

## KISAN GOLD SCHEME

➤ **PURPOSE:**

- a. Production & investment credit for agriculture & allied activities
- b. Rural housing related activities
- c. Consumption needs (i.e. for marriage, education, religious/family functions)

➤ **ELIGIBILITY:**

- a. Only existing good agricultural land owner borrowers who have been continuously availing of any loan and having no NPA record for last Two years as on the date of application will be eligible. New farmers with evidence of satisfactory dealing with other banks for a minimum period of 2 years will also be eligible. If the land mortgaged is in the name of more than one farmer then all will be eligible jointly/ individually (subject to obtaining of declaration stating that there is no family dispute about title of the agricultural land to be mortgaged/ charge created in favour of the Bank for securing the loan.
- b. The above condition of track record of 2 years may be relaxed in case of new farmers having good amount of deposit for the last 2 years provided:

➤ **SECURITY:**

- (i) Primary Security: Hypothecation of assets created with bank loan.
- (ii) Collateral Security: Mortgage of land valued at 200 % of loan amount along with primary security, if any.
- (iii) Valuation of land may be done on the basis of current Circle rate/market rate whichever is lower.
- (iv) The prevalent procedure of verifying the fact that the bank's charge has been noted by the Patwari in the related revenue records should be followed by the branches.

**In case of new farmers having good amount of deposit for the last 2 years, security will be as under:**

- i. Loan is secured by 100 % liquid collateral security like Deposit/ NSCs, etc,  
OR  
Loan is secured by 50 % liquid collateral security and 50% by mortgage of land (valued at 50 % of Bank Loan for Small/ Marginal farmers and 75% of Bank Loan for other farmers)

➤ **EXTENT OF LOAN:**

Maximum: Rs 10.00 Crore. Minimum 75% of the limit for Productive Purposes. 25% of the loan amount or Rs. 5 lakh whichever is lower be given for non-productive purpose which may comprise of Rs 3 lakh for Rural Housing and maximum of Rs 2 Lakh for consumption.

Lower of:-

- a. 5 times average annual (2 Years) total income of the borrower.
- b. 50% of value of mortgaged land.

➤ **REPAYMENT:**

- a. **Production Credit:**
  - **Cash Credit Limit:** Aggregate credit (last 12/ 18 months) should be equal to outstanding.
  - **Working Capital for allied activities:** 12 months
  - No drawal to outstand for more than 12 months (18 months for long duration crops)
- b. **Housing:** 9 years (with gestation of 12 months)
- c. **Main Agricultural activity:** Up to maximum of 9 years.
- d. **Allied Agrl. Activity:** Up to maximum of 7 years.