

MISSION FOR INTEGRATE DEVELOPMENT OF HORTICULTURE (MIDH)

Frequently Asked Question (FAQ)

Question: What is the fund flow mechanism in MIDH scheme?

Answer: Under MIDH scheme, while ongoing schemes of NHM, HMNEH, NBM, NHB, CDB and CIH will have distinct identity as sub-schemes of MIDH, fund flow for NHM, HMNEH and NBM beneficiaries will be routed through the State Horticulture / Bamboo Missions. However, release of funds from DAC to the SHMs will be routed through the State Government. In other words, in the case of NHM scheme, which involves 15% contribution by the State Government, GOI share of 85% will be released to the State Government. Thereafter, State Govt. will release 100% funds to the SHMs along with state share. In the case of HMNEH and NBM schemes, 100% funds will be released to the State Governments, who turn will make available funds to the SHMs / Implementing Agencies. In the case of NHB, CDB, CIH and NLAs, funds will be released directly to the respective Agencies.

Question: What is the effective date of implementation of MIDH scheme?

Answer: The scheme becomes operational from 1st April, 2014. New cost norms and pattern of assistance are applicable from 01.04.2014. However, assistance for spill over works of previous year and maintenance of area expansion activities taken up during 2012-13 and 2013-14 will be in accordance with pre-revised norms.

Question: Can a beneficiary avail assistance for similar activity from two sub schemes of MIDH, like for cold storage?

Answer: No. As a general principle subsidy assistance for similar activity cannot be availed from two different schemes. Moreover, there is distinct demarcation of crops and cut off level for availing assistance under different sub schemes of MIDH. In the case of cold storages, assistance will be available under NHM, HMNEH schemes for storage capacity upto 5000 MT and for cold storages above 5000 MT NHB would provide the assistance.

Question: Can a beneficiary avail assistance for different crops, say mango, bamboo and coconut through different sub schemes?

Answer: Yes. However, application will have to be submitted to the concerned nodal agencies.

Question: Can a nursery be set up in less than one hectare?

Answer: No. NHM scheme envisages a minimum area of one hectare for setting up a viable nursery to produce quality planting material.

Question: What is credit linked back ended subsidy and how is it administered?

Answer: Assistance for a number of components under sub scheme of MIDH, particularly for the private sector, involving infrastructure development such on nurseries, establishment of lab & clinics, post harvest management and marketing is in the form of credit linked back ended subsidy. It implies that the beneficiary has to avail term loan from the Nationalized Banks / Financial Institution (FI) such as NABARD, IDBI, SIDBI, ICICI, State Financial Corporations, State Industrial Development Corporations, NBFCs, NEDFI, National SCST/minorities/ Backward- Classes Financial and Development Corporation, other designated loaning institutions of the State / UTs, Commercial/ Cooperative Banks, etc.

Concerned banks/ State FIs may adhere to their own appraisal norms while sanctioning projects under the scheme. The appraisal note provided by FIs for sanction/ Claim of subsidy should invariably be the same which formed the basis for sanction of term loan.

The project should be implemented within a period of two years from the date of sanction of loan. The payment of back-ended subsidy will be made after the project has been successfully completed according to the terms and conditions of the loan/or as per the approved feasibility cum project report, as the case may be.

Upon completion of the project, the concerned Bank/FI/would inform SHM that the project had been completed (in accordance with) the guidelines of NHM and shall make a request to SHM for joint inspection of project the point inspection will be conducted in the presence of promoter. The payment of back ended subsidy will be made to the beneficiary after project has been successfully completed in accordance with the terms and conditions of the loan or as per the approved feasibility-cum-project report, as the case may be.

Bank /FI/NCDC, as the case may be, would submit to SHM the Utilization Certificate of the subsidy released by SHM

The subsidy assistance released by SHM to Bank/FI on behalf of the individual units which are sanctioned, will be kept in the separate account. The adjustment of subsidy will be on the pattern of back-ended subsidy wherein the full project cost including the subsidy amount but excluding the margin money contribution from beneficiary would be disbursed as loan by the banks. The repayment schedule will be drawn on the loan amount in such a way that the subsidy amount is adjusted after the bank loan portion (excluding subsidy) is liquidated.

The subsidy admissible to the borrower under the scheme will be kept in the Subsidy Reserve Fund A/c, borrower-wise in the books of the financing Banks. No interest will be applied on subsidy portion by the Bank. The balance lying to the credit of the Subsidy Reserve Fund A/c will not form part of Demand and Time Liabilities for the

purpose of SLR/CRR. Suitable instructions issued in this regard by the RBI from time to time would be followed.

Question: Is there any relationship between term loan and subsidy assistance under MIDH?

Answer: Assistance under MIDH for credit linked back-ended components will be limited to the loan amount sanctioned by the Bank.

Question: Is assistance available under MIDH for setting up food processing units?

Answer: Under MIDH Scheme, assistance is available for setting up primary / mobile processing unit costing upto Rs. 25.00 lakh/unit. For bigger units, assistance will be available only in the Himalyan States of Himachal Pradesh, Jammu & Kashmir and Uttrakhand.