

ADAG firm floats loan against gold

Offer only for Reliance Gold Saving Fund investors

PRASANNA DESHPANDE

Mumbai

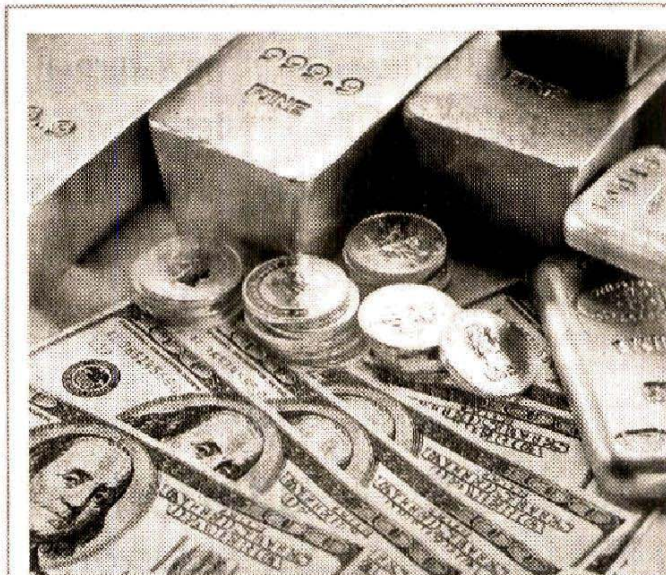
IN A first-of-its-kind initiative, financial services firm Reliance Commercial Finance (RCF), an Anil Ambani group company, announced the launch of a loan against gold units under which it will offer loan to Reliance Gold Saving Fund investors through an exclusive tie-up with Reliance Mutual Fund.

Investors can avail up to 90 per cent of the value of gold units held by them while the loan amount will vary from Rs 1,00,000 to Rs 1,00,00,000 ranging from six months to 12 months, Reliance Commercial Finance said in a press release.

The repayment option would be monthly interest repayment and bullet repayment at the end of the tenure.

"We strongly believe that gold funds have opened an entirely new avenue for offering loans to customers. Our prime concerns, while giving loan against gold, is regarding KYC of customer, quantity, purity and price of gold. All these are immediately addressed considering gold units are issued by a mutual fund. This reduces the turn-around time significantly making it easier and faster for us to complete our due diligence and offer loans. We expect this segment to ramp up aggressively as investors start embracing this form of gold for future investments," said KV Srinivasan, chief executive officer, RCF.

On its tie-up with Reliance Mutual Fund, Srinivasan said, "The tie up



Golden offer

■ Investors can avail up to 90 per cent of the value of gold units held by them while the loan amount will vary from Rs 1,00,000 to Rs 1,00,00,000 ranging from six months to 12 months

■ The facility would be made available by RCF 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

provides a unique opportunity for Reliance Gold Savings Fund investors to unlock the value of their savings held in the form of gold mutual fund 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."

The facility would be made available by RCF 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.

Reliance Commercial Finance offers wide range of financial solutions such as mortgages loans, loans against property, loans for commercial vehicles, loans for construction equipment, SME loans, car loans, business loans and loans against gold.

The company has a loan book size of Rs 10,686 crore, with a customer base of over 1,15,000 customers (as on December 31, 2010) across the top 17 Indian cities, according to the press release.

prasannadeshpande
@mydigitalfc.com