



भारतीय स्टेट बैंक
State Bank of India
Corporate Centre - Mumbai

e-Circular

ABU-PRODUCT DEVELOPMENT AND
MANAGEMENT DEPARTMENT.

Sl. No. : 411/2011 - 12

Circular No. : NBG/ABU/PDM-AGR /17.2011 - 12

Tuesday, August 09, 2011.

18 Shravan, 1933(s).

The Chief General Manager
State Bank of India
Local Head Office,
All Circles

ABU/CIR/

6th August 2011

Dear Sir,

IMPROVED PRICING: AGRI BUSINESS-DIRECT AGRI LENDING FINANCING FOR HORTICULTURE PROJECTS: NHB LINKED UNITS

Horticulture is an emerging economic activity under direct agricultural advances where opportunities for big ticket business exist. As a tool for business drive, concessional interest @ 290 bps above Base rate i.e. 10.50% p.a. was charged on all horticultural units where 'letter of intent' from National Horticulture Board was issued, vide Circular letter No: NBG/ABU/PDM-AGR /15/2010-11, dated 29.12.2010. The said interest concession has since expired on 31.03.2011.

2. On the request of Circles, interest rate to this sector has been reviewed and fine-tuned with the objective to remain competitive and improve our market-share in the big-ticket horticultural projects. It has now been decided that

- i. NHB linked horticultural projects (*activities as mentioned below*), may be financed (*both for working capital assistance and term loans*) at 150 bps above Base Rate (floating) i.e. at an effective rate of 11% p.a. at present, in addition to term premium as admissible for the respective tenure of the loan.
- ii. The concession would be applicable for units rated SB1-SB9 and unrated units having limits of Rs 5 lacs and above but less than Rs 25 lacs.
- iii. The interest concession would be valid for a period of 12 months from the date of approval of this note, i.e. till 03.08.2012.

3. Eligible activities:

(All under direct agri lending category as per RBI Master Cir No. RPCD. CO. Plan. BC 10/04.09.01/2011-12 dated 1st July, 2011, for the 18% benchmark.)

- High quality commercial horticulture crops.
- Indigenous crops/produce, herbs, spices, aromatic and medicinal plants.
- Seed & nursery.
- Bio-technology, micro-biology, bio-chemistry, bio-diversity & tissue culture.
- Protected cultivators.
- Bio-pesticides, Organic fertilizers, organic foods, bio-dynamic farming, vermi-compost.
- Establishment of Horticultural health clinics/ laboratories
- Hydroponics, aeroponics.
- Bee keeping and its products.
- Mushroom cultivation and its products.
- Nuts and its products.

4. Progress achieved under this concession will be monitored by the Business Head of RB at LHO, under advice to us at monthly intervals (*vide direction of Central Board for reviewing concession on an ongoing basis*).

5. We request you to kindly bring the content of this letter to the notice of all operating functionaries in your circle followed by wide publicity to this pricing for improving our market share by fresh acquisition as well as take-over of good loans.

Yours faithfully,
Sd xx xx xx xx xx
Chief General Manager
(Rural Business)