



CAPITAL INVESTMENT SUBSIDY SCHEME FOR RURAL GODOWNS

- 
- **REVISED OPERATIONAL GUIDELINES
FOR RURAL GODOWN SCHEME
FROM 26.06.2008
UP TO
31.03.2013**

Eligible Organizations:

1. Individuals,
2. Farmers,
3. Group of farmers /growers,
4. Partnership / Proprietary firms,
5. Non-Government Organizations (NGO's),
6. Self Help Groups (SHG's),
7. Companies,
8. Corporations,
9. Federations,
10. Agricultural Produce Marketing Committees,
11. Marketing Boards and Agro Processing Corporation in the entire country.

Location

- ❖ Under the scheme, the entrepreneur will be free to construct godown at any place as per his/her commercial judgment except for the restriction that it would be outside the limits of Municipal Corporation area. Rural godowns constructed in the Food Parks promoted by the Ministry of Food Processing Industries shall also be eligible under the scheme for assistance.

Size

- ❖ Capacity of a godown shall be decided by an entrepreneur. However, subsidy under the Scheme shall be restricted to minimum capacity of 100 tones and maximum capacity of 30,000 tones.
- ❖ No maximum ceiling on subsidy in the case of project of rural godowns of cooperatives assisted by NCDC.

Rate of subsidy shall be :-

33.33% of the capital cost of the project:-

- ❖ Maximum amount of the subsidy for North – Eastern States, hilly areas = Rs.3.333 crore.
- ❖ Maximum amount of subsidy other than North Eastern States, Sikkim and hilly areas =Rs.3crore.

Rate of subsidy shall be :-

- ❖ 25% of the capital cost the project to all categories of farmer (other than women farmer), agriculture graduates, cooperative and State/Central Warehousing Corporation subject to a maximum ceiling on subsidy of Rs.2.25 crore.
- ❖ No maximum ceiling on subsidy in the case of cooperative assisted by NCDC.

Rate of subsidy shall be :-

- * 15% of the capital cost of the project to all other categories of individuals, companies & corporation etc. subject to a maximum ceiling on subsidy of Rs. 1.35 crore.
- * 25% of the capital cost of the project for renovation of godowns of co-operative with assistance from NCDC.

Who is farmer?

- The person owning agriculture land from last three years (minimum) and having average income from agriculture more than 50% of total income.

Capital cost of the project for the purpose of subsidy under the scheme shall be calculated as follows :

- ❖ For godowns up to 1000 tones capacity–Project cost as appraised by financing Bank or actual cost or Rs.3500/- per tone of storage capacity, whichever is lower ;
- ❖ For godowns exceeding 1000 tones capacity Project cost as appraised by bank or actual cost or Rs. 3000/- per tone of storage capacity, whichever is lower.
- ❖ For North Eastern region/hilly areas , project cost will be Rs.4000/-per MT or as appraised by bank/financial institution, whichever is lower irrespective of godown capacity.

How the capacity is calculated?

❖ Capacity of the godown:-

Height(mtr) x width(mtr) x length(mtr) x 0.40 = capacity

e g. 6.00 x 15.01 x 30.02 x 0.40 = 1080 MT

[20' x 50' x 100' = 5000 sq. ft.]

Credit Linked Assistance

Subsidy under the scheme is linked to institutional credit and will be available to only such projects as are financed by Commercial Banks, Regional Rural Banks, State Cooperative Banks (SCB's), State Co-operative Agricultural and Rural Development Bank (SCARBDs), Agriculture Development Finance Companies (ADFC's), North Eastern Development Finance Corporation (NEFCI), Urban Co-operatives Banks etc.

Credit Linked Assistance

- ❖ Loan to the entrepreneurs from banks for the construction of godown would carry an adequate long-term repayment period. Assistance under the scheme shall be available on capital cost of construction of godown including the cost of allied facilities like boundary wall, internal road, platform, internal drainage system, weighing, grading, packaging, quality certification, warehousing facilities which are functionally required to operate the godown.

Release of Subsidy

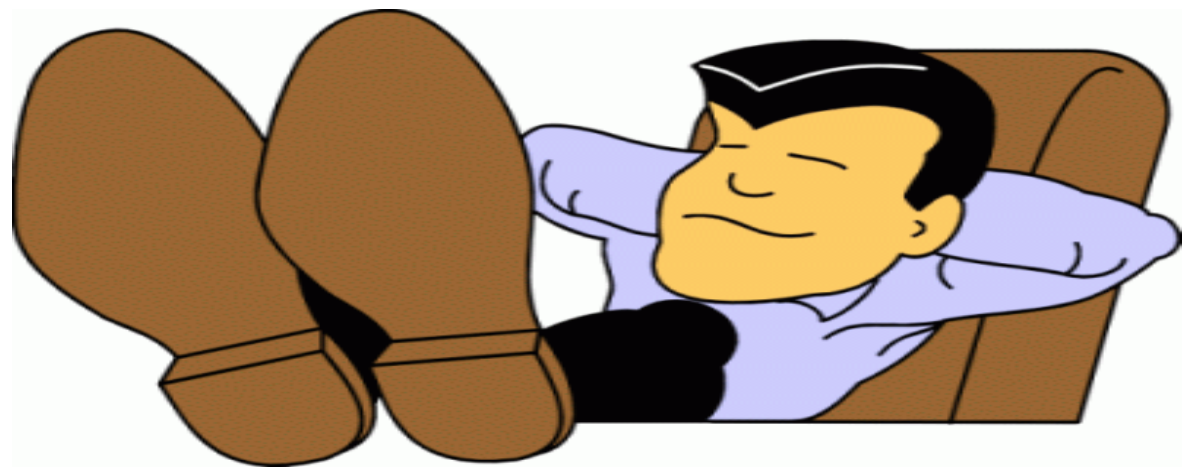
- ❖ Subsidy for the project under the scheme Shall be released through NABARD for project financed by Commercial, Cooperative and Regional Rural Banks, ADFC's, SCB's, SCARDB's, NEDFI and scheduled PUCBs And other institutions eligible for refinance from NABARD and through NCDC for projects financed by NCDC or by Co-operatives Banks In accordance with its eligibility guidelines.`

Adjustment of Subsidy in Borrower's Account:

- ❖ The subsidy released to the bank / NCDC for an individual project will be kept in a separate Borrower – wise account. The adjustment of subsidy will be back ended. Accordingly, the full project cost including the subsidy amount, but excluding the margin money contribution from the beneficiary, would be disbursed as loan by the banks.

Adjustment of Subsidy in Borrower's Account:

- ❖ The repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after full bank loan component net of subsidy with interest is liquidated but not before 5 years from the date of disbursement of first installment of loan.



No Interest Chargeable On Subsidy Portion:

- ❖ The subsidy admissible to the promoter under the scheme will be kept in the Subsidy Reserve Fund Account (Borrower – wise) in the books of the financing banks. No interest would be charged on this by the Bank. In view of this, for purposes of charging interest on the loan component, the subsidy amount should be excluded. The balance lying to the credit of the subsidy reserve fund account will not part of demand and time liabilities for the purpose of SLR/CRR.

INSTITUTIONAL LENDING

❖ Eligible Financing Institution :

- Commercial Banks,
- Regional Rural Banks (RRB's),
- State Co-operative Banks (SCBs),
- State Co-operative Agricultural and Rural Development Finance Companies (ADFCS),
- Schedule Urban Co-op. Banks,
- North Eastern Development Finance Corporation (NEDFI),

AND

Institutions Eligible for Refinance by NABARD.

TERM LOAN

- ❖ The repayment schedule will be drawn on the total loan amount (including subsidy). The subsidy amount will be adjusted after liquidation of bank loan (net of subsidy) but not before 5 years from the date of disbursement of first installment of term loan.

COMPARATIVE STATEMENT OF NABARD SUBSIDY FOR RURAL GODOWN

SR. NO.	MT.TON	HEIGHT	SQ. CU.M.T.	SQ. MTR.	SQ.FT.	NABARD RATE PER TON	NABARD COST	SUBSIDY		
								@ 15 %	@ 25 %	@ 33.33 %
1	100	6	250	41.67	448.33	3500	350000	52500.00	87500.00	116655.00
2	200	6	500	83.33	896.67	3500	700000	105000.00	175000.00	233310.00
3	300	6	750	125.00	1345.00	3500	1050000	157500.00	262500.00	349965.00
4	400	6	1000	166.67	1793.33	3500	1400000	210000.00	350000.00	466620.00
5	500	6	1250	208.33	2241.67	3500	1750000	262500.00	437500.00	583275.00
6	600	6	1500	250.00	2690.00	3500	2100000	315000.00	525000.00	699930.00
7	700	6	1750	291.67	3138.33	3500	2450000	367500.00	612500.00	816585.00
8	800	6	2000	333.33	3586.67	3500	2800000	420000.00	700000.00	933240.00
9	900	6	2250	375.00	4035.00	3500	3150000	472500.00	787500.00	1049895.00
10	1000	6	2500	416.67	4483.33	3500	3500000	525000.00	875000.00	1166550.00
11	2000	6	5000	833.33	8966.67	3000	6000000	900000.00	1500000.00	1999800.00
12	3000	6	7500	1250.00	13450.00	3000	9000000	1350000.00	2250000.00	2999700.00
13	4000	6	10000	1666.67	17933.33	3000	12000000	1800000.00	3000000.00	3999600.00
14	5000	6	12500	2083.33	22416.67	3000	15000000	2250000.00	3750000.00	4999500.00
15	6000	6	15000	2500.00	26900.00	3000	18000000	2700000.00	4500000.00	5999400.00
16	7000	6	17500	2916.67	31383.33	3000	21000000	3150000.00	5250000.00	6999300.00
17	8000	6	20000	3333.33	35866.67	3000	24000000	3600000.00	6000000.00	7999200.00
18	9000	6	22500	3750.00	40350.00	3000	27000000	4050000.00	6750000.00	8999100.00
19	10000	6	25000	4166.67	44833.33	3000	30000000	4500000.00	7500000.00	9999000.00
20	11000	6	27500	4583.33	49316.67	3000	33000000	4950000.00	8250000.00	10998900.00

MODI & AGRAWAL

www.modiagrawal.com

www.industrialsubsidy.com

COMPARATIVE STATEMENT OF NABARD SUBSIDY FOR RURAL GODOWN

SR. NO.	MT.TON	HEIGHT	SQ. CU.M.T.	SQ. MTR.	SQ.FT.	NABARD RATE PER TON	NABARD COST	SUBSIDY		
								@ 15 %	@ 25 %	@ 33.33 %
21	12000	6	30000	5000.00	53800.00	3000	36000000	5400000.00	9000000.00	11998800.00
22	13000	6	32500	5416.67	58283.33	3000	39000000	5850000.00	9750000.00	12998700.00
23	14000	6	35000	5833.33	62766.67	3000	42000000	6300000.00	10500000.00	13998600.00
24	15000	6	37500	6250.00	67250.00	3000	45000000	6750000.00	11250000.00	14998500.00
25	16000	6	40000	6666.67	71733.33	3000	48000000	7200000.00	12000000.00	15998400.00
26	17000	6	42500	7083.33	76216.67	3000	51000000	7650000.00	12750000.00	16998300.00
27	18000	6	45000	7500.00	80700.00	3000	54000000	8100000.00	13500000.00	17998200.00
28	19000	6	47500	7916.67	85183.33	3000	57000000	8550000.00	14250000.00	18998100.00
29	20000	6	50000	8333.33	89666.67	3000	60000000	9000000.00	15000000.00	19998000.00
30	21000	6	52500	8750.00	94150.00	3000	63000000	9450000.00	15750000.00	20997900.00
31	22000	6	55000	9166.67	98633.33	3000	66000000	9900000.00	16500000.00	21997800.00
32	23000	6	57500	9583.33	103116.67	3000	69000000	10350000.00	17250000.00	22997700.00
33	24000	6	60000	10000.00	107600.00	3000	72000000	10800000.00	18000000.00	23997600.00
34	25000	6	62500	10416.67	112083.33	3000	75000000	11250000.00	18750000.00	24997500.00
35	26000	6	65000	10833.33	116566.67	3000	78000000	11700000.00	19500000.00	25997400.00
36	27000	6	67500	11250.00	121050.00	3000	81000000	12150000.00	20250000.00	26997300.00
37	28000	6	70000	11666.67	125533.33	3000	84000000	12600000.00	21000000.00	27997200.00
38	29000	6	72500	12083.33	130016.67	3000	87000000	13050000.00	21750000.00	28997100.00
39	30000	6	75000	12500.00	134500.00	3000	90000000	13500000.00	22500000.00	29997000.00

MODI & AGRAWAL

www.modiagrawal.com