

PNB FARM MECHANISATION SCHEME

A. FARM MECHANIZATION SCHEME FOR FINANCING OF FARM MACHINERY AND REPAIR/RENOVATION OF TRACTORS AND POWER TILLERS

➤ **PURPOSE:**

- a. Purchase of New Tractors & matching implements such as cultivator, harrow, disc ploughs, trolleys, etc.
- b. Purchase of tractors/Power tillers for the second time with matching implements.
- c. Purchase of New Power Tiller
- d. Purchase of Second hand tractor with matching implements.
- e. Purchase of tractors, implements, power tillers, rice transplanters and other farm machinery under the Sub- Mission on Agricultural Mechanization (SMAM) of Govt. of India. Under the sub- mission, subsidy is provided for tractors delivering upto 70 horse power at the Rear Power Take off (PTO) shaft with matching implements, power tillers and farm machinery like rice transplanters, reaper cum binder etc.
- f. Repair & renovation of tractors
- g. Purchase of agricultural machinery such as threshers, harvesters, seed drills, seed cum fertilizer drills, harrows, hoes, sprayers, plant protection equipment, etc. Agricultural machinery may be power/manual/tractor driven.

➤ **ELIGIBILITY:**

- a. Minimum 2.5 acres of perennially irrigated land for tractors or corresponding acreage as prescribed for different categories of land under the State Land Ceiling Act.
- b. Min.1.5 acres for power tillers (owned singly or jointly).
- c. For repair & renovation, tractor should be more than 5 years old but not older than 12 years from date of manufacture.
- d. For second hand tractor, it should not be more than 5 years old.
- e. Borrower to give undertaking that tractor will be driven by person holding valid driving License.

➤ **EXTENT OF LOAN:**

- a. Need based, net of margin.
- b. Repair & renovation of Tractor: Max. Rs. 1,00,000.
- c. For second hand tractor – Max. Rs. 2 lakh

➤ **REPAYMENT:**

- a. **Tractor:** 7 -9 years
- b. **2nd hand tractor:** 5 years
- c. **Power tiller:** 7 years
- d. **Repairs & Renovation :** 5 years
- e. **Other Farm machinery:** 7 years (small & marginal farmers) & 5 years (other Farmers)
- f. Half yearly / yearly instalments linked with harvesting & marketing of major crops,
- g. Gestation period: Max. 1 year for Small & Marginal Farmer and 6 months for others.

B. TRACTOR FINANCING WITHOUT MORTGAGE OF LAND

- **PURPOSE:** Purchase of new tractors with or without matching implements/equipment such as cultivators, harrows, disc ploughs, trolleys, etc.

➤ **ELIGIBILITY:**

- a. Individual farmers who own at least 2.5 acres of perennially irrigated land or corresponding acreage as prescribed for different categories of land under the State Land Ceiling Act.

And

b. The farmer having no NPA record for last three years as on the date of application will be eligible.

➤ **EXTENT OF LOAN:** Need Based

➤ **MARGIN:** Minimum 40% cash margin.

➤ **SECURITY:**

a. **PRIMARY:** Hypothecation of assets created out of bank loan.

b. **COLLATERAL: Third Party Guarantee(s)** having adequate means.

Further, fresh/ additional Cheques complying with CTS-2010 standard formats shall only be obtained in locations, where the facility of NACH / ECS / ACH ECS / ACH is not available and are to be procured/ maintained by the branches to keep remedy alive under Section-138 of Negotiable Instruments Act.

➤ **REPAYMENT:** Maximum 5 years in form of monthly/ quarterly/ half yearly installments. The Circle Heads under their discretionary powers may extend the repayment period on merits from 60 months to 72 months.

➤ **MORATORIUM PERIOD:** No moratorium period is prescribed.

➤ While the existing Scheme for tractor financing continues, this is an additional mode of financing under the existing Scheme and all other guidelines of the scheme will remain unchanged.