

## **Procedure for disbursement of term loans under various schemes of the Corporation.**

The Corporation has been extending term loans to fulfill various financial needs of the loanees under different schemes as given below:-

1. Project Term Loan
2. Term Loan under Credit Scheme for Builders/Commercial/Residential Complex.
3. Term Loan under Medium Term Multipurpose Loan Scheme (MTMPL)
4. Term Loan for Working Capital (WCTL).
5. Term Loan for Financing Service Sector.
6. Corporate Loan.
7. Scheme for Financing of Industrial Land in RIICO Industrial Areas
8. Scheme for Financing against Immovable property (Mortgage Loan Scheme)

Disbursement under MTMPL Scheme, WCTL Scheme, Corporate Loan Scheme, Financing of Industrial Land and Financing Service Sector to Borrowers are made immediately on execution of legal documents, fulfillment of compliances of other terms and conditions of Letter of Intent and deployment of entire promoters contribution, if any.

However in the cases of Project Term Loans and term loans under Credit Scheme for Builders normally disbursement upto 20% of the sanctioned loan (50% of Sanctioned Loan in case of Loan under Mortgage Scheme) is considered on the basis of C.A. Certificate after execution of legal documents, fulfillment of compliances of other terms and conditions of Letter of Intent and deployment of entire promoters contribution. Further, considering the requirements of the project disbursement of more than 20% of the sanctioned loan is also considered where retirement of import documents through bank is involved. If required, letter of comfort (LOC) is also issued in favour of the bank for import of plant and machinery. Normally first disbursement is made in 7-10 days after compliance of legal and special terms and conditions of Letter of Intent.

Second and subsequent disbursements are considered after physical verification of creation of fixed assets at site and verification of expenditure incurred there against from the financial records, besides verification of financial records for utilization of funds already disbursed by the Corporation as per the need of the project and considering security margin aspect. If there are any changes in the approved scheme the same are got approved from the Appraisal Cell. Second and subsequent disbursement are made after physical verification of creation of fixed assets at site and verification of utilization of funds already disbursed by the Corporation.

**Checklist for availing disbursements of term loans under various schemes of the Corporation.**

1. C.A. certificate in the prescribed format.
2. Compliance report of special conditions given in the Letter of Intent (LOI) along with documentary proof, wherever required. Photo copies of documents should be signed by the MD of the company/authorized signatory.
3. Insurance cover of the fixed assets in the joint names of the company and financial institutions covering full value and all risks.
4. Item wise details of expenditure incurred on plant and machinery/misc. fixed assets. Photo copies of Bills/receipts of advances from suppliers for major amount.
5. No lien account number, name of the bank and branch.
6. Efforts in regard to tie up of working capital requirement of the company.

Details of Processing Fee and Service Charges (w.e.f. 25.03.2015)

Processing Fee*	0.1% of the Term loan applied for in case of New Borrowers as well as existing Good Borrowers.
Service Charges*	For Good Borrowers 0.15% of the sanctioned term loan subject to maximum of Rs. 4.00 lacs.
	For New Borrowers 0.40% of the sanctioned term loan subject to maximum of Rs. 4.00 lacs.

\* GST as applicable from time to time.

**Schedule for disbursement in the case of Good Borrowers**  
**(Classified under the Incentive Scheme for Good Borrowers)**

Sr.No.	Term sanctioned (TL) (Rs. In Crore)	Loan (TL)	Minimum Promoter's Contribution (PC) deployed (As % of PC)	Maximum Disbursement Permitted (As % of sanctioned TL)
1	2.00 to 5.00		75%	40% (Balance disbursement beyond this limit on deployment of 100% PC).
2	5.00 to 10.00		i) 60% ii) 80%	i) 40% ii) 60% iii)(Balance disbursement beyond these limits on deployment of 100% PC).
3	More than 10.00		50%	40% (Balance disbursement on pro-rata basis linked to deployment of promoters contribution in excess of minimum promoters contribution deployed.)

**Schedule for disbursement other than case under Good Borrowers**

Sr.No.	Term sanctioned (TL) (Rs. In Crore)	Loan (TL)	Minimum Promoter's Contribution (PC) deployed (As % of PC)	Maximum Disbursement Permitted (As % of sanctioned TL)
1	Less than 5.00		100%	
2	5.00 to 10.00		i) 60% ii) 80%	i) 40% ii) 60% iii)(Balance disbursement on deployment of 100% PC).
3	More than 10.00		50%	40% (Balance disbursement on pro-rata basis linked to deployment of PC in excess of minimum promoters contribution deployed.)

**Disbursement under Credit Scheme for Builders/Commercial Complexes/Residential Complexes**

Under the credit scheme for builders/commercial complexes/residential complexes

disbursement from the Corporation for purchase of land or additional loan for construction of commercial complexes/residential complexes on this land shall be in the following manner:-

- i) The borrower shall submit certificate of a Chartered Accountant in support of expenditure incurred on the project and the sources of finance of the same.
- ii) The borrower shall submit certificate from an architect approved/empanelled with local authority that the construction has been carried out as per approved building plans and have all safety measures as buy-laws of local authority/fire department.
- iii) The borrower shall submit valuation certificate for the construction work from an approved valuer.
- iv) In case the loan is for purchase of land, the same shall be directly remitted to local authority on its explicit assurance of mortgage of land in favour of RIICO.
- v) The loan against land can be disbursed to the borrower in case the borrower has already paid the cost to the seller of the land and the borrower makes available title of the land for mortgage.
- vi) Where the aggregate term loan assistance exceeds more than Rs.5.00 crores for the entire project, the disbursement of additional loan towards implementation of the project may be considered as follows:-

On raising of 75% of total promoter's contribution (in the ratio of share capital and unsecured loans) and 50% of envisaged booking advance.	Upto 65% of the total loan for the over all real estate project.
	Balance disbursement beyond this limit on deployment of 100% promoter's contribution and envisaged booking advances.