



**Sanction of Loans for setting up of Custom Hiring Centre (CHC) by
PACS/FPO/JLG
Standard Operating Procedure (SOP)**

1. The interested PACS/FPO/JLG needs to register/request with the concerned RBK for establishing CHC.
2. The concerned Assistant Director of Agriculture will issue recommendation/ permission letter to the PACS/FPO/JLG to establish CHC.
3. Receipt of Loan Application (format enclosed) from the PACS/FPO/JLG, which got recommendation/ permission letter to establish CHC with the following requirements:
 - a. FPO/JLG to open Savings Bank Account with DCCB Branch with Rs.5,000/-.
 - b. Quotation for the Equipment/Machinery to be purchased.
 - c. Resolutions:
 - i. For establishing CHC
 - ii. Obtaining Loan specifically from the particular DCCB Branch
 - iii. Opening of SB Account
 - iv. For purchase of specific Equipment/Machinery
 - v. Authorisation of persons to submit Applications/Execution of Documentation.
 - d. KYC of Authorised Persons or all group members, in case of JLG.
4. Verification of the above, by the concerned Staff member and Counter Signature by the Branch Manager through Checklist (format enclosed).
5. Scrutiny Note for sanction of Loan (format enclosed).
6. Sanction of Loan by the competent Authority.
7. Sanction communication to the Borrower through Letter (format enclosed).
8. The Rate of Interest is 4% for PACS and 8.30% for others
(It is understood that Interest Subvention is available under Agriculture Infrastructure Fund. The detailed guidelines will be communicated in due course).

9. Producing the sanction letter by the Borrower to the supplier of Equipment/Machinery.
10. Delivery of Equipment/Machinery by the supplier, at the concerned RBK.
11. Joint verification of Equipment/Machinery delivered by the Bank Officer and concerned Mandal Agriculture Officer (MAO) and submission of Verification Report.
12. Submission of Joint Verification Report, Original invoice, Insurance Policy for the Equipment/Machinery etc., to the Branch Manager.
13. Remittance of 10% Margin Money by the Borrower in the SB Account
14. Submission of all Documents mentioned in the sanction letter by the Borrower to the Branch.
15. Verification of all Documents through Checklist by the officers of the Branch.
16. Release of Bank loan Amount together with 10% Margin Money to the Supplier Account and communicating the same to the Supplier, Borrower, concerned RBK, MAO, ADA, JDA and the CEO of the DCCB for information.
17. Display of boards/plates on the equipment/machinery indicating that they are financed by the DCCB and are under hypothecation to the DCCB & Government.
18. Obtaining Receipt from the Supplier for the amount released.
19. Release of Subsidy amount by the Government to the supplier.