

# Introduction To Machinery Loan Finance

Technology plays a huge role in ensuring that your business grows. In order to see your businesses, expand and help you make profits; you will need the latest machineries which would ensure that you are able to build your business the way you want to. Hence, you can avail a machinery loan which allows you to either purchase new machineries or upgrade your existing machineries. You can avail a machinery loan at attractive rates of interest and flexible repayment tenure from a suitable lender in India.

Machinery loan finance is also offered to small and new businesses, as well as to start-ups for the purchase of new equipment and to buy machinery items that shall help increase the productivity of their business and eventually result in their business growth and expansion. Individuals with no or less credit history can also avail machinery loans from NBFCs and MFIs at comparatively higher interest rates as compared to banks.

Machinery is crucial for the proper and smooth functioning of the production process, therefore unsecured machinery loans are better when there is a need for quick loans.

## Features of a machinery loan

- You can avail loan up to Rs.50 Crore.
- The repayment tenure can range between 1 year and 3 years
- It is very easy to apply for a machinery loan. You can visit the official website of any lender which offers machinery loan and apply for the scheme by uploading the necessary documents
- When you avail a machinery loan from a lender without having to pledge any type of security or collateral, then you will know the exact interest rate and processing fee you will have to pay. There are EMI calculators available on the official websites of the lenders which you can use in order to know the EMI you will have to pay.
- Once you have submitted all the documents, the lender will verify them and if they are found to be correct, the loan amount will be disbursed to your bank account within 72 hours of the time you applied for the loan
- The response mitigated by various lenders in India is fast. The moment you apply for a loan scheme, the concerned people from the bank will analyze your application and will take a decision as soon as possible.

## **Eligibility Criteria To Avail A Machinery Loan**

- If you are businessman or a trader and own small and medium sized business, then you can apply for a machinery loan scheme
- Your business must exist for at least 3 years
- It is mandatory to have ownership of at least one property
- Your business should have its income tax filed for at least 1 year
- Your age should be between 25 years and 55 years
- Applicant Shouldn't Have Default In Any Previous Loans.

## **Documents Required To Avail A Machinery Loan**

- Proof of identity such as PAN Card, Aadhaar, Passport, driving license, etc.
- Proof of address such as Aadhaar, passport, etc.
- Latest color photograph
- KYC documents
- Proof of income
- Bank statement for the last 1 year
- Existing facility sanction letter
- Original and valid quotation of machine will have to be purchased

## **Common Documents List For Loan:**

- PAN Card of the proprietor
- Aadhaar Card of the proprietor
- Bank Statements of the last 12 months (in PDF)
- Income Tax Returns For The Previous 2 years
- Latest Balance Sheet & P&L (provisional/audited)
- Shop Establishment License/Gumasta
- GST Registration Receipt
- GST Receipts/Challans
- Tax Invoice Copy of the Equipment/Machinery Purchased/Proforma Invoice/Quotation of the Machinery to be purchased.

## **\*\* Important Points To For All Applicants \*\***

- 1. Please Note, If There Are Existing Loans, Submit Payment Track Record And Sanction Letter To Respective Loan Provider For Finalizing Loan Amount Eligibility.**
- 2. Credit Score Plays An Important Role In Finalizing Loan Amount & ROI\*\***
- 3. Timely Payment Of EMI Helps In Maintaining A Good & Healthy Credit Score.**
- 4. Please Keep Sufficient Amount In Account Before ECS Hitting Date.**
- 5. Wisely Usage Of Money Is Highly Required For Financial Planning.**
- 6. Don't Miss To Pay Any EMI Amount , Neither Get Delayed On Due Dates.**
- 7. There Can We Change In Loan Documentation Requirements From Time To Time And My Vary In Banks, NBFC & Private Lenders. Will Update , If There Will Be Some Changes In Documentations.**