

**RAJASTHAN STATE INDUSTRIAL DEVELOPMENT &
INVESTMENT CORPORATION LIMITED,
UDYOG BHAWAN, TILAK MARG, JAIPUR-302005**

No.: FDI/U/234/2014
Dated: 09th March, 2026

OFFICE ORDER

Sub.: - Resumption of term loan financing to Real Estate Sector.

The Board of Directors of the Corporation in its meeting held on 13.02.2026 vide item no.17; has accorded its approval to resume the modified financing scheme for the Real Estate Sector titled "Credit Scheme for Builders/Commercial Complexes/Residential Complexes" (enclosed). The scheme will be applicable with immediate effect.


(Nidhi Mehta)
Financial Advisor

Copy to:

1. All Controlling Officers.
2. ✓ DGM (Computer Cell).

Copy also to:

1. Sr. PS to Chairman for kind information of Chairman.
2. Sr. PS to MD for kind information of MD.
3. Sr. PS to ED.

CREDIT SCHEME FOR BUILDERS/COMMERCIAL COMPLEXES/RESIDENTIAL COMPLEXES

1. Objective

The scheme aims to provide quick finance to builders to take up residential/commercial complexes. Under this scheme, investors can meet the cost of land, civil works and utility equipment.

2. Financial Assistance

RIICO may extend financial assistance for the following purposes:

1. Land Purchase only
2. Land purchase along with civil construction cost and utility equipment required for residential/commercial complexes, multiplexes, etc.

3. Eligibility Criteria

Eligible Borrowers

Assistance under the scheme will be available to applicants having:

- i) Clear, valid, and mortgageable title
- ii) Approved building plan from appropriate local authorities.

Approved building plans may not be required at the time of financing land cost. However, the applicant must give an undertaking that no construction will be carried out on the land without obtaining approval of building plans from the competent authority. The approved building plans shall be submitted at the time of appraisal of the complete real estate project.

- iii) Satisfactory record of repayment and/or credit reports from financial institutions/banks as may be applicable.

Eligible land

- Land purchased from Government/statutory authorities (including Local Development Authorities, Urban Improvement Trust (UIT), Urban Local Body (ULB), Nagar Nigam, Rajasthan Housing Board (RSHB), RIICO etc.) **or** land purchased from private parties shall be eligible for financing, provided the land has a clear, marketable, and encumbrance-free title.

4. Loan for Land purchase only --> Loan Amount & Financing Norms

Loan Amount:

Loan of up to 75% of the cost/value of land (excluding registration charges) may be sanctioned. However, in case of land purchased from private parties, cost of land will be calculated as per registered sale deed (excluding registration charges) or valuation as per DLC Rate, whichever is less.

Security:

- The land financed under the scheme shall be mortgaged in favour of RIICO as primary security.
- Personal guarantee of the applicant and/or guarantors shall be obtained.
- No additional collateral security shall be required in this case.

Repayment period: The repayment period is maximum up to 5 years in quarterly instalments, including a moratorium of maximum 1 year.

Other Norms:

- Debt Equity norm will not be considered in this case.
- The applicant shall provide an undertaking to the effect that construction will be completed on the land within the stipulated time period failing which the RIICO reserves the right to recall the facility.

5. Loan for entire project (including Land) --> Loan Amount & Financing Norms

Promoter's Contribution

(a) Minimum promoter's contribution: 40% of total project cost

Promoter's contribution will include promoter's equity and unsecured loans from promoters or group entities subject to non- withdrawal undertaking. Booking advance received from customers will not form part of Promoter's contribution.

(b) Further, Promoter's contribution may be infused in a phased manner, linked to construction milestones and disbursement stages, subject to compliance with the

minimum upfront contribution prescribed by the Corporation.

Security Margin: Minimum 25%

Repayment period: The repayment period is maximum up to 7 years in quarterly instalments, including a moratorium of maximum 1 year.

Security:

- The land financed under the scheme shall be mortgaged in favour of RIICO as primary security.
- Personal guarantee of the applicant and/or guarantors shall be obtained.
- The Corporation will establish lien on the Escrow account.
- Collateral security is required minimum 50% of sanctioned loan for construction, utility equipment etc. except land loan component. However, additional collateral security will depend on merit of each case considering project risk, borrower profile, or market conditions.
- In case of default, the Corporation will have right to recover its dues from collateral security without recourse to primary security of project.

Other Norms:

- a) The maximum loan amount for the overall project shall not exceed 1.5 times of the actual promoter's contribution (Debt-Equity Ratio of 1.5:1).
- b) Booking advances against forward sales up to a maximum of 10% of the projected sale value may be considered as part of the means of finance, subject to:
 - 100% routing through an escrow account, and
 - Execution of valid booking/allotment agreementsSuch advances shall not be treated as promoter's contribution.
- c) An Independent Techno - Economic Viability (TEV) report shall be required where the loan proposal exceeds Rs 25 crores.

Mode of Repayment & Escrow Mechanism

- All repayments shall be routed through an Escrow Account into which sale proceeds of the mortgaged project area shall be deposited.
- Rental income, if any, from the project shall also be deposited into the escrow account.
- Withdrawals are permitted only after meeting debt servicing obligations.
- The Escrow account cannot be operated, closed, or modified without RIICO's consent.
- The Escrow account shall be monitored regularly by the Corporation to ensure timely routing of sale proceeds, rentals, and adherence to agreed cash-flow mechanisms.
- Repayment against sale of the area shall be equivalent to 60% of the envisaged or actual sale value, whichever is higher. Such payment shall be deposited with Corporation, prior to issuance of NOC for transfer of title; however, the repayment of principal term loan instalments shall continue to be made as per the schedule.

6. Common Terms & Conditions of Loan

Rate of Interest

- **Interest Rate:** As per the prevailing policy of the Corporation, amended from time to time (Current rate of interest is 13% p.a. quarterly compounding)
- **Rebate:** 2% for timely repayment
- **Penal interest**/liquidated damages in case of default in timely repayment of term loan dues shall be charged at the rate of 2% p.a.
Incentives under the Good Borrower Scheme shall not be applicable.

Charges: Processing fees, upfront fees, and service charges shall be levied as per the Corporation's policy, as amended from time to time.

Prepayment fees: No prepayment premium shall be charged for prepayment made out of sale proceeds/own sources. However, in case the Loan is taken over by Banks/NBFCs etc., then prepayment fee will be 1% of loan outstanding amount.

7. Sanctioning Authority

The competent authority for sanction of financial assistance shall be determined as per the prevailing delegation of powers.

8. Loan Documentation

The borrower would execute loan documents such as loan agreement, deed of hypothecation, creation of mortgage and deed of guarantees etc. The charge shall have to be created in favour of RIICO on the primary and collateral security.

Other special terms and conditions of letter of intent shall form part of loan documentation which includes the following:

- a. **Project specific milestone-based drawdown schedule** – milestones should be defined in terms of % completion of the project /stage of the project and the same will be part of letter of intent.
- b. **Repayment Schedule** – Repayment schedule should be realistically designed and may consist of moratorium period, bullet payment etc.

9. Disbursement Conditions

- (a) Large real estate projects may be implemented in phases, with loan sanction and disbursement aligned to approved project phases, based on technical and financial appraisal.
- (b) 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.
- (c) 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 bye-laws of local authority/fire department.

- (d) The borrower shall submit valuation certificate for the construction work from an approved valuer.
- (e) If Land purchased from Government/statutory authorities (including Local Development Authorities, Urban Improvement Trust (UIT), Urban Local Body (ULB), Nagar Nigam, Rajasthan Housing Board (RSHB), unit office of RIICO etc.), the loan amount shall be directly disbursed on its explicit assurance for mortgage of land in favour of RIICO.
- (f) If land is purchased from private parties, the loan against land can be disbursed only when borrower has already paid the cost of land to the seller and the borrower makes available title deed of the land for mortgage in favour of RIICO.
- (g) Where the aggregate term loan assistance exceeds 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 advances	Up to 65% of the total term loan for the over all real estate project (Balance disbursement beyond this limit on deployment of 100% promoters contribution and envisaged booking advances.)
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- (h) In view of typical nature of real estate projects, ratio of share capital (including share premium) to unsecured loans may be kept as 35:65.

10. Release of Charge

- (a) The borrower shall be required to obtain NOC from the Corporation for sale of any area of the project mortgaged to the Corporation.

(b) Such NOC shall be granted by the Corporation on deposition of an amount against sale of area equivalent to 60% of sale proceeds as envisaged or actual value whichever is higher.

(c) In case the property is given on license/lease, license/lease deed will have a mention of RIICO's charge on the property.

11. Additional Provisions

Periodic Site Visits and Security Inspection: The Corporation may conduct periodic site visits (not later than quarterly) and inspections of the secured assets, either directly or through empaneled agencies, to monitor project progress and safeguard its security interest.