

Sub: New loan segment – Business loan regarding.

Management has decided to introduce a new business segment Business loan , the details of which are as follows.

A. SALIENT FEATURES

1. Target group :Traders/commercial establishments with at least One year of experience.
2. Limit :Rs.1.00Lakh to 50.00Lakh.
3. Purpose :Business purpose/services
4. Security :Hypothecation of stock/fixed assets/Equipments (re-imburements may also be considered.) (In case of loans above Rs.10 lakhs original title deed of immovable property should be taken of collateral security)
5. Guarantors :One outside guarantor with above average means and spouse of the applicant or any close relative.
6. Period : 3 years.
7. Interest : 24%(36% overdue interest).
8. Documentation charge :0.5%
9. Repayment mode :EMI/daily collection.

B. Documents to be furnished at the time of Application

1. Application
2. Photo, ID proof, address proof and PAN card.
3. Individual worth statement
4. Copy of license for running the business from Panchayath/Municipality/Corporation (if available)
5. Sole proprietorship declaration/copy of partnership deed etc.
6. Copy of title deed and latest land tax receipt of either of the applicant or guarantor.
7. Token of EC application of the above property(EC to be obtained not later than one month of disbursement of the loan)
8. Copy of sales tax/Income tax returns, if any
9. Self declaration regarding the income capacity of applicant/guarantors.
10. Bank pass book at least for the last 3/6 months.
11. Cash/Income flow statement.

C. Documents to be submitted at the time of execution

1. Loan sanction letter accepted by signatories.
2. Loan agreement with arbitration clause.
3. Demand Promissory Note.
4. Guarantee agreement.
5. Hypothecation agreement.

D. A reference should invariably made to CIBIL report to ensure that the applicant is not a chronic defaulter.

E. Sanction: Sanction of loan should be made by MD on recommendation of CFO and CEO

Note: Relaxation/waiver of any of the condition in mentioned in A&B above can be made approval of MD.