

## Farm Machinery Loans

(Updated till 30.04.2022)

<b>Purpose</b>	Farm machinery loans are considered for purchase of tractor, power tiller, trailer and accessories, combine harvester, grain threshers, sprayers, dusters, ploughs drills and such other farm implements and equipments needed for agricultural activity.
<b>Eligibility</b>	<p><b>Tractors:</b></p> <p><b>a. UPTO 35 HP:</b> The applicant should have at least 6 acres of perennially irrigated land or 12 acres of dry land so as to ensure sufficient work of atleast 1000 to 1200 hours per year including a minimum of 500 hours of work on the farmers own land.</p> <p><b>b. Above 35 HP:</b> The applicant should have at least 8 acres of perennially irrigated land or 16 acres of dry land so as to ensure sufficient work of at least 1200 to 1400 hours per year including a minimum of 600 hours of work on the farmers own land.</p> <p><b>ii. Power Tillers (alone/with trailers)/Trailers alone (for existing Tractors)</b> The applicant should have at least 3 acres of irrigated lands or 6 acres of dry land.</p> <p><b>iii. Combine Harvesters:</b></p> <p>a. The harvester can be used efficiently on custom hiring basis looking into the potentiality for hiring.</p> <p>b. Non-farming entrepreneurs who are capable of utilizing combine harvester for undertaking farm work on contract /custom hiring basis and generating sufficient income are also eligible.</p>
<b>Margin</b>	<ul style="list-style-type: none"> <li>• Upto Rs.1.60 lakhs: NIL.</li> <li>• Above Rs.1.60 lakhs: 15-25% for all Farm Machinery Loans</li> </ul>
<b>Security</b>	<p><b>New Tractors alone/with trailers/Combine harvesters/Power tillers/Other farm machinery:</b></p> <p>i) Loans upto Rs.1.60.00 lakhs: Hypothecation of machinery/equipment to be purchased.</p> <p>ii) For Loans above Rs.1.60 lakh: Hypothecation of machinery/equipment to be purchased + Mortgage of landed property value of which is at least equal to the loan amount (or) Security of tangible assets like NSCs, KVP, the Bank" s FDs, surrender value of LIC Policy, Gold (appraised value) etc., with requisite margin valued equivalent to the loan amount.</p> <p><b>For Combined Harvestors</b> Value of the mortgaged property and value of tangible assets together shall be equal to loan amount.</p>
<b>Repayment Period</b>	The loan is repayable within 5 to 9 years by half yearly / yearly Installments depending upon the income generation.