

**SCHEME FOR FINANCING 'CUSTOM HIRING CENTERS' FOR PURCHASE OF FARM MACHINERIES**

(Updated till 30.04.2022)

Purpose	For financing 'Custom Hiring Centers' 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.
Eligibility	Individuals, Association of persons, Firms, Companies, Self Help Groups, Joint Liability Groups etc. for setting up Custom Hiring Center for hiring out farm machineries to the farmers.
Margin	15-25% of the project cost
Quantum of finance	Ceiling on loan/limit is fixed as a minimum of Rs. 1.60.00 Lakhs and a Maximum of Rs. 50.00 Lakhs per borrower
Security	i. Prime: Hypothecation of assets created out of bank finance ii. Collateral: Mortgage of landed property, Collateral security comfort should be a minimum of 100% of the sanctioned limit. iii. Personal Guarantee: Personal Guarantee of Promoters / Directors / Partners. iv. Personal guarantee of the owner of the properties mortgaged, in case of a third party property being mortgaged.
Rate of interest	Immovable security coverage is 100% MCLR+1.70 Immovable security coverage > 100% MCLR+1.45
Repayment	i. Principal amount to be repaid in 5-9 years in half yearly/Yearly installments depending up on the income generation. ii. Interest to be charged half yearly and to be demanded along with next principal due based on the repayment schedule.