

# Scheme of loan assistance for construction of Commercial Complexes



## SALIENT FEATURES:

I. The assistance under the scheme will be provided for:-

- I. Acquisition of land and construction of building thereon.
- ii. Interior decoration, air conditioning, communication facilities for commercial complexes and shopping malls.
- iii. Acquisition of racks for storage, weighbridges, conveyor system, lifts for showrooms, departmental stores, sales outlets, etc.
- iv. In case of existing commercial complexes, renovation cost and cost of acquisition of additional establishment could also be considered for financial assistance.
- V. Any other required facilities connected with the commercial complexes can also be considered for financing.

2. Loan assistance will be considered on a security margin of 35% on the cost of land, civil works, plant & machinery, electrification etc.

3. The maximum loan assistance under the scheme will be as under.

- I. Limited companies -- Rs. 500 lakhs
- ii. Partnerships -- Rs. 250 lakhs
- iii. Proprietary -- Rs. 120 lakhs

4. The maximum debt equity ratio will be 1:1.

5. Minimum promoter's contribution at 30% of the project cost.

6. Application fees @ 1% of the loan amount applied for with a ceiling of Rs. 1.00 lakhs.

7. Rate of interest will be as under:-

In the band of 10.5% - 14% p.a. based on the credit rating of the borrower.

8. Maximum repayment period of 8 years with a moratorium upto 18 months.

9. Security:

I. Mortgage of the entire fixed assets including land, building, plant & machinery and other fixed assets.

ii. The borrowers shall have to establish clear marketable title in respect of the property being purchased and mortgage the same against the loan availed.

iii. The land to be considered for financial assistance should be free from the rights of any Mundkars/Tenants.

iv. EDC may stipulate for suitable collateral on case-to-case basis.

10. The loan will be governed by other terms & conditions as applicable to general term loan assistance.

11. The borrower will have to comply with the following requirements:-

I. The land should have requisite conversion sanad.

ii. The borrowers should have plans approved from local authorities for the construction to be undertaken.

iii. The borrowers shall not lease / rent out any part of land or the buildings to any party without the prior permission of the corporation.

iv. The borrower will have to display a board at site mentioning that corporation has financed the project.

v. The borrower shall not sell any part of the land / building area without obtaining the NOC from the corporation during the currency of the EDC loan.

vi. The borrowers or its associate concerns should not be defaulters with any bank / financial institution.

vii. In the event the borrowers intend to sell the land/building or any part thereof, shall deposit with the corporation the sale proceeds of such transaction.

