

Insta-Loans

Definition

This is a short term working capital facility for the Key Account Customers / Dealers of Tata Steel Distributors already registered with Channel Finance

- Finance Amount up to Rs 2 Crore
- Credit Period up to 45 Days (need based)
- Interest Rate Band-attractive rate based on STLR (Current STLR - 14.50% p.a.)
- Nil or negligible collateral security
- Quick disbursal
- Hassle free one time documentation and processing

Objective

- The key objective of the program is to smooth out cash flow of Tata Steelium distributors by financing their Key Customers.
- Providing finance at competitive cost to the Key Customers

Value Proposition Distributor

- Distributor funds locked in Customer Invoices can be unlocked
- Increased liquidity due to cash sales to KAC & Dealers
- Increased buying power with Tata Steel due to added liquidity

KAC & Dealers

- Easy availability of finance at a competitive cost with minimal or no security
- Liquidity situation remains solid resulting in shift to large volume based business thus providing a trigger to the supply chain
- Mobilizing funds to better/ alternative areas for further improvement of business

Insta-Loan Eligibility Criteria

- Only for Tata Steel material buyers, through authorized distributors
- Customer should have had a business relationship with the Distributor for a minimum of 3 years

- Customer should have a good payment record with the Distributor (no over-dues > 15 days)

Role of financejunction

- To act as a single point contact for Tata Steelium Distributors, Customers and Financing Partner (Tata Capital Ltd.)
- To build an internet-based application, which will enable : Transactions on 24 x 7 basis
- Access to enhanced MIS
- To ensure speedy & hassle-free implementation with quick documentation & verification
- To liaison with financing partner (Tata Capital Ltd.) to ensure competitive lending rate based on risk profile of customer & risk appetite of the financing partner (Banks / NBFC's)

Achievements

- Disbursed over Rs 500 Lacs in the last Five Months
- Five Key Account Customers for Two Channel Finance Distributors (Tata Steelium) already on Board
- Interest Rate reduced by 100 basis points in the very first quarter of launch