

:: SCHEME FOR DEBT SWAPPING OF BORROWERS::

1	Objective	To mitigate heavy burden of debt from Non-Institutional Lenders by extending finance to farmers for paying off loans taken from non-institutional lenders (i.e. money lenders) and also meet their crop production needs.
2	Eligibility	All existing farmer borrowers as well as other farmers owning land in their name.
3	Quantum of loan	100% for debt taken by the borrower farmer for the purpose of agriculture and allied activity from non-institutional lenders or ₹.1.00 lakh whichever is lower. Simultaneously KCC shall compulsorily be sanctioned along with Debt Swap advance
4	Sanctioning Authority	Branch Manager / Divisional Manager as per their delegation of powers.
5	Disbursement	Preferably to the money lender / non-institutional lender. An appropriate receipt for the discharged debt from the money lender / non-institutional lender should be obtained. Wherever, there is no possibility of disbursement of loan directly to the money lender, loan can be disbursed, in cash, to farmer against an Affidavit.
6	Security	All the existing security available with the money lender & our Bank and mortgage of land / charge over land.
7	Documents	1. Affidavit 2. Application as per scheme 3. AB-1, AB-2 (whichever is applicable) 4. Charge over land under Schedule-6(1) 5. Documents required in agriculture loans.
8	Rate of Interest	As applicable to Direct Agricultural Loans.
9	Repayment	i) Term loan will be repayable in Half Yearly / Yearly instalments in 3 - 5 years, commensurating with harvesting of the crop. ii) Overdraft will be repayable on harvesting of the crop.
10	Method of Assessment	i. Gross DSCR of 1.75 will be maintained.
11	Classification	Direct Agriculture.