

SCHEME FOR ADVANCES TO OWNER-DRIVERS OF TAXI CARS, THREE WHEELER, STATION WAGONS, TEMPOS, ETC.

To provide self-employment opportunities to licensed drivers by making cheaper and easier credit available for financing taxi cars, three wheelers scooters, tempos or station wagons.

ELIGIBILITY:

Individuals who hold a driving license, a permit to ply a taxi and have arranged to buy a vehicle in their own names.

PURPOSE:

For purchase of new or old (not more than 3 years) vehicles, and construction of body thereon including purchase of fare-meter.

MARGIN

New vehicles:

- a) For loans up to Rs. 25,000/- - NIL.
- b) For loans. Above Rs.25000/- - 10%

Old vehicles:

25% (on the depreciated value calculated @20% p.a. on the prevalent cost price of new vehicle or market value, whichever is lower).

RATE OF INTEREST : (Subject to change from time to time)

As per bank's guidelines issued from time to time as applicable to Transport Operators according to the amount of loan.

SECURITY :

Vehicle purchased with the amount of the loan will remain hypothecated to the bank as security of the advance and shall be registered with the Motor Vehicles Authority in the joint names of the borrower and the bank.

COLLATERAL SECURITY :

FOR LOANS UPTO RS.10.00 lakh: No collateral security by way of guarantee or mortgage of immovable property if the loan is covered under Credit Guarantee Scheme of CGTMSE.

FOR LOANS ABOVE RS.10.00 lakh*: Collateral security **equivalent to amount of advance** by way of:

Equitable mortgage of immovable properties/Pledge of FDRs/NSCs/IVPs/KVPs/ Pledge of other bankable security like shares/debentures/bonds of adequate value/Third party guarantee(s) having adequate means.

No collateral security or third party guarantee is required for loans up to Rs. 100 lakh covered under Credit Guarantee Scheme of CGTMSE.

REPAYMENT

(FOR NEW VEHICLES)

Maximum period of 48 months (60 months in case of taxi car) by monthly instalments, starting from the date when the vehicle (purchased with the amount of the loan) is put on the road for commercial use or after completion of two months from the date of advance, whichever is earlier.

(FOR OLD VEHICLES)

In case of old (second hand) vehicle, repayment will start one month after the disbursement of the loan and loan will be repaid with interest in 24 to 36months.

Upfront fee for term loans:

For loans upto Rs.25000 -	Nil
above Rs.25000 and upto Rs.2 lakh -	Rs. 270/-
Above Rs.2 lakh -	1.25% of the loan amount

Documentation charges:

For loans upto Rs.2 lakh -	Nil
Above Rs.2 lakh -	Rs.200 per lakh or part thereof subject to a maximum of Rs. 25000

INSURANCE:

The borrowers will be required to obtain a comprehensive insurance policy including civil commotion and riots in respect of vehicle (s) hypothecated to the bank in the joint name of the borrower (s) and the bank.