



# SCHEME OF FINANCIAL ASSISTANCE AGAINST MORTGAGE OF IMMOVABLE PROPERTIES

## PURPOSE OF LOAN

To provide financial assistance to existing units, with nil or nominal debt, to fund their projects for:

1. Acquisition of additional assets for expansion, modernization, diversification, renovation and purchase of assets of an existing unit.
2. Repayment of outstanding term loan/working capital of other banks/ financial institutions.
3. Repayment of unsecured loans (except margin contribution)/creditors of fixed assets.

## ELIGIBILITY

1. Existing industrial concern/enterprise and service sector units for expansion/ modernization/ diversification/renovation.
2. The unit should be in existence for at least five years and should have cash profits for at least two years with networth positive as on last financial year.
3. The repayment history & past dealings of the promoters/unit /sister concerns/group concerns with the Corporation/Banks/FIs should have been satisfactory and the loan account classified as standard for past two consecutive years with bank/financial institution in case of takeover of loans.
4. The loan amount shall be utilized for creation of fixed assets, take-over/repayment of outstanding loans (only standard assets) of applicants from other banks/institutions against fixed assets acquired.
5. The residual life of the plant and machinery assets being financed should not be less than 10 years. In case of building, it should be minimum of 20 years.
6. The proposed property to be mortgaged should not be presently leased out/rented out and should not be leased out/rented out in future without the permission of the Corporation.
7. The applicant should furnish all the required approvals and be agreeable to mortgage its immovable property as prime security and hypothecate its moveable assets with first charge to the Corporation or on pari-passu basis in case of consortium finance.

## AREA OF OPERATION

State of Goa and the Union Territories of Daman & Diu and Dadra and Nagar Haveli.

## QUANTUM OF LOAN

The maximum loan assistance to be considered shall be up to 50% on the value of existing immovable properties i.e. land and building of the unit and additional non-agricultural properties offered as additional/collateral security by the applicant (The valuation will be carried out by the Corporation).

The maximum amount of loan shall be subject to the following limits:

Proprietary concerns	₹ 300.00 lakh
Partnership firms	₹ 600.00 lakh
Corporate bodies/ Limited liability Partnership	₹ 1000.00 lakh

The loan assistance shall be considered subject to the unit providing adequate security with the project being technically feasible and financially viable as per the norms and guidelines of the Corporation. The actual amount of loan sanctioned shall be decided by the Corporation.

If the requirement of the loan for a project is in excess of the above limits, the Corporation may consider enhanced amount (with additional immovable security) for such projects or the same could be met in consortium with other Financial Institutions/Banks.

## MAXIMUM DEBT-EQUITY

The maximum Debt Equity Ratio for the borrowing entity including the existing debt (excluding quasi equity) shall not exceed 2:1.

## MARGIN ON SECURITY

The minimum margin shall be 10% of the value of the assets being created. In case of takeover of loans, the margin shall be nil.

## SECURITY FOR LOAN

The loan shall be secured as per the norms (not less than 100% immovable security cover) of the Corporation by first charge of the Corporation on the following security with clear marketable title:

**Primary:** The assets financed i.e. land, building & machinery, etc..

**Additional/Collateral:** Commercial or residential non-agricultural immoveable properties or any other security acceptable to the Corporation on case-to-case basis, if required.

**Personal Guarantee** of the promoters/directors/a suitable person of sound financial means, etc. could be insisted in addition to the above wherever felt necessary by the Corporation.

## PROCESSING FEES

1% of the loan amount subject to maximum of ₹ 2.00 lakh (plus GST as applicable).

The processing fees to be paid shall be as follows:

**Preliminary application:** ₹10,000.00 (plus GST as applicable)

(For loans between ₹5.00 – ₹10.00 lakh, the fees payable shall be ₹5000.00 plus GST as applicable)

**Final application:** Total processing fees payable less fees paid earlier.

All the processing fees are non-refundable.

## INTEREST RATE (w.e.f. 01/10/2017)

Term Loan	Interest Rate
Up to ₹50.00 L	10.50% p.a ( Fixed).
Above ₹50.00 L up to ₹100.00 L	10.50% p.a. to 12.50% p.a. *
Above ₹100.00 L	10.50% p.a. to 13.50% p.a. *

\*The interest rate shall be decided based on the Credit Rating of the applicant, as per the Corporation's guidelines.

## LOAN REPAYMENT

The loan is repayable within 8 years including a moratorium period upto 2 years, depending on repayment capacity of the project. The repayment will be in monthly/quarterly installments.

## GENERAL

1. The minimum promoter's contribution shall be 25% of the project cost.
2. The loan shall be disbursed after execution of legal documents and compliance of terms of sanction/ disbursement formalities. The loan disbursement shall be in proportion to the investment made on land, building, machinery etc and as per other terms and conditions governing the sanction.
3. The loan proposal shall be considered on its own merit and mere compliance of the eligibility and other criteria may not entitle the applicant for sanction of loan.