

PNB DEALER SUVIDHA – FINANCING TO DEALERS ENGAGED IN SALE OF AGRICULTURE IMPLEMENTS AND PROVIDING CUSTOM HIRING SERVICES

This combo product is designed by clubbing guidelines of both Input dealer Scheme and Custom Hiring Scheme. This combo product is an improved version of the existing schemes. The main features of the combo product are as under:

Particulars	For Sale of Agriculture Implements	For Custom Hiring Services
Objective	To meet the working capital requirements of dealers of agriculture implements	To meet the capital investment and working capital requirements of dealers for custom hiring / service purposes
Purpose	Financing of Stock no older than six months and book debts not older than four months old.	Financing for custom hiring / service purposes
Nature	Cash credit	Term Loan and working capital
Extent of Loan	Need based, subject to maximum limit eligible to be classified under Priority Sector – Agriculture – Indirect Advances (At present Rs. 5 crore) In case, working capital limit is sanctioned by way of hypothecation of stocks and book debts; limit against book debts {CC (BD)} shall not exceed 50% of the total limit sanctioned. Also in case the working capital limit is sanctioned only against hypothecation of book debts then the maximum limit shall be Rs. 2.50 crore.	Term Loan – Need based Working Capital – Need based subject to 50% of the projected receipts with a maximum of 66% of realizable value of mortgaged IP.
Margin	Against Stock - 20% and Book debts - 30%	Term Loan – 25% 10% for existing dealers availing credit facilities from the Bank and having satisfactory conduct of account.
Collateral Security	Minimum 100% (realizable value of the loan amount in the form of mortgage of IP or other liquid security charged to bank.	In case where farm machinery is jointly registered with RTO – 50% (RV) of the loan amount in the shape of mortgage of IP or other liquid security charged to bank. In other cases 100%