

## ESTATE PURCHASE LOAN

(Updated till 30.04.2022)

Purpose	<ul style="list-style-type: none"> <li>i. To purchase estates growing traditional plantation crops viz. coffee, tea, rubber and cardamom.</li> <li>ii. To purchase Areca Garden.</li> <li>iii. To purchase estates growing other high value crops like Cashew, pepper, coconut and other perennial orchard crops.</li> <li>iv. To pay stamp duty and registration expenses involved in purchase of estate.</li> <li>v. Loans can also be granted for ownership of estates by retirement of partners in case of partnership firms.</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>i. The purchaser should have good track record and have yielding estates</li> <li>ii. Non Estate owners may also be financed provided that it is assessed that the borrowers can, after purchase, will be able to develop the Estate on the desired lines (subject to State Law permitting such purchase).</li> <li>iii. The purchaser should preferably be our customer with satisfactory past dealings.</li> <li>iv. The purchaser should be experienced in the line, financially sound and should be in a position to bring in margin and service the debt.</li> <li>v. Normally the purchaser/s and vendor/s should not be close relatives.</li> <li>vi. The intending buyer should qualify the State Government norms of being an agriculturist / satisfy the income criteria stipulated by the State Government in cases where loan is considered for purchase of areca garden.</li> <li>vii. Being a non-priority advance, the proposal should preferably shall have spin off benefits in the form of deposits, other business support, non fund based income, etc.</li> <li>viii. The estate should preferably be a neglected one. The estate should have potential for realizing higher yields.</li> <li>ix. The total land holding including the land to be acquired should be within the land ceiling norms of respective State, whenever loan is considered for areca garden.</li> <li>x. The estate should have the potential to absorb substantial credit for other developmental activities.</li> </ul>
Margin	The margin shall be normally 50% on lowest of (i) purchase consideration (ii) Market value (iii) Guidance value/Circle rate fixed by the State. However, in deserving cases, the same may be relaxed up to 25%.
Rate of Interest	Rate of interest to be charged on Estate Purchase Loan will be as advised from Head Office from time to time. Interest to be debited on monthly on compounding basis.
Security	Mortgage of property to be purchased. Also, collateral security of mortgage of existing landed properties / <i>including preferably residential property</i> is to be obtained. In any case, the value of the security should not be less than 200% of the loan amount.
Repayment	The loan should normally be repayable within 7 to 9 years. The repayment period should coincide with the income generation. No repayment holiday will normally be considered as parties are expected to pay the amount out of their other sources.