

CENTRAL OFFICE
CHANDER MUKHI, NARIMAN POINT, MUMBAI-400021

PRIORITY SECTOR, RURAL DEVELOPMENT DEPARTMENT

Master Circular No. : 2017-26

Date : 01.01.2017

Revised guidelines on Service Charges on Agriculture Advances

Service charges applicable to Agriculture Advances where last circulated vide our Master Circular No. 2016-26 dated 01.01.2016. Due to modification in Priority Sector & Agriculture classification guidelines our existing service charges have been revisited w.e.f. 16.04.2016 as under:-

1. Production credit

Nature of Charges	Existing (up to 15.04.2016)	Revised (from 16.04.2016)
- Processing charges - Documentation charges - Inspection charges	NIL	NIL

2. Investment credit (all loans other than production credit)

(a) Documentation charges:-

Existing(up to15.04.16)	Revised (from 16.04.2016)	
Nil	Sanction Limit	Charges
	Up to Rs. 2 Lakh	Nil
	>2 Lakh to 25 Lakh	Rs. 50/Lakh or part thereof maximum Rs. 1000/-
	>25 Lakh to 50 Lakh	Rs. 75/Lakh or part thereof maximum Rs. 3000/-
	>50 Lakh to 1 Crores	Rs. 100/Lakh or part thereof maximum Rs. 7500/-
	Above 1 Crores to 100 Crores	Rs. 100/Lakh or part thereof Max. Rs. 15000/-

(b) Processing charges:-

Existing(up to15.04.16)		Revised (from 16.04.2016)	
Sanction limit	Charges	Sanction limit	Charges
Up to Rs. 25,000/-	Nil	Up to Rs. 25,000/-	Nil
Above Rs. 25,000/-	@ Rs. 120/-per lakh or part thereof (i.e. 0.12%),subject to a maximum of Rs. 20,000/-	> Rs. 25000/- to 500 lakh	@ Rs. 120/-per lakh or part thereof (i.e. 0.12%) subject to a maximum of Rs. 50,000.
		>Rs. 500 lakh to 2500 lakh	@ Rs. 150/-per lakh or part thereof (i.e. 0.15%) subject to a maximum of Rs. 3, 00,000.
		>Rs. 2500 lakh to 5000 lakh.	@ Rs. 200/-per lakh or part thereof (i.e. 0.20%) subject to a maximum of Rs. 8, 50,000.
		>Rs. 5000 lakh to 10000 lakh	@ Rs. 200/-per lakh or part thereof (i.e. 0.20%) subject to a maximum of Rs. 15, 00,000.

1. In case of renewal of facility 75% of normal applicable charges will be recovered. However documentation charges will be recoverable only at the time of execution of fresh/ renewal of documents as the case may be.
2. In case of Non Fund Based limits 50% of above mentioned charges will be applicable.
3. No processing charges in case of bank guarantee secured by 100% cash and/or bank's time deposit.
4. In case of consortium a/cs as agreed in the consortium.

(c) Inspection Charges:-

Sanction Limit	Existing(up to15.04.16)	Revised (from 16.04.2016)
Up to Rs. 2 lakh	Nil	Nil
> Rs. 2 lakh up to Rs. 5 lakh	Rs. 200/-	Rs. 200/-
> Rs. 5 lakh up to Rs. 50 lakh	Rs. 500/-	Rs.500/-
>Rs 50 lakh up to Rs. 1Crores	Rs. 1000/-	Rs. 2,000/-
>Rs 1Crore up to Rs. 10 Crores	Rs. 1000/-	Rs.3,000/-
> Rs. 10 Crores to Rs. 25 Crores	Rs. 1000/-	Rs. 5,000/-
> 25 Crores and above	Rs. 1000/-	Rs. 10,000/-

1. **The above service charges will be applicable to all the agriculture loan accounts under investment credit sanctioned/renewed from 16.04.2016.**
For any other facilities availed by the borrowers being classified under Agriculture, service charges applicable to other advances and guidelines issued by our credit department from time to time will be applicable for such facilities.
2. For allowing any concessions in service charges, delegates as per our loan policy are empowered.
3. Existing service tax or any other tax levied on service charge in future if any will be changed over and above our stipulated service charges.

All Branches/Offices are advised to take note of above changes and recover the revised Service Charges wherever applicable accordingly.

(P K Gupta)
General Manager- PS