

**National Horticulture Board,  
85, Institutional Area, Sector-18  
Gurugram, Website : nhb.gov.in**

NHB/HD/CC/Guidelines/2022-23/

19234

March 9, 2023

**PUBLIC CIRCULAR**

**Subject : Revision in the scheme guidelines of NHB, including its implementation design, documentation and sanctioning process – reg.**

This is in-continuation to a Public Circular No. NHB/HD/CC/Guidelines/2022-23/52 dated 10/11.11.2022 issued by NHB on the captioned subject.

Subsequently, NHB vide a public circular No. NHB/HD.CC/Guidelines/2022-23/6937 dated 27/29.12.2022 put on hold the implementation of said Public Circular dated 10/11.11.2022 due to administrative reasons.

In partial modification to the Public Circular dated 11.11.2022, the revised schemes guidelines of NHB including their implementation design, documentation and sanctioning process will be as under:-

**A. System of Grant of Clearance**

1. NHB will do away with two stage system of IPA and GoC. Now IPA will not be needed for availing benefit under the Scheme of NHB and applicant will apply straightaway for Grant of Clearance (GoC) to NHB after sanction of term loan by bank. The term loan sanctioned within 3 months from the date of online GoC application to NHB shall be treated valid, however, disbursement of term loan and start of project will be allowed only after issuance of GoC by NHB. GoC will be valid for 3 months for getting disbursement of first instalment of term loan and start of project. Accordingly, the applications in NHB will be dealt in the following manner:
  - (i) IPA system will be discontinued from 15.03.2023 and thereafter NHB shall accept applications only for Grant of Clearance with required documents.
  - (ii) IPA/GoC applications received prior to 15.3.2023 will be considered as per existing system.
2. NHB has prescribed a new short template for DPR and Bank appraisal note (**Annexure-I**). The template is indicative and applicant/bank must ensure that the components mentioned in the template are invariably included in DPR or appraisal note, as the case may be.
3. The applicant will make online application to NHB for GoC and will have to submit following documents alongwith the application for GoC:-
  - a. Detailed Project Report (DPR) and the information suggested in the NHB's prescribed template will only be mandatory.
  - b. Project Land Document along with non-encumbrance certificate
  - c. Bank Sanction letter

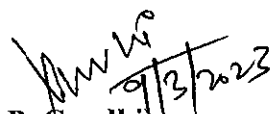
*[Handwritten Signature]*  
9/3/2023

- d. Bank Appraisal Note
  - e. Undertaking (will be part of Application Form in the prescribed format)
5. After application is submitted, an email will be sent to the applicant alongwith a reply/confirmation link to the financing bank. Concerned bank need to confirm the authenticity of documents online. Based on the confirmation of documents by the bank e.g. bank sanction letter, appraisal note and land documents etc., NHB will issue GoC.
  6. The stage of inspection of the location for GoC will be replaced with a mobile app based self-inspection. During the JIT, the details captured earlier through mobile app like Geo Location/ fencing etc will be verified.
  7. Subsidy claim documents will also be submitted by bank/applicant online.
  8. Technical Data sheet for Cold Storages/Ripening Chamber and Protected Structure will be a part of DPR. Basic datasheet for Cold Storage and Ripening Chamber will be examined by the NCCD before GoC by NHB. It will be mentioned in the GoC Letter that applicant will construct the cold storage/ripening chamber/green house as per extant standards/ specifications prescribed by NHB.
  9. Registration certificate/Deed in case of legal entity will be a part of DPR.
  10. NHB shall rely upon financing banks for the examination of project documents.

#### **B. Letter of Comfort**

1. IPA system will be replaced with Letter of Comfort (LoC) to the desirous applicants to facilitate them to get the term loan sanctioned from the Banks/FIs for their proposed project. **However, LoC is not mandatory unlike IPA and it will be issued to only those who so desire as a facility letter to get his/ her term loan sanctioned from the Banks/FIs for the proposed project.**
2. The applicant will make online application to NHB for LoC and will have to submit following documents alongwith the application for ~~LoC~~ LoC :-
  - a. Detailed Project Report (DPR) and the information suggested in the NHB's prescribed template will only be mandatory.
  - b. Project Land Document
3. The validity of LoC issued by NHB will be upto 6 months, which may be extendable by 3 more months based on justified reasons on case to case basis. The applicant has to get the term loan sanctioned for the proposed project within the validity period of 6 months.
4. After getting sanction term loan from the bank/FI, the applicant will request NHB for issuance of Grant of Clearance. The procedure for making application GoC will remain the same as mentioned in **Part-A** of this notification.

This issues with the approval of competent authority.

  
(C.P. Gandhi)  
Deputy Director (Coord.)

1. For uploading on NHB's website
2. For circulation to all NHB's officers at Hq & Centre



	/Director(s)/ Members					pli ca ble	appli cable	applicab le	ng ratio
1									
2									

4. Relative experience of the Applicant/Promoter(s)/Partner(s)/Directors(s)/ Members

SN	Name of lead Applicant/Promoter(s)/Partner(s)/ Members of Applicant Entity	Detail of Experience	Details of Turnover (year-wise)	Supporting Document attached, if any (Yes/No)
1				
2				

5. Details of Existing Banking and Credit facilities of the Applicant/ Promoter(s)/ Partner(s)/ Directors(s)

S N	Types of Facility	Name of Bank and Branch	Limits	Outstanding as on dd/mm/yyyy	Securities	Rate of interest	Repayment terms	Purpose
1	Cash Credit							
2	Term Loan							
3	Others							

\* Information pertaining to credit rating (internal /external) may also be shared along with the aforementioned information

6. Details of GST Returns submitted, if any or status of registration

7. Project Details

a. Objective of the proposed project

b. Proposed infrastructure as per the scheme

SN	Component
1	
2	
3	

8. Land Details:

SN	Particulars	Details
1	Land Area	
2	Status of Legal title & Possession	
3	if leased, Period of lease	
4	Coordinates of location (Latitude and Longitude)	
5	Details of CLU	
6	Connectivity to roads i. State Highway (in Km.) ii. National Highway (in Km.)	
7	Availability of Water	
8	Availability of Power	

9. Detailed timeline for construction of proposed project and proposed date for commencement of operation

10. Proposed Project Financials

a. Estimated Project cost details

SN	Items	Amount (Rs in Lakh)
1	Site Development	
2	Civil Works	
3	Technical Civil Works/Errection etc.	
4	Plant & Machinery (P&M)	
5	Fixed cost on power supply connection or/ and Generator set/solar system etc.	
6	Common Utilities like Water/ETP/ STP, etc.	
7	Pre-operative Expenses	
8	Interest During Construction	
9	Working Capital	
10	Contingencies	
11	Add other items not listed above	
<b>Total Project Cost</b>		

b. Means of Finance

SN	Items	Amount (Rs. In Lakh)	Percentage (%)
1	*Promoter's Equity		
2	Capital Subsidy/ Benefit from other Central/ State Scheme		
3	Loan		
<b>Total</b>			

*\*The source of the owned funds and also the capacity of the promoter to support the project in the event of cost escalations due to time overruns should also be mentioned*

**c. Basic Revenue Projections (₹ in lakh)**

SN	Item	Year1	Year2	Year3	Year4	Year5
1	Turnover					
2	Cost of Operations					
3	Gross Profit					
4	Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)					
5	Profit before taxation					
6	Profit after taxation					

*\*CMA data to be provided along with projected balance sheet, profit & loss statements, covering entire period of repayment.*

**d. Financial Parameters**

SN	Particulars	Details (Ratio/%)	Ref Page No. in DPR*
1	Internal Rate of Return (IRR) [(a) With and (b) without grant/ subsidy]		
2	Avg. Debt Service Coverage Ratio (DSCR)		
3	Break Even Point (BEP)		
4	Debt-Equity Ratio ( TTL/TNW)		
5	Fixed Assets Coverage Ratio		

**e. Credit Facilities proposed**

(I) Fund Based

(a) Term Loan

(b) Working Capital (Attach Assessment of working capital, if proposed)

(II) Non Fund Based

**f. Collateral Security proposed to be offered and its approximate value for the applicable cases.  
(To be furnished only in case of loans above Rs.2 crore)**

g. Repayment Schedule (Including moratorium period)

h. Details of Statutory/other approvals/registrations (status)

i. Details of pre-inspection report of the Financing Bank/FI

11. Availability of Raw Materials in the Catchment Area - provide details such as Adequate Volume, Wider Mix of Raw Materials, Days of Operation in a Year along with supporting data. Based on this information feasibility/viability of the project should be justified.

12. Details of the catchment area of the project

SN	Location of the Catchment (Primary/Secondary)	Name Village/Dist/APMC	Commodities to be sourced	Quantities to be sourced [MT] ( per annum)
1				
2				

*\*DPR should comprised of detailed chapter on proposed catchment (production and supply statistics).*

13. Details of existing demand of the product and marketing arrangements (including e-trading), possibility of for leasing with FCI/CWC/SWC/e-commerce players / retailers for assured cash flows if any.

14. Employment Generation projections

a. Direct Employment: (Skilled and Semi-skilled): .....

b. Contractual Employment with no. of days: .....

c. Indirect Employment (specify): .....

15. Details of renewable/ alternate energy sources including solar energy, if any, proposed to be used for operating the project including inter alia, details of power generation.

16. Details of pollution issues (if any) and adoption of modern technology for reducing the carbon footprints and increasing operational efficiency:-

SN	Name of technology/item	Basic cost (Excluding taxes etc.)	How the technology will help in reducing carbon footprint and/or increase in operational efficiency
1			
2			

17. List of Manufacturers/ Suppliers of P&M (enclose quotations)

I ..... Certify that the information / contents as above furnished by me / us are true to the best of my / our knowledge and belief and nothing material has been concealed. In case, any information furnished in the application is found false, my / our application may be rejected out at any stage by the Bank/NHB.

Date: \_\_\_\_\_  
Applicant  
Place: \_\_\_\_\_

Signature of the