

SCHEME FOR ADVANCES TO SMALL ROAD TRANSPORT OPERATORS

To assist transport operators (existing as well as new entrants) and to create Employment Opportunities for the borrowers.

ELIGIBILITY:

1. An individual or an association desirous of owning transport vehicle(s), for carrying passengers or goods on hire.
2. The borrower (s) hold the necessary driving license or engage driver (s) possessing valid license to operate the type of vehicle for which credit is sought.
3. The borrower (s) should have been granted a permit by an appropriate authority to ply vehicle (s) for passengers or goods traffic for hire.
4. The borrower(s) should be well experienced and have the aptitude in the profession.
5. Transport operators owning one or more trucks/buses are also eligible.

PURPOSE

Purchase of new or old vehicle(s) made by standard manufacturing companies.

EXTENT OF LOAN

FOR NEW TRUCK(S)/BUS (S) :

90% loans of the invoice cost of the vehicle inclusive of the cost of chassis, construction of body thereon.

MARGIN

New Vehicles 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 as 'Hypothecator' and the 'Hypothecatee' respectively.

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 60 months 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 30 to 48 months.

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 as "Hypothecator and Hypothecatee" respectively.

The Insurance Policy will be deposited in the lending office.