

“SBBJ - ESTATE PURCHASE LOAN SCHEME”

Parameter	Details
Purpose	To purchase estates growing traditional plantation crop viz. citrus, apple, guava, pomegranate, peach, pear, litchi, grape, ber, coffee, tea, rubber, cardamom, cashew, pepper, coconut and other perennial orchard crops
Eligibility	<p>The purchaser should have yielding estates and should be in a position to rejuvenate the Estate proposed to be purchased.</p> <p>The intending borrowers should have satisfactory past dealings with the bank.</p> <p>The purchaser should be experienced in the line, financially sound and should be in position to bring in margin and service the debt.</p> <p>The intending buyer should qualify the respective State Government norms of being an agriculturist/satisfy the income criteria stipulated by state Government.</p> <p>The estate should preferably be neglected one. The estate should have potential for realizing higher yields. The Estate should have the potential to absorb substantial credit for developmental activities.</p> <p>The total land holding including the land to be acquired should be within the land ceiling norms of respective state.</p> <p>In case of applicant has availed any credit facility from any financial institution, he should have satisfactory track record for at least past two years.</p>
Type of Loan	Agriculture Term loan.
Quantum of loan	<p>The loan amount shall be based on the lowest of:-</p> <p>(i) Market value</p> <p>(ii) DLC rate fixed by the State Government</p> <p>Valuation of land assessed by the branch</p> <p>(iv) Purchase consideration, after retaining the necessary margin with maximum ceiling of Rs. 20.00 lacs.</p> <p>The stamp duty and registration charges may also be considered.</p> <p>For the purpose of valuation of land to be purchased the price indicated by the farmer may be cross checked with the last 5 years average registration value available with the Registrar/ Sub-Registrar of the area and a view be taken by the branches for fixing the quantum of finance.</p> <p>The complete details of the project proposal of the farmer should be obtained by the branch while considering finance for purchase of land.</p> <p>Each proposal will have to be assessed on the basis of local conditions.</p> <p>Branch should obtain valuation report of the Estate to be purchased from the banks approved valuer.</p>
Margin	<p>The margin shall be normally 50% on purchase consideration or value of the estate, whichever is lower. However, in deserving cases, the same may be relaxed up to 25% with the permission of Controlling Authority.</p> <p>The cost of registration/ stamp duty may be considered in project cost and in such cases the margin need to be kept at 50% only without further relaxation. Any other relaxation may be approved by Controlling Authority.</p>
Security	<p>Hypothecation of Plantation crops raised/ to be raised on the land/Estate.</p> <p>Mortgage of property to be purchased. Also, collateral security of existing landed properties by way of Equitable Mortgage preferably residential property is to be obtained. In any case, the value of the security should not be less than 200% of the amount.</p> <p>Before disbursing the term loan the branch should obtain Title Investigation Report (TIR) from the Bank's panel advocate on the property to be purchased stating that title is clear and marketable.</p>
Interest Rate	As applicable to Agriculture Term Loans and linked to Base Rate, circulated from time to time with last circulated vide Cir. No. AGR/ 27/2012-13 dated 01.10.2012.
Penal Interest	Up to Rs.25000/-----Nil And Above Rs.25000/- as applicable to agriculture term loans. As per instructions issued from time to time.
Repayment Capacity	The sanctioning authority should satisfy itself that the borrowers would have adequate income surplus from their production activities on the land being purchased and other income to repay the loan with interest and the repayment period may be fixed accordingly.
Repayment Period	<p>The loan should normally be repayable within 10 years including moratorium period.</p> <p>In case of specific cases, depending on the status of the Estate and rejuvenation period required, it may be extended up to 15 years including moratorium period.</p>

<p>Documentation to be produced with loan application</p>	<p>Copies of land records regarding land owned and to be purchased, certified by the concerned Revenue authorities. Documents of title and other relevant documents to establish the right over presently held landed property as well as lands to be purchased Copy of sale agreement if entered into or offer letter by the seller/vendor Crop history of the Estate to be purchased as well as existing Estates of similar nature.</p>
<p>Disbursement</p>	<p>The loans are to be disbursed in stages:- A Term loan for purchase of land/Estate can be disbursed after obtaining interim security of at least loan value in the form of other collateral security/ third party guarantee of person of repute. Before disbursement of the loan branch should ensure that they have obtained Title Investigation Report (TIR) of interim security. The loan is to be disbursed by way of account payee Demand draft directly to the seller/vendor after collecting the margin money or after ascertaining the advance paid with documentary proof. Later, on receipt of the original sale deed and putting through Creation of charge/ Equitable / Registered Mortgage, thereafter interim security should be released. The Title Investigation Report (TIR) among other things should specify -Whether the borrower qualifies for purchase of land as per the provision of the Land Reforms Act, etc., prevailing in the concerned State. The draft sale deed shall be got approved by the panel advocate before disbursing the loan. Receipt from the seller/vendor for having received the consideration / sale proceeds in full shall be kept along with the loan papers.</p>
<p>Processing and Upfront charges</p>	<p>Upto Rs. 25,000/- --NIL-- Above Rs. 25,000/- -- As applicable to Agricultural Term Loans.</p>
<p>Inspection charges</p>	<p>Upto Rs. 25,000/- --NIL-- Above Rs. 25,000/- -- As applicable to Agricultural Term Loans.</p>