



# COMPOSITE LOAN SCHEME FOR EDC CLIENTS WITH GOOD TRACK RECORD

## PURPOSE OF LOAN

To provide composite financial assistance to past/existing Corporation's clients who have/ had a good track record of loan repayment or their associate or group concerns, by way of term loan against fixed assets and working capital term loan against current assets. The loan assistance under this scheme shall be granted for:

1. Acquisition of fixed assets like land, building, plant & machinery and other miscellaneous assets and current assets for expansion, modernization, diversification, renovation. etc.
2. Repayment of outstanding term loan/working capital (only standard asset) of other banks/ financial institutions.

## ELIGIBILITY

Units engaged in industrial, tourism related, service and commercial activities who have been past / existing Corporation's clients who fulfill the following criteria:

1. The promoter(s) holding 15% or more equity stake in the borrowing entity should have:
  - a. More than 5 years business association with the Corporation.
  - b. Maintained good repayment track record with the Corporation for minimum last three years of the association with the Corporation.

This promoter(s) should have at least 15% or more equity stake in the entity in which he/she was a past/existing borrower of the Corporation.

2. 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.
3. The borrower/applicant should be in operation for minimum five years and in cash profit for previous two financial years.
4. 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.
5. 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 amount of loan shall be subject to the following limits:

Proprietary concerns	₹ 800.00 lakh
Partnership firms	₹ 1000.00 lakh
Corporate bodies/ Limited liability Partnership	₹ 2500.00 lakh

The maximum limit working capital loan shall be at 40% of the above.

The loan assistance could be considered 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 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 in consortium with other Financial Institutions/Banks.

## MAXIMUM DEBT-EQUITY

The Debt Equity Ratio of the borrowing entity shall not exceed 2:1

## MARGIN ON SECURITY

A minimum margin of 25% of the fixed assets and also 25% of the working capital requirement of the unit during normal year shall have to be brought in by the applicant.

## SECURITY FOR LOAN

The loan shall be secured as per the norms 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. Exclusive/ pari-passu first charge by way of hypothecation of current assets.

**Additional/Collateral:** Commercial or residential non-agricultural immovable 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.

In case of ceding of second charge to other bank/ financial institution reciprocal second charge from the bank/ financial institution will be insisted upon.

## 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)

**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.
4. In case the loan proposal is considered by mortgage of immovable property lower margin on security could be considered.