

## **Media Release**

# **Reliance Commercial Finance launches loan against Gold Units**

- **First-of-its-kind initiative offering loan against Gold in paper form as collateral**
- **Exclusive tie-up with Reliance Mutual Fund for offering loans to Reliance Gold Saving Fund investors**
- **Loan can be availed up to 90 per cent of value of Gold units held**
- **Loan amount to vary from Rs 1,00,000 to Rs 1 Crore, duration to vary from 6 months to 12 months**
- **Easy repayment options - monthly interest outgo and bullet repayment option**

**Mumbai, May 9, 2011:** Reliance Commercial Finance (RCF), a part of Reliance Capital, today launched its first-of-a-kind initiative of offering loans against Gold units held in paper form.

These loans, being offered by RCF, are part of an exclusive tie-up with Reliance Mutual Fund and would initially be available to investors of Reliance Gold Savings Fund only. This was announced by Mr K V Srinivasan, CEO, RCF, here today.

"We strongly believe that Gold Funds have opened an entirely new avenue for offering loans to customers. We expect this segment to ramp up aggressively as investors start embracing this form of gold for future investments" said Mr. Srinivasan

RCF would be offering this facility across 17 locations like Delhi, Kolkata, Mumbai, Ahmedabad, Chennai, Bangalore, Hyderabad to name a few of them and would roll out across all other regions subsequently - The company would be offering loan upto 90 per cent of the value of Reliance Gold Savings Fund gold units held by the investor.



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“The tie up provides a unique opportunity for Reliance Gold Savings fund investors to unlock the value of their savings held in the form of Gold MF units. Investors will continue to enjoy benefit of gold price appreciation during the tenure of loan. We are confident that the investors will benefit from this exclusive offering”, added Mr. Srinivasan.

The minimum loan offered under this initiative would be Rs 1,00,000 and the maximum would be Rs 1 crore. The tenure of the loans will vary from 6 months to 12 months and can be paid in easy repayment options available under the initiative.

“Our prime concerns, while offering loans, are on completing “Know-Your-Customer” procedures and also assessing quantity, purity and price of gold. All these concerns are immediately addressed when considering loan against Gold units that are issued by a Mutual Fund and held by customer in paper form. This reduces the turn-around-time significantly making it easier and faster for us to complete our due diligence and offer loans” said Mr Srinivasan.

As part of the process, the customer would need to apply for the loan with required documentation at any of the 17 RCF branches across the country and will be issued sanction letter post verification. The loan will subsequently be disbursed on assessment of loan value and pledging of the gold units to RCF. The repayment option would be monthly interest repayment and bullet repayment at the end of the tenure.

“We already have presence in the loan against gold category. With this additional stream supplementing this category, we believe our book size on gold loans (physical and unit form) would grow manifolds in next few years,” said Mr. Srinivasan.

**About Reliance Commercial Finance**

[www.reliancecommercialfinance.com](http://www.reliancecommercialfinance.com)

Reliance Commercial Finance offers an exhaustive suite of financial solutions – Mortgages Loans, Loans against property, Loans for Commercial Vehicles, Loans for Construction Equipment, SME Loans, Car Loans, business loans and Loans against Gold.

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The company has a loan book size of Rs. 10,686 crore (US\$ 2.4 billion), with a customer base of over 1,15,000 customers (as on December 31, 2010) across the top 17 Indian cities.

**For Media Queries**

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