



10.2 The term loan component will be normally repayable within a period of 5 years depending on the type of activity/investment as per the existing guidelines applicable for investment credit.

10.3 Financing banks may, at their discretion, provide longer repayment period for term loan depending on the type of investment.

11. Margin

To be decided by banks.

12. Security

12.1 Security will be applicable as per RBI guidelines prescribed from time to time.

12.2 Security requirement may be as under:

- i. Hypothecation of crops: For KCC limit upto ₹ 1.00 lakh banks are to waive margin/security requirements.
- ii. With tie-up for recovery: Banks may consider sanctioning loans on hypothecation of crops up to card limit of ₹ 3.00 lakh without insisting on collateral security.
- iii. Collateral security: Collateral security may be obtained at the discretion of Bank for loan limits above ₹ 1.00 lakh in case of non-tie-up and above ₹ 3.00 lakh in case of tie-up advances.
- iv. In states where banks have the facility of on-line creation of charge on the land records, the same shall be ensured.

13. Other features

Uniformity to be adopted in respect of following:

13.1 The applicable interest subvention /incentive for prompt repayment⁴ as advised by Government of India and/or State Governments. The bankers will give adequate publicity of the facility so that maximum farmers may benefit from the scheme.

13.2 Besides the mandatory crop insurance, the KCC holder should have the option to avail the benefit of any type of asset insurance, accident insurance (including PAIS), health

⁴ Currently not applicable to Small Finance Banks.