

Scheme for Financing Farmers For Purchase of Land For Agricultural Purpose

(Updated till 30.04.2022)

Purpose	The scheme aims at providing term loan to small/marginal farmers including share croppers / tenant cultivators to purchase agricultural land as well as fallow and wasteland production/ to develop and cultivate it with a view to increase production/ productivity. It also enables them to diversify the present activities and to take up allied activities.
Eligibility	<ol style="list-style-type: none">i. Small and marginal farmers i.e., those who would own maximum of 5 acres of dry land or 2.5 acres of irrigated land including the land to be purchased.ii. Share' croppers / tenant farmers cultivating upto 2.5 acres of irrigated land or 5 acres of dry land as the case may be.iii. The total land holding of the borrower after the purchase of the land under the scheme should not exceed 2.5 acres of irrigated land or 5 acres of dry land or equivalent.iv. Entrepreneurs with agricultural background are also eligible (Provided State laws permit purchase of agriculture lands by such persons) subject to the above ceiling. Entrepreneurs/applicants should be from an agricultural family or/and an agricultural graduate, seeking to establish an agriculture enterprise relating to agriculture (including allied activity).
Quantum of Loan/Ceiling	Maximum ceiling on loan: Rs. 10 lakhs. The quantum of loan will depend upon valuation as assessed by the Branch or Guidance value/Circle rate fixed by the State or the registration value whichever is lower plus value of stamp duty, registration charges for sale / mortgage deed
Margin	20%
Security	Hypothecation of crops & Mortgage of lands irrespective of the limit (subject to the ceiling of Rs.10 lakhs under the Scheme)- lands presently owned, if any, and to be purchased.
Repayment Period	<ol style="list-style-type: none">i. Loan is to be repaid in 7-10 years in half yearly / yearly installments including a maximum moratorium period of 24 months. The moratorium period may be fixed taking into account the gestation period of the project and cash flow.