

HOME
LOAN



PERSONAL
LOAN



BUSINESS
LOAN



BALANCE
TRANSFER



CREDIT
CARDS



EDUCATION
LOAN



CAR
LOAN



WORKING
CAPITAL



MAGIC
FIN-MART



CHILD
PLANS



HOME
INSURANCE



ENDOWMENT
PLAN



VEHICLE
INSURANCE



TERM
INSURANCE



FIRE
INSURANCE



PERSONAL
ACCIDENT



TRAVEL
INSURANCE



HEALTH
INSURANCE



PENSION
PLANS

Willkommen Bienvenue

Welcome

yôkoso

welkom

Benvenuto

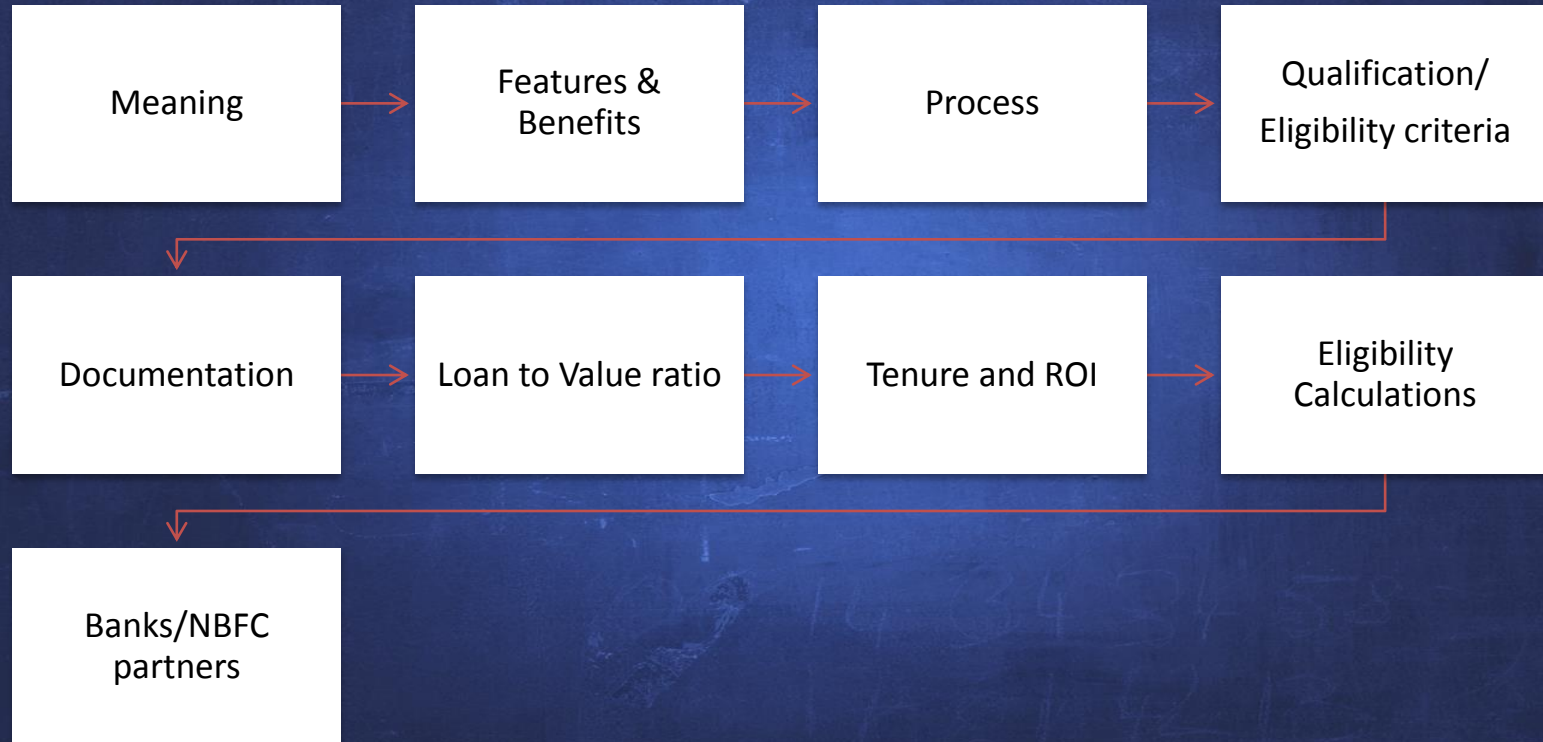
Bienvenida

tervetuloa

รับเสด็จ

欢迎

By End Of This Session, You Will Be Able To Understand...



SECURED RETAIL PRODUCTS

LOAN AGAINST PROPERTY & COMMERCIAL PURCHASE

What is Loan Against Property?

- Loan against property is a Secured Loan, which means that the property acts as security for the loan. In case of loan default the property can be attached to the bank and could be auctioned or sold to recover the loan amount due.
- It is precisely what the name implies a loan which can be availed by keeping a property as security. Banks and NBFC's offer this loan against a property, which can either be a residential/commercial building or a piece of land. The loan can be availed by mortgaging the property with the bank.

How Loan Against Property (LAP) will help you?



Advantages

- ✓ Low interest rates and processing fees than unsecured loans
- ✓ Longer duration loans
- ✓ Higher loan amount since mortgage backed loan
- ✓ Business person can avail tax deduction on interest if end use is proved right

Uses

- ✓ Starting a new business or business expansion via mortgage
- ✓ Wedding
- ✓ Unexpected huge expenses
- ✓ Credit history issues
- ✓ Unstable employment

What is Commercial property purchase?

Loan taken for purchase of resale, ready built and under construction commercial property for commercial purposes.

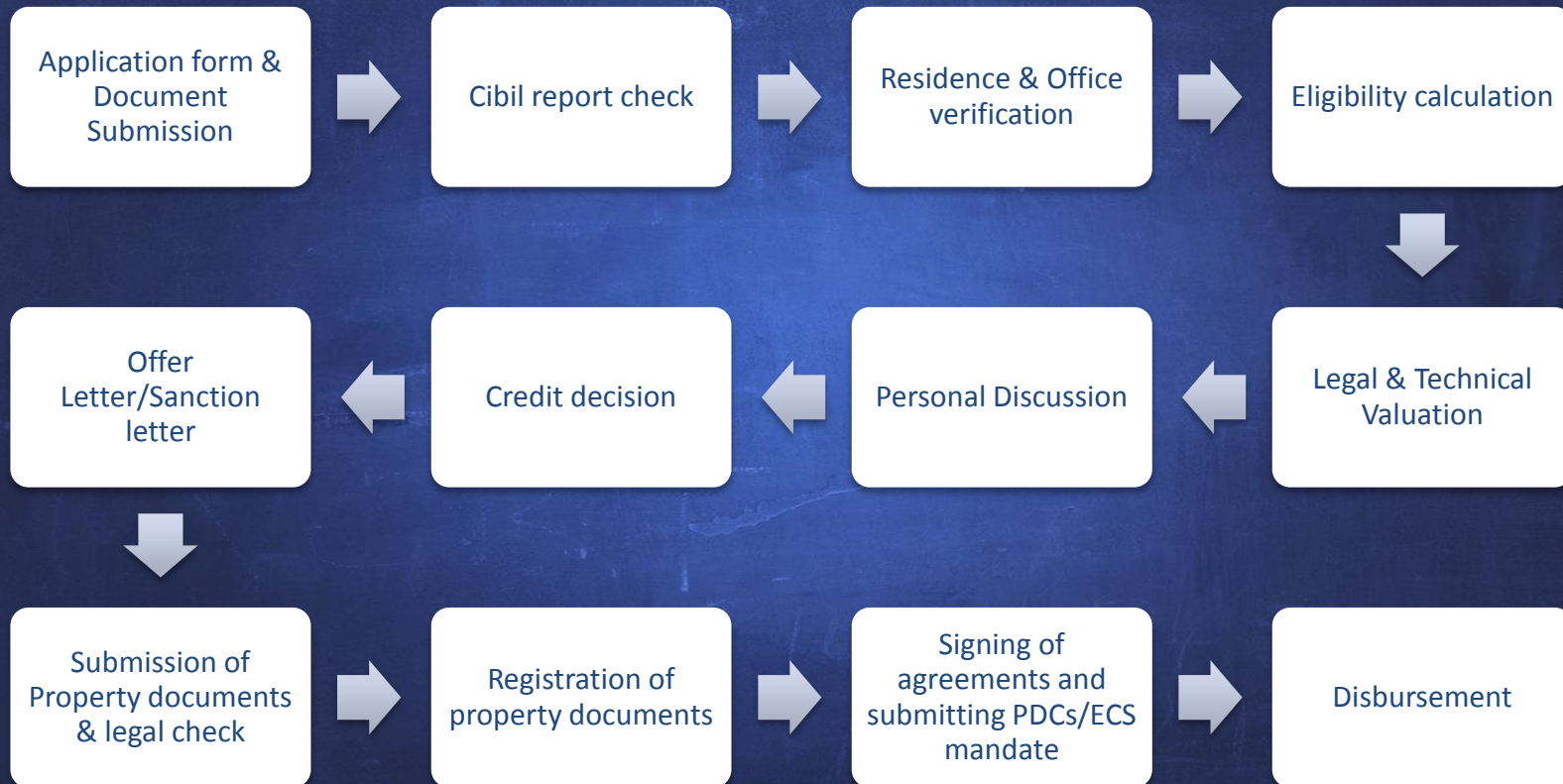
Advantages

- ✓ Owning a commercial property for business purpose
- ✓ You can claim full interest in respect of money borrowed for purchase, construction, repair, renovation of the commercial property without any limit whether the same is let-out or used for the purpose of your own business or profession.

Uses

- ❖ To buy two types of commercial properties- (A) An office space & (B) Retail outlet and again these two can have subsections like (i) Ready to occupy & (ii) Under-construction
- ❖ The purchase of a new or existing office
- ❖ The extension, improvement or construction of an office

Process



What do I need to submit?

DOCUMENTATION

Documentation

Proprietorship Firm

Individual KYC
PAN Card (Borrower and Co-Borrower)
Address Proof (Utility bill, Passport, Aadhar Card, Driving License)
Ownership proof (Electricity bill in name of company or Individual)
Company KYC
Office Proof (Shop and Establishment Cert /Gumasta or other registered document)
Office Utility bill in the name of office (Phone or Elec bill)
Other Documents (VAT, Service Tax, Sales/Purchase)
Business Profile & Latest Form 26 AS
Latest 3 Years Financials (FY 15-16, 14-15, 13-14)
ITR Saral Page and Computation of Income -gap should be more than 6 months between 2 year ITR filing
Tax Audit Report (Form 3CB and 3CD) (42 Points)
Last 3 years Balance sheet and Schedules attested by CA
Last 3 years Profit and Loss and Schedules attested by CA
Latest 6 Months or 1 year Banking for all accounts
Sanction Letters (CC sanction letter Mandatory) and running loan SOA
Contact Details (Mobile no, Landline no, Email ID)
Passport size photograph of all the applicants / co-applicants to be affixed on the Application Form and signed across
Cheque for processing fee

Documentation

Partnership Firm

Company Pan Card
Company Utility bill in the name of office (Phone or Elec bill)
Partnership Deed
PAN Card (All the Partners compulsory)
Address Proof (Utility bill, Passport, Aadhar Card, Driving License)
Ownership proof (Electricity bill in name of company or Individual)
Other Documents (VAT, Service Tax, Sales/Purchase)
Business Profile & Latest Form 26 AS
Latest 3 Years Financials (FY 15-16,14-15,13-14)
ITR Saral Page and Computation of Income
Tax Audit Report (Form 3CB and 3CD) (42 Points)
Last 3 years Balance sheet and Schedules attested by CA
Last 3 years Profit and Loss and Schedules attested by CA
Latest 6 Months or 1 year Banking for all accounts
Sanction Letters (CC sanction letter Mandatory) and running loan SOA
Contact Details (Mobile no, Landline no, Email ID)
Passport size photograph of all the applicants / co-applicants to be affixed on the Application Form and signed across
Cheque for processing fee

Documentation

Private Limited

Company Pan Card
Company Utility bill in the name of company (Phone or Elec bill)
Memorandum and Articles of Association of the Company
List of Directors and Shareholders with their individual shareholding certified by a CA / CS
PAN Card of shareholders having minimum 51% required
Address Proof (Utility bill, Passport, Aadhar Card, Driving License)
Ownership proof (Electricity bill in name of company or Individual)
Other Documents (VAT, Service Tax, Sales/Purchase)
Business Profile & Latest Form 26 AS
Latest 3 Years Financials (Fy 15-16, 14-15, 13-14)
ITR Saral Page and Computation of Income
Tax Audit Report (Form 3CB and 3CD) (42 Points)
Auditors Report and Annexure to Auditors report
Directors report
Last 3 years Balance sheet and Schedules attested by CA
Last 3 years Profit and Loss and Schedules attested by CA
Latest 6 Months or 1 year Banking for all accounts
Sanction Letters (CC sanction letter Mandatory) and running loan SOA
Contact Details (Mobile no, Landline no, Email ID)
Passport size photograph of all the applicants / co-applicants to be affixed on the Application Form and signed across
Cheque for processing fee

Self Employed Professionals

Individual KYC

PAN Card (Borrower and Co-Borrower)

Address Proof (Utility bill, Passport, Aadhar Card, Driving License)

Ownership proof (Electricity bill in name of company or Individual)

Education qualification certificate

certificate of practice

Latest 6 Months or 1 year Banking for all accounts

Cash/Income Receipts of a year

Sanction Letters (CC sanction letter Mandatory) and running loan SOA

Passport size photograph of all the applicants / co-applicants to be affixed on the Application Form and signed across

Cheque for processing fee

Am I eligible for the loan?

QUALIFICATION/ELIGIBILITY CRITERIA

Customer segment

Salaried	Self Employed Non Professional	Self Employed Professional
Private Limited	Proprietorship	Doctors
Limited	Partnership/LLP	Architects
Government companies	Private Limited	Chartered Accountants
Other companies	Limited	

Eligible property



Property Status



Should be Fully Constructed and Clearly Demarcated



Identifiable and Registered



Land needs to be Non Agricultural land to be allotted by collector



Other property location policies vary in different Banks/NBFCs



Property should not be...

Dilapidated property



Load bearing property



Negative profiles/not eligible property

- Grampanchayat lands (deviation taken if approved by collector)
- Vacant industrial property
- Real estate/speculation/Stock brokers
- Liquor shops
- Lawyers
- Media houses
- Builders
- Slums, Chawls, SRA below 10 years old, community dominated area

***Some profiles are eligible in certain lending institutions*

Determination of Loan amount

Type of
property

Age of the
property

Current usage
of the property

Market value of
the property

Loan To Value - Funding As Per Income V/S Property Value

- Eligibility calculated as per income and property value
 - LTV ratio applicable to either income or property value whichever is lower

Property	Bank	NBFC
Self occupied residential property (SORP)	75%	65%
Self occupied commercial property (SOCP)	60%	55%
Rented or let out Residential Property	70%	55%
Rented or let out Commercial Property	60%	50%
Vacant Property	Bank specific	45%-55%
Restaurants	65%	55%
Warehouse	Bank specific	45%

Percentages may differ

Balance Transfer

- LAP balance transfer is an option that allows you to switch from an expensive loan that you availed some years back to a lower interest loan.
- At RB, we have helped many customers save huge amounts by helping them switch to less expensive loans.
- The balance transfer option essentially involves foreclosing the existing loan and taking a new loan for the unpaid principal amount.
- With the charges on foreclosure of floating rate loans waived borrowers can switch to a new loan without having to bear the burden of these charges. However, banks may charge pre-payment penalty.

For how many months and for what rate?

TENURE & RATE OF INTEREST

Product overview

Exposure	25 Lacs to 10 Cr
Collateral	Self Occupied Vacant or Rented Property
Tenure	5 year to 15 years
Rate of Interest	8.75% to 12%*
Processing fees	0.5% to 1%*

How to arrive at it?

ELIGIBILITY CALCULATING METHODS

DEBT SERVICING COVERAGE RATIO

$DSCR = \text{Net Operating Income} / \text{Debt service}$

Net Operating Income – *Net income + Amortization & depreciation + Interest Expense + Non cash items*

Debt Service – *Principal repayment + Interest payments + Lease payments*

The debt service coverage ratio measures a firm's ability to maintain its current debt levels. This is why a higher ratio is always more favourable than a lower ratio. A higher ratio indicates that there is more income available to pay for debt servicing.

- For example, if a company had a ratio of 1, that would mean that the company's net operating profits equals its debt service obligations. In other words, the company generates just enough revenues to pay for its debt servicing. A ratio of less than one means that the company doesn't generate enough operating profits to pay its debt service and must use some of its savings.

Generally, companies with higher service ratios tend to have more cash and are better able to pay their debt obligations on time.

Financials based calculation

For Salaried

NET salary per month*FOIR %

(-)Monthly obligation (other EMIs)

= EMI serving capacity

Divided by per lac EMI

= Eligible loan amount

Salaried-Require
Salary slip, Bank
statement &
Form 16

*FOIR and eligibility calculation varies in
different Banks and NBFCs

Financials based calculation

Self Employed-
Require Balance
sheet, Profit & loss
statement and ITR

Income based program(Cash Profit method)

Profit after tax

+Depreciation

+Remuneration to Directors/Partners

+Interest on paid bank loans

=Yearly Income/12

Monthly income*DBR

(-)Monthly obligation

=EMI paying capacity/Per lac

=Loan amount compared with property value(Agreement value+ Service tax+ Stamp duty)*LTV whichever is lower

Turnover program

Turnover* Industrial Margin compare with Gross profit(whichever is lower)

=Yearly Income/12

=Monthly income*DBR

(-)Monthly obligation

=EMI paying capacity/Per lac

=Loan amount compared with property value(Market value)*LTV whichever is lower

Surrogate programs

Banking

Gross Profit

Repayment track

Liquid Income Profile

Low LTV

Partner channels

Banks

AXIS BANK

DBS BANK

DEUTSCHE BANK

FEDERAL BANK

HDFC BANK LTD

ICICI BANK

IDFC BANK(ALSO CP)

INDUSIND BANK

KOTAK MAHINDRA BANK

RBL BANK

STANDARD CHARTERED BANK

YES BANK

NBFC

ADITYA BIRLA FINANCE LIMITED

AU FINANCE LIMITED

CAPITAL FIRST LIMITED

CAPRI GLOBAL CAPITAL LIMITED (ALSO CP)

CHOLAMANDLAM INVESTMENT AND FINANCE
COMPANY LTD

EDELWEISS FINANCE LIMITED

ESSEL FINANCE

FINMAX FINANCE

FULLERTON INDIA CREDIT COMPANY LIMITED

HERO FIN CORP(ALSO CP)

HINDUJA LEYLAND FINANCE LIMITED

INDIA INFOLINE FINANCE LIMITED (IIFL)

INDIABULLS HOUSING FINANCE LIMITED

INDOSTAR CAPITAL FINANCE LIMITED

JANALAKSHMI FINANCIAL SERVICES LTD

L&T FINANCE

MAGMA FINCORP LIMITED

ORIX LEASING & FINANCIAL SERVICES
INDIA LIMITED(ALSO CP)

PIRAMAL CAPITAL

PNB HOUSING

RELIANCE CAPITAL

TATA CAPITAL HOUSING FINANCE

Questions Please

THANK YOU