



SCHEME OF LOAN ASSISTANCE FOR CONSTRUCTION PROJECTS

PURPOSE OF LOAN

To provide financial assistance to units engaged in construction projects (residential/commercial/residential cum commercial nature). Financial assistance for land, land development, cost of construction of buildings, Interior decoration, swimming pool, club house etc. thereon and purchase of plant and machinery such as lifts, air conditioning plant, fire fighting equipments, electrification, etc.

ELIGIBILITY

1. The applicant/promoter(s) should have experience in construction line in last 5 years period and also should have successfully completed at least two projects of minimum built up area of 1000 m² each in the period.
2. Concerns setting up construction projects who have acquired land complying with the norms of the Corporation and should have obtained all the requisite and valid approvals for setting up the project of minimum built-up area of 1000 m².
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/repayment of loans.
4. The applicant should have a clear marketable title of the land 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

In the state of Goa.

QUANTUM OF LOAN

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

Proprietary concerns	₹ 400.00 lakh
Partnership firms	₹ 700.00 lakh
Corporate bodies/ Limited liability Partnership	₹ 1500.00 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 1.5:1.

MARGIN ON SECURITY

The minimum margin on the security shall be 35%.

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 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.

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 (from the sale of constructed area) within 5 years including a moratorium period up to 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 borrower shall not sell any part of the land/building area without obtaining the NOC from the Corporation during the currency of the loan from the Corporation.
4. In the event the borrowers intends to sell the land/building or any part thereof, shall deposit with the Corporation the sale proceeds of such transaction.
5. 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.