, the interest applied as well as accrued interest till the date of actual renewal are to be recovered. In this case, the farmer is not eligible for 10% increment for this year. However, future timely repayments can get this farmer to be eligible for 10% incremental credit line.

## Repayment Period

The repayment period may be fixed as per the anticipated harvesting and marketing period for the Crops for which the loan has been granted.



## Summary



- ❖ Minimum land holding, At least 4 acres of land holding Or
- ❖ Engaged in scientific methods of farming, (like Playhouse, Hydroponics, Tissue culture, etc.)
- ❖ Credit Score Farmer having a good Credit Score (i.e., 650 and above, as per CRIF HIGH MARK and CIBIL). Should not be on the “Willful defaulter” list
- ❖ Age Min. 18 years, Max. 70 years. (Above 60 yrs., co-borrower is a must)
- ❖ For Corporates: For companies older than 2 years, Corporates, Companies, and other Agri. firms, it must be earning profit in at least last two years as per their audited balance sheet. In case of corporates, companies, and other Agri. firms, which are less than 2 years old, there must be net profit for 2 years, as per actual and/or projected balance sheet.

# Summary



- ❖ **Quantum of Loan: Minimum Loan: ₹ 5.00 lakhs. Maximum Loan: ₹ 50.00 Crores.**
- ❖ **This product is proposed to be applicable for large or other progressive farmers, engaged in Hi-tech/scientific/modern method of farming, where either actual cost of cultivation is more than the prescribed Scale of Finance set by DLTC or Scale of Finance for crops being grown, is not decided by DLTC.**
- ❖ **For clarity of operating functionaries, type of farmers eligible under the product are defined as under: Progressive Farmer and Scientific Farmers**
- ❖ **The product to be provided only to fully compliant KYC customers in case of existing customers and in case of New to Bank customers (NTB), Customer Due Diligence (CDD) as applicable to be ensured.**
- ❖ **The repayment period may be fixed as per the anticipated harvesting and marketing period for the Crops for which the loan has been granted.**



**State Bank of India**

**THANK YOU**

**ALL THE BEST**