

**FINANCING TO COLD STORAGE UNITS FOR FACILITATING THE FARMERS AND ALSO TO MEET RUNNING EXPENDITURES OF COLD STORAGES**

- **PURPOSE:**
  1. For On-Lending to the farmers: To provide financial assistance in the shape of Cash Credit Limit to Cold Storage units for On Lending to the farmers.
  2. For running the Cold Storage: Recurring expenditure like electricity bills, repair & maintenance, cost of bags (bardana), will be included in assessment of Cash Credit Limit
- **ELIGIBILITY:** All existing Cold Storage units having satisfactory record.
- **NATURE OF CREDIT FACILITY:** Cash Credit.
- **RATE OF INTEREST:** The rate of interest shall be charged as prescribed by the Bank from time to time.
- **MARGIN:** 25%
- **SECURITY:**
  - A. For On-Lending to the farmers:**
    - Primary:**
      1. Hypothecation of third party stock of agriculture commodity stored in Cold Storage against which farmer has taken advance from Cold Storage. Note: Receipt as per Annexure-II is to be obtained or
      2. Hypothecation of receivables, i.e. advances made to the farmers. However, the Cold Storage owner to ensure that commodity being stored will have sufficient shelf life up to next season.
    - Collateral:**

Minimum 100% security in the form of mortgage of IP (land & building)/ other liquid security. For this purpose, realizable / market value of land and building whichever is lower shall be considered. Security can be fresh IP/ Liquid security or extension of charge on existing security so that 100% exposure is covered.
  - B. For running the Cold Storage:**
    - Primary:** Assignment of entire Rental Income (present and future) of the cold storage unit.
    - Collateral:** In case of existing borrower extension of charge on Land/ building already mortgaged with the bank, equivalent to the amount of the limit sanctioned. If the value of the mortgaged Land/ Building falls short, then additional security acceptable to the bank to be obtained, equivalent to the deficit value. In case of fresh facility, minimum 100% (realizable value) collateral coverage in the form of mortgage of IP (land & building)/ other liquid security be obtained.