

Farm Mechanisation

With a view to boost credit flow for farm mechanisation activities, some of the important policy changes effected during the year are,

Refinance facility for financing purchase of second hand tractors was extended to all states and was made available even in the case of second resale of tractors.

Quantum of loan for repairs, renovation and replacement of spare parts was enhanced from Rs.25,000 to Rs.50,000.

Ceiling in respect of cost of replacement of engine was removed and it was linked to the company rates of standard make.

Loans for repairs/renovation of tractors were made available even during the currency of the earlier loan, irrespective of availment of loan for purchase of tractors. Further, the banks were allowed to extend loan towards the cost of repairs on account of damages caused to the tractors due to accidents.

The margin money requirement was reduced for purchase of new tractors and second hand tractors to 5 and 10 per cent, respectively, of the investment cost.