

**OPERATIONAL GUIDE LINES FOR SANCTION OF PROJECT/ RELEASE
OF CREDIT LINKED BACK ENDED SUBSIDY FOR POST HARVEST
MANAGEMENT UNDER NMMP SCHEME**

1. INTRODUCTION :

- 1.1 *Post Harvest Management (PHM) plays very important role in promotion of horticultural production and marketing. This is because of a considerable quantity of the valuable produce is lost due to improper post harvest management. As a result there is a sizeable gap between gross production and net availability of horticultural produce. Thus a crisis in food availability is not only caused by the natural disasters, but also by absolute lack of post harvest management.*
- 1.2 *The State is lagging behind in organized set up for post harvest handling and marketing of various fruits and vegetables, medicinal plant like Aonla, Sarpagandha, Aswagandha, Aloe vera, Asoka, Satavari, Pipali, Tulasi, Bael, Giloe leading to various kinds of losses. The losses mainly occur at field level, during post harvest handling, transportation and finally during marketing. These losses can be minimized by proper grading, packing, storage, pre-cooling and transportation particularly with cool chain facility.*
- 1.3 *The post harvest management facilities are essential for value addition of produce, reduction of transit loss and increasing profit of the farmers.*

2. PUBLICITY :

- 2.1 *Advertisement for the establishment/acquiring different PHM units in private sector will be released from time to time by DDH & Branch Manager-I, OHDS for the range/ Director of Horticulture-cum-Secretary, OHDS for the State keeping in view the allocations under NMMP programme for the same.*
- 2.2 *The entrepreneur will collect the application form (Annexure-I & II) on payment of Rs.200/- (non refundable) as processing fee from the office of the DDH & Branch Manager-I, OHDS Horticulturist & Branch Manager-II, OHDS/AHO & Branch Manager-II, OHDS. The processing fees can be used by the Branch Manager, OHDS in meeting the contingent expenditure in this regard. However, mere payment of Rs.200/- does not entitle for sanction of project. Project sanction will depend on suitability of project, bank sanction, acceptance at Govt. of India level & availability of funds etc.*
- 2.3 *The entrepreneur will submit the application and the project to the DDH & Branch Manager-I, OHDS /Horticulturist & Branch Manager-II, OHDS /AHO Branch Manager- II, OHDS along with the original money receipt and attested photocopies of required documents as per guide line (Annexure – I & II).*

3. **ELIGIBILITY** : (Where ever applicable) :

- 3.1 *All the projects will be entrepreneur driven through commercial ventures for which Govt. Assistance will be credit linked back ended subsidy in accordance with the cost norm. Public Sector Undertakings, State Govt. Agencies, Co-operatives, growers' association, Farmer Group, Self Help Groups, Women Farmers' Groups, recognized/registered by DMC having at least 25 nos. of members will also be entitled to avail assistance for such activities to the same extent. However, assistance will not be credit linked for such agencies but would be back ended subject to condition that they are able to meet their share of the project cost.*
- 3.2 *The assistance will be available to the individual, Society, Regd. Society, Companies and Corporation etc. as per NMMP guide lines. However the person having received such grant from N.H.B. or NHM or any other State/Central Govt. etc. for the similar type of item shall not be entitled to avail assistance again on all those items.*
- 3.3 *Preference will be given to the individuals/organizations with adequate suitable land within the district with agri-horti farming / contract farming or wholesaler / trader in medicinal produce. Degree holder in Agriculture, Horticulture, Agricultural Engineering, Management, Rural Management, Veterinary Science, may also be given preference.*
- 3.4 *The entrepreneur/beneficiary should have sound financial back ground.*
- 3.5 *In case of whole sale trading, the annual turnover/income tax return/vat clearance should be furnished.*
- 3.6 *In case of contract farming the agreement as per APMC Act should be furnished.*
- 3.7 *The entrepreneur/beneficiary should have willingness for availing the Credit Linked back ended subsidy.*
- 3.8 *The Horticulturist & Branch Manager-II, OHDS /AHO & Branch Manager-II, OHDS will send the valid applications/projects to the DDH & Branch Manager-I, OHDS.*
- 3.9 *A preliminary scrutiny of all such applications (Annexure – I & II) received shall be done by a committee consisting of the DDH & Branch Manager-I, OHDS as Chairman and Horticulturists & Branch Manager-II, OHDS /AHOs & Branch Manager-II, OHDS, A.A.E. O/o DDH & Branch Manager-I, OHDS as members for short listing of the applications basing on guide lines of GOI including the land and other documents. Such meetings shall normally be conducted on monthly basis. The*

applicants not found suitable may be communicated with the deficiencies by registered post with one copy to notice board.

4 **LAND & LOCATION** (For the land based projects, in other cases the details of business address of the entrepreneur/beneficiary along with proof of the same) :

4.1. *The land should be in the name of the entrepreneur and records should be down loaded from bhulekhori.nic.in and attested by concerned Tahasildar or an officer not below the rank of Sub Divisional Magistrate of Revenue Department. Also he is to submit certified copy of the land in original from concerned Tahasil.*

4.1 *If joint property, No Objection Certificate of the share holder(s) of the said land in the form of affidavit sworn before the Executive Magistrate of 1st class should be submitted.*

4.2 *In case of lease land, if the leasee can mortgage the land in favour of the financing bank/FI, can also be entertained if bank is satisfied.*

4.3 *The project for post harvest management should aim at providing “direct” service delivery to producers / farming community for safe utilization/marketing of their produce.*

4.4 *Cost of land in infrastructure projects will be restricted to a maximum of 10% of the project cost in rural areas and to 20% in municipal areas and it would form part of the owner’s contribution to be taken towards margin money in cases where a fresh purchase is made as per guide lines of NMMP.*

4.5 *A declaration that the entrepreneur will not alienate the land/infrastructure acquired during the period of the loan for any purpose other than the purpose for which the loan is sanctioned should be submitted.*

SELECTION OF SITE: (For land based projects) :

4.6 *The site should be well communicated with truckable all whether road.*

4.7 *The site should have easy access to electricity.*

4.8 *There must be permanent and adequate water source or should have provision to acquire with.*

4.9 *The sketch map of the site with description of boundaries duly signed by revenue inspector should be verified with the Patta, Khata No. Plot No., revenue receipt etc.*

4.10 *Area should be also otherwise suitable for efficient functioning of the proposed Post Harvesting Management Unit.*

5 **SELECTION / PRIORITISATION**

- 5.1 *The selected applications (Annexure – I & II) under para 3.9 shall be placed before the DMC by the DDH & Branch Manager-I, OHDS for its approval. The technical team of the District Mission Committee (DMC) will effect field verification, scrutinize the short listed applications and give appropriate recommendation. The DMC will approve the selected entrepreneurs and prioritize them.*
- 5.2 *There after, the DDH & Branch Manager-I, OHDS will intimate the panel of prioritized entrepreneurs along with the DMC proceedings and selected applications (Annexure – I & II) to the Secretary, OHDS for formal approval.*
- 5.3 *Secretary, OHDS will send proposals to the NMMP, Govt. of India with a copy to State Govt. for approval and release of funds, wherever applicable.*
- 5.4 *After getting project, sanctioned or cleared by the NMMP, Govt. of India with provision of funds, the Director of Horticulture-cum-Secretary, OHDS will ask the DDH & Branch Manager-I, OHDS /Horticulturist & Branch Manager-II, OHDS/AHO & Branch Manager-II, OHDS to go ahead with the project execution indicating the name of the entrepreneurs along with sanction of funds for subsidy amount. The unsuccessful applicants shall be intimated by the DDH & Branch Manager-I, OHDS by registered post/Speed Post.*
- 5.5 *The DDH & Branch Manager-I, OHDS /Horticulturist & Branch Manager-II, OHDS /AHO Branch Manager-II, OHDS will communicate the sanctioned projects to the bank and entrepreneur for further execution of the project. The components which are not under credit linked back ended scheme the subsidy will routed through bearer cheque to the beneficiary after joint verification by the team following norms and condition*

6 CREDIT LINKED ASSISTANCE :

Assistance under the scheme shall be available on capital cost of the project only. The Bank/FI will however, be free to finance other activities/working capital requirement to meet various requirements of the entrepreneur, where subsidy will not be available for such activities.

7. **SUBSIDY :**
INTEGRATED POST HARVEST MANAGEMENT

6.1 *Rate of subsidy and maximum amount of subsidy shall be on the capital cost of the project as follows.*

<i>Sl. No.</i>	<i>Name of the Project</i>	<i>Capital cost per unit (in Rs.)</i>	<i>Rate of assistance per unit (subsidy amount)</i>
1.	<i>Storage Godwn(100MT)</i>	<i>Rs.5.00 lakhs /unit</i>	<i>100% assistances for SHGs/Coperative/Public sector and 50% of the capital cost in case private sector.</i>
2.	<i>Drying Shed(100MT)</i>	<i>Rs.5.00 lakhs /unit</i>	<i>100% assistances for SHGs/Coperative/Public sector and 50% of the capital cost in case private sector.</i>
3.	<i>Est. of Rural Mandi</i>	<i>Rs.10.00lakhs /unit</i>	<i>100% assistances for SHGs/Coperative/Public sector</i>
4.	<i>Est. of District mandi</i>	<i>Rs. 200.00 lakhs /unit</i>	<i>100% assistances for SHGs/Coperative/Public sector</i>

- 7.2 *Maximum amount of subsidy cost shall be restricted as indicated above. However the entrepreneur will be free to undertake PHM unit of higher cost by contribution from his own resources or other financial assistance.*
- 7.3 *The amount of subsidy availed for the project or any of its components from any other source shall be deducted from the amount of subsidy admissible under this scheme.*
- 7.4 *The full project cost including the subsidy amount, but excluding the margin money contribution would be disbursed as term loan by the bank/FI Quantum of margin money and loan to be given by the bank will be decided by the bank/FI on case to case basis.*
- 7.5 *The repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after the full bank loan component with interest (excluding subsidy) is liquidated.*
- 7.6 *The financing bank may also provide working capital separately for undertaking the business by the entrepreneur where ever such situation arises but subsidy shall not be provided for such funding.*
- 7.7 *The financing bank may also provide working capital separately for undertaking the business by the entrepreneur where ever such situation arises but subsidy shall not be provided for such funding.*
- 7.8 *After the loan is disbursed, the project work shall start.*

7.9 *After disbursing a part of the loan sanctioned the respective bank/FI will claim for the subsidy to the Horticulturist & Branch Manager-II, OHDS /AHO & Branch Manager-II, OHDS. The number of claims and release of subsidy may be 2-3 installments. The final subsidy claim shall be made after the disbursement of last installment.*

8 RELEASE OF SUBSIDY :

8.1 *Subsidy for the project under the scheme shall be released by DDH & Branch Manager-I, OHDS the Horticulturist & Branch Manager-II, OHDS /AHO & Branch Manager-II, OHDS for projects financed by Banks/FI.*

8.2 *A joint inspection committee comprising of DDH & Branch Manager-I, OHDS, Horticulturist & Branch Manager-II, OHDS AHO & Branch Manager-II, OHDS Asst. Agril. Engineer, O/o DDH & Branch Manager-I, OHDS and the banker, AGM, NABARD will inspect the site periodically to observe the progress of the work. If required the DDH & Branch Manager-I, OHDS /Horticulturist & Branch Manager-II, OHDS is to release subsidy proportionately in the basis of the joint inspection committee.*

8.3 *The Horticulturist & Branch Manager-II, OHDS / AHO & Branch Manager-II, OHDS will release the subsidy within 30 days of requisition from the bank and in case of delay he will communicate the reasons for delay or non release to bank and the entrepreneur and Director of Horticulture-cum-Secretary, OHDS Orissa. In case of dispute, decision of the Director of Horticulture-cum-Secretary, OHDS, Orissa shall be final and binding.*

8.4 *Subsidy should be released with proper intimation to the Collector-cum-Chairman, DMC of National Horticulture Mission by DDH & Branch Manager-I, OHDS.*

9 ADJUSTMENT OF SUBSIDY IN BORROWERS ACCOUNT :

9.1 *The subsidy amount released by the Horticulturist & Branch Manager-II, OHDS /AHO & Branch Manager-II, OHDS will be kept by the Bank in the Subsidy Reserve Fund Account of the concerned borrower, to be adjusted finally against loan amount of the bank on completion of the project. The adjustment of subsidy will be in the pattern of back ended subsidy. However, no interest will be charged by the lending banks on the loan amount equivalent to the subsidy amount received by them. Suitable instructions issued in this regard by the RBI from time to time would be adhered to.*

9.2 *On completion of the project the concerned bank would inform the Horticulturist & Branch Manager-II, OHDS /AHO Branch Manager-II, OHDS about the project completion within the overall guide lines of NMMP and project submitted and shall make a request for joint inspection of the project in presence of the promoter/entrepreneur.*

9.3 *The Horticulturist & Branch Manager-II, OHDS AHO Branch Manager-II, OHDS will effect joint verification by the technical team constituted by the Chairman DMC of NMMP along with the banker and the promoter/entrepreneur.*

10 IMPLEMENTATION PERIOD :

10.1 Period of implementation will be as per norms of the lending bank or NMMP guide lines, depending upon the nature of the project.

11 RECALLING OF SUBSIDY :

11.1 In case of default in payment of the loan the bank will adopt due process of loan recovery.

11.2 The Horticulturist & Branch Manager-II, OHDS /AHO Branch Manager-II, OHDS shall recall the subsidy amount before its liquidation whenever he feels that the entrepreneur is deviating from the original aim and objective of the project/the project is not completed within the stipulated period or any other valid reason with approval of DMC of National Mission on medicinal plants.

12 UTILIZATION CERTIFICATE :

12.1 Bank would submit the utilization certificate of the subsidy amount released by the Horticulturist & Branch Manager-II, OHDS /AHO Branch Manager-II, OHDS periodically who in turn shall furnish the UC to the DDH & Branch Manager-I, OHDS which will be finally sent by DDH Branch Manager-I, OHDS after his countersignature to the Director of Horticulture-cum-Secretary, OHDS.

13 MISCELLANEOUS :

13.1 NMMP or OHDS shall be fully competent to add, relax, delete or amend any provisions for any activities under Post Harvest Management.

13.2 The beneficiary will depict a signboard (2m x 3m) at a prominent place depicting name of the entrepreneur, location and fact of assistance under the scheme along with logo of NMMP as well as OHDS. In case of van or movable units, the same will be depicted on the body of the units appropriately. This will be examined by Joint inspection committee of the District before recommendations to Director of Horticulture-cum-Secretary, OHDS, Orissa.

ANNEXURE –I

ENTREPRENEURS (PROMOTER’S) PROFILE

No.

(To be filled in by the Office)

Affix passport size photograph to be affixed by the applicant.

1. Title of the Project
2. Project Code
3. Date of application submitted to DDH/Horticulturist
4. M.R. No. & Date of purchase of Entry, Proof No.....Date
5. Date of submission of Entry Proof.
6. Date of District Horticulture Mission Approval
7. Project Cost (Rs. in lakhs)
8. Investment Ratio

(To be filled in by Entrepreneur/Applicant)

1. Name of the Entrepreneur/Applicant
2. Father’s Name :
3. Permanent Address (With Postal Pin) & Telephone No.
4. Present Address (with Postal Pin) & Telephone No.
5. Date of Birth :
6. Caste : (General/SC/ST/OBC)
7. Name of the Organization
(if authorized a person to apply for,
please enclose the authorization letter in original)
8. Name of the Person heading the
Organization and his full address postal pin with telephone number.
9. a) **Identity proof of the applicant/entrepreneur
for Individual applicant –**

(The Xerox copy should be attested by a Gazetted Officer not below the rank of SDM or Executive Magistrate –I.)

- i) Voter I.D. Card ii) Pan Card iii) Electric Bill iv) Phone Bill
- v) Educational qualification
- b) Identity proof for organization (If applicant is an organization)
- i) Income Tax Return (I.T.) returns of the previous/current year.
- ii) Registration Certificate
- iii) Additional Qualification (if any)
- iv) Applicant (with designation)
- v) Authorized person
- c) Name & address of the Technical experts of the Organization to handle the project (with Telephone No. & Mobile No.)
- c) Working Experience in the applied Project/Institution.

Name of the Institution/Project	Job description	Design	Period of Experience (Fromto.....)	Responsibility Taken Capacity.	Annual turn over in Rs.
1	2	3	4	5	6

10. Occupation Details

Crop

Produces

- a. Agril. Farming
- b. Agro Industries
- c. Agri Business
- d. Others

11. Details of Property hold (Promoters own & Family) in case Individual applicant.

- a) Type of Property details of ownership
- b) Type of Acquisition

- c) Year of acquisition
- d) Present Market Value (in Rs.)
- e) Land ownership documents to be submitted along with application form. Documents downloaded from bhulekh Orissa.in site and attested by concerned Tahasildar or SDM.

12. In case applicant is an organization:

- a) Type of Property details with Ownership
- b) Acquisition details
- c) Years of Acquisition
- d) Present Market Value (in Rs.)
- e) Land ownership documents to be submitted along with application form. Documents downloaded from bhulekh Orissa.in site and attested by concerned Tahasildar
- f) Source of Income:
- g) Annual Income (in Rs.)

13. Details of Loan/grant/Advances obtained earlier

a) **If applicant is an Individual:-**

Name of the Loanee	Relationship with applicant	Purpose of Loa/Grant/advance	Name of the Financial Institution financed.	Amount of loan/grant Adv. received (in Rs.)	Date of Receipt	Balance loan/grant/adv. to be received in Rs.	Present status of the Project
1	2	3	4	5	6	7	8

b) **If applicant is an Organization**

Name of the Project for which loan/grant/adv. Received	Fin. Inst. Financed	Amount received (in Rs.)	Period of Receipt	Amount utilized (in Rs.)	Present status of the Project
1	2	3	4	5	6

3. Details of the contribution to the proposed project expenditure

Particulars of Contribution	Amount % Period of contribution	Contribution for the component of the proposed project
1	2	3

- a) Self
- b) Bank Loan
- c) Equity Share
- d) Subsidy

14. **Details of the Proposed Project**

- a) Proposed Location (with road map):
- b) Layout plan of the plant/machinery
- c) Area of Operation:-

- d) Cost of the Project (in Rs.)
- i) Working Capital:-
- ii) Fixed assets valuation (in Rs.)
- e) Annual Profit assessed (in Rs.)
- f) Detail Project Report (DPR) Prepared by
(Name address & Telephone No.)
DPR should contain detailed P/E of Civil Construction, cost of plant/machinery with supporting quotation).
- g) D.P.R. accepting Bank
(Please enclose the DPR acceptance letter & consent letter of Fin. Inst. to Finance the Project).
- g) Brief note on motto/objective of your proposed Project
(Use separate Sheet if required)
- h) Original copy of M.R. (Money Receipt) in support of purchase of application.
I do undertake that above information's furnished are true so far my knowledge is concerned.

Place:

Signature of Applicant/Entrepreneur
(With Name,

Date:

CHECK LIST (Submitted documents may be furnished by applicant/entrepreneur)

List of documents enclosed in support of Applicant's (Entrepreneur) credential to set up theunit attached with application.

- 1.
- 2.
- 3.
- 4.
- 5.

Signature of applicant/entrepreneur
(with Name, Phone No. & Seal)

Application receipt

(To be furnished by Branch Manager of State Horticulture Mission)

The application along with the above mentioned documents were received

From.....on.....

Dated.....for the Project.....

Amounting

Place

Date :

Signature of Receiving Officer
(With Name, Telephone No. & Seal)

Annexure – II

The proposal by private entrepreneurs, Public Sector undertakings, Coop Societies etc. shall be submitted after sanction of credit facilities by the Financial Institutions as per format.

Format for Submission of Project based Proposals (PHM) by Private Sector under NHM

1. Name of Project
2. Type of Activity
3. Objectives
4. Location of the Project with Address
 - General Area
 - Hilly/Tribal Area
5. **Constitutions**
(Date of incorporation and relevant law along with a copy of articles and memorandum of associations, by laws, partnership deed and registration certificate which ever is applicable. Documentary proof regarding authorized /paid up capital and promoters contributions).
 - a) Public Ltd Company
 - b) Private Ltd Company
 - c) Registered Society
 - d) Association
 - e) Federation
 - f) Producer Company
 - g) Proprietorship firm
 - h) Partnership concern
6. Management
7. Brief back ground of promoters.
8. Cost of Project Rs. in lakhs
 - a) Land – (If purchased new along with documentary proof)

- b) Building
- c) Plant & Machinery
- d) Contingencies
- e) Miscellaneous fixed assets
- f) Working Capital margin
- g) Pre operative exp.

Total:

9. Means of Finance

- i. Promoter Share
- ii. Bank Term Loan
- iii. Subsidy
- iv. Quasi equity
- v. Unsecured loan

Total

- 10. Details of Cost of Plan & Machinery/equipment supported by quotations.
- 11. Details of the Building construction and the cost duly certified.
- 12. Area of Operation with special reference to National Horticulture Mission (NHM) Districts to be covered.
- 13. Availability of raw material, name of the cluster and district along with the major crops.
- 14. Back ward linkages with farmers with reference to either providing services or purchase of raw materials
- 15. Forward linkages – Analysis of domestic and export markets, tie up made for sale of Produce and branding aspect.
- 16. No. of farmers/orchardist to be benefited.
- 17. SWOT Analysis
- 18. Financial Analysis – IRR, NPW, Cost benefit Ratio, Break even point, DER, DSER, Projected balance sheet etc.
- 19. Insurance of the fixed assets.

20. Name of the sponsoring bank along with the details of Techno economical appraisal reports, copy of sanction letter and Detailed Project Report (DPR) as submitted to bank.
21. Certificate regarding Non-availing of subsidy from any other Central/State Govt. Department.
22. Social benefits with special reference to employment generation.
 - a) Direct employment
 - b) Indirect employment
 - c) Women ST/SC employment.
23. Details of the sustainability of the project with special reference to its capacity to generate income since only one time grant is admissible.
24. Implementation schedule
25. Amount of subsidy sought.

Place:

Signature of Applicant/Entrepreneur
(With Name & Seal)

Date: