

FARM MECHANISATION SCHEME - FINANCING FOR PURCHASE OF FARM MACHINERY AND REPAIR/RENOVATION OF TRACTORS AND POWER TILLERS

PURPOSE: Loan is sanctioned for Purchase of new tractors and matching implements/equipments, purchase of new power tillers, purchase of second hand tractors with matching implements, purchase of agricultural machinery, and repair/renovation of tractors.

ELIGIBILITY:

For tractors: Farmer or a group of farmers holding land jointly should have a land holding either owned by them or held by them on perpetual leasehold rights of minimum 2.5 acres of perennially irrigated land or corresponding acreage. Economic viability of financing tractor in each case shall be worked out. Thus, financing of tractor shall be done after ensuring economic viability of the tractor loan proposal.

For Power tillers: Farmer or a group of farmers holding land jointly should have a land holding either owned by them or held by them on perpetual leasehold rights of minimum 1.5 acres of perennially irrigated land or corresponding acreage. Financing of power tiller shall be done after ensuring economic viability of the power tiller proposal.

For other farm machinery/equipments: No condition of minimum land holding has been stipulated. Farmer should have proper scope for utilization of assets and based on economics should be in a position to conveniently repay loan.

For Repair & Renovation: Tractor should be more than 5 years old but not older than 12 years from date of manufacture.

For Second Hand tractor: Tractor should not be more than 5 years old.

EXTENT OF LOAN: Need based loan, net of margin.

For Repair & renovation of Tractor : Max. Rs. 1,00,000.

For second hand tractor – Max. Rs. 2 lakh

INSURANCE: The tractor borrowers who have opted for PNB Farmers' Welfare Fund Scheme are required to get their tractor and matching implements insured against "Liability" (third party) under the Insurance Act to get insurance coverage.

Subscription will be recovered from the accounts of borrowers who give their consent to opt for PNB Farmers Welfare Fund Scheme. The structure of fee is as under:-

- a) Rs.800/- : for 12 months of calendar year.
- b) Rs.400/- : for less than 6 months in a calendar year.

REPAYMENT OF LOAN: Repayment of loan is to be made in half yearly/yearly installments as under: -

S.No.	Particulars	Repayment period (Years)
I.	Tractors	7-9
II.	Second hand tractors	5
III.	Power tillers	7
IV.	Other farm machinery:	
	a. Small & marginal farmers	7 (including repayment holiday of one year)
	b. Other farmers	5
V.	Repair/renovation of tractors	5

NOTE: Repayment period shall be fixed on a case by case basis depending on nature of repairs, category of farmer and his repayment capacity, etc.