

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-25/1433

Dated : 01.11.2004

CIRCULAR

**Reg : Charging of premium-recovery of rebate for timely
Payment and reduction in interest rate, if any
In case of pre-payments of principal instalment.**

In continuation to the guidelines issued vide O&M Circular No. 618 dt. 20th Oct. 2004, the following additional guidelines/clarifications are as under :

“In all existing and future cases the recovery of rebate of timely payment and reduction in interest rate allowed by the High Power Committee will be made in case of prepayment/switch over. The amount of rebate and reduction in interest rate if any, will be debited back in the loan account on the date of prepayment/switch over.

These guidelines would be applicable in cases where there is no difference in documented and current rate of interest. In case of difference in documented and current rate of interest, the guidelines issued vide PG Circular No. 915 dt. 30th April 2001 would also be applicable in addition to the guidelines mentioned herein above.”

The HO and field offices may ensure that specific condition as mentioned above is stipulated in all pipe line cases waiting for issuance of sanction and execution of loan documents.

These revised/additional guidelines will come into force with immediate effect and all field officers are advised to follow these guidelines strictly.

SD/-

(Sanjay Dixit)

Chairman & Managing Director

RFC/P&G/1090
/RFC/LA/407

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-13(11)/1807

Dated : 31.12.2004

P&G CIRCULAR

Reg : Change in Quarterly interest due dates.

Attention is invited towards the P&G Circular No. 1057 dt. 27.5.04. In the Annexure enclosed with this circular at Point No. 13, it has been mentioned that if the borrower wants to make the principal payment on monthly basis and interest on quarterly basis, then in such cases PDCs for repayment of principal shall be obtained excluding the month of interest debit date. In these cases ;the interest shall then fall due on 1st March, 1st June, 1st Sept. and 1st December. This facility has now been withdrawn with immediate effect.

Similarly, the Board in its Meeting held on 17.5.04 has decided that in all new cases where the loan is sanctioned on or after 1.6.2004 and the interest is falling due on quarterly basis, the interest would now be debited on 1st June, 1st Sept., 1st Dec. and 1st March instead of existing practice of debiting interest on 1st April, 1st July, 1st Oct and 1st January.

In case where the documents have been executed during the current financial year, incorporating the interest debit dates as per old practice may now be got modified in such a manner that interest shall fall due on 1st June, 1st Sept., 1st Dec. and 1st March by getting the Modification Deed executed/after obtaining the consent letter from the unit and the PDCs may also be got rectified/amended accordingly.

It is quite possible that some of the borrowers might have deposited the interest dues as per the odl agreement, whereas the Corporation has debited the interest as per the new debit dates. In all those cases where the first disbursement (including the token money) has been made during the current financial year and the payment has been received by the Corporation within the grace period as per the old interest debit dates, then the rebate of timely payment may be allowed to all such borrowers.

All concerned are advised to take note of the above and ensure proper compliance.

SD/-

(Ashwani Bhagat)
Executive Director

RFC/P&G/1091
/RFC/LA/408

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-12(18)/1818

Dated : 31.12.2004

P&G CIRCULAR

**Reg : Refinance scheme for Technology Development
& Modernisation (RTDM).**

SIDBI vide its ;circular no. F1.14/2004-2005 dt. 30.11.04 has decided to discontinue the Refinance Scheme for Technology Development and Modernisation for SSI Units (RTDM). Proposals involving modernization in eligible sub-sections can be considered under Credit Linked Capital Subsidy Scheme (CLCSS) of Got. Of India which offers capital subsidy of 12%.

Chapter LA(S)-1/12 JJ, of P&G (pae no. 171 to 173), therefore, stands deleted.

All concerned are advised to take note of above.

SD/-
(Ashwani Bhagat)
Executive Director

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-15(11)/1917

Dated : 10.01.2005

P&G CIRCULAR

**Reg : Incentives by State Financial Institutions-
Biotechnology Policy**

The Government of Rajasthan, Science & Technology Department, vide Note dt. 09.11.2004 (Copy enclosed) has issued notification for Bio-technology Policy and also for financing the projects related to Bio-technology by way of financial assistance including Venture Capital and investment in Bio-technology industry in the form of equity.

The matter was placed before the Board in its Meeting held on 20.12.2004 for getting necessary approval for financing Bio-technology project. Accordingly, the Board has approved the proposal for financing the project related to Bio-technology on priority basis on fulfilling existing financial norms/parameters for term loan financing.

However, since the Corporation does not have any venture capital fund and is not considering financial assistance through equity, the Corporation will not be able to provide venture capital and equity to such projects.

All concerned are advised to take note of above.

**SD/-
Executive Director**

**RFC/P&G/1096
/RFC/LA/410**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-13(1)/1926

Dated : 20.01.2005

P&G CIRCULAR

Reg : Enhancement in the limit of Financing.

SIDBI vide its Circular No. FI./2004-2005 dt. 31.08.2004 has allowed the Corporation to provide assistance to units beyond Rs. 500 lacs and upto Rs. 2000 lacs in case of a Corporation or a Company or a Co-operative Society and beyond Rs. 200 lacs and upto Rs. 800 lacs in case of others (which are maximum permissible under the SFCs Act) on case to case basis (Copy of SIDBI Circular is enclosed herewith).

The Board of Directors in its meeting held on 20.12.2004 has approved the aforesaid proposal within the existing delegated powers.

Henceforth, the loan files can be accepted by the Corporation upto Rs. 2000 lacs in case of a Corporation or a Company or a Cooperative Society and upto Rs. 800 lacs in case of others as per SIDBI's Circular dt. 31.08.2004.

All concerned are advised to take note of above.

**SD/-
Executive Director**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-14(4)/1984

Dated : 27.01.2005

P&G CIRCULAR

Reg : Mandatory Provisions for Environment Clearance.

On above Environment & Forest, Govt. of India has issued a amending notification dt. 7.7.2004 as to add two more categories of projects to the existing Schedule-I or the original notification dt. 27.1.2004. These categories are as under :

- i. New Construction Projects
- ii. New Industrial Estates

As per the said notification, (a) New Townships, Industrial Townships, Settlement Colonies, Commercial Complexes, Hotel Complexes, Hospitals and Office Complexes for 1000 persons or above or discharging sewage of 50,000 litres per day or above or with an investment of Rs. 50 crores lor above (b) any Industrial Estate accommodating Industrial units in an area of 50 Hectares or above but excluding the industrial estates irrespective of area if their pollution potential is high, fall within the purview of the amended Environment Impact Assessment Notification are required to comply with the provisions of this notification and submit their project proposals in the prescribed performa alongwith relevant documents for consideration of the Ministry of Environment & Forests, Govt. of India, for prior environment clearance. Copy of the relevant abstract of original notification dt. 27.1.1994 and the amended notification dt. 7.7.2004 are being enclosed herewith for necessary action.

All concerned are advised to take care of above guidelines whild processing the applications of the cases falling under the purview of the said notification.

**SD/-
Executive Director**

**RFC/P&G/1098
/RFC/LA/413**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/Loan/Gen-RCG/04-05/2199

Dated : 01.03.2005

P&G CIRCULAR

**Reg : Providing Consultancy Services by RFC
Consulting Group**

It has been felt that RFC assisted and non-assisted units have been facing problems regarding preparation of project reports, pre feasibility report required by different FIs/Bank/Government Agencies for providing term loans/grants/subsidies. Moreover, consultancy on various aspects is also needed. The promoters are not in a position to prepare such reports at their level and if an Institution like RFC take up such matters and provide need based consultancy by charging some fees, the entrepreneurs will be facilitated and their work would be done expeditiously.

A proposal for formation of RFC Consulting Group and providing consultancy services was approved by the Board in principle.

Area of Consultancy :

- i. Preparation of pre-feasibility reports and project reports alongwith vetting for different financial institutions including commercial banks.
- ii. Query based consultancy for different financial institutions.
- iii. Valuation of industrial units as well as other assets of all categories irrespective of engineering branches, financed/being financed by different financial institutions/banks etc.
- iv. Other consultancy services may also be included at a laer stage, looking to the need of the market like ISO 9000 & 14000 Certification, import export consultancy surveyor and loss assessor work etc.

Fee Structure

Following are the fee structure :

- a) Preparation of pre-feasibility report/project report including vetting (for a house as well as for other FIs/banks).

i. Project cost upto 100 lacs	0.5% of project cost
ii. Project cost above 100 lacs to 500 lacs	0.4% of project cost (Minimum Rs. 0.50 lacs)
iii. Project cost above 500 lacs	0.3% of project cost (minimum Rs. 2.00 lacs)

- b) Preparation of project report only :

i. Project cost upto 50 lacs	Rs. 7500/-
ii. Project cost above Rs. 50 lacs to 100 lacs	Rs. 10000/-
iii. Project cost above 100 lacs	Rs. 20000/-

- c) Valuation services (for other than RFC assisted units)

0.125% of fixed assets (cases below Rs. 5.00 lacs shall not be considered) Minimum charges for valuation Rs. 10000/-.

Note : The service tax shall be extra as applicable from time to time.

Other terms and conditions :

- i. Other overhead/out of pocket expenses shall be borne by the party i.e. like supplier visit and other visit for similar units, inspection, ascertaining scope etc.
- ii. Fee may be negotiable on case to case basis. Discount may be offered on quantum & type of work. The negotiation may be done by members of Consulting Group but final approval shall be given by ED.
- iii. 75% fee shall be deposited as an advance alongwith request and rest 25% shall be deposited before handing over the report to the entrepreneur. The fee is not refundable in any case.
- iv. The mode of payment may be either cash/cheque/DD in favour of RFC and should be credited in a separate head "Receipt from consulting services." A separate accounting code may be given by Accounts Section for treatment of accounting entries.

- v. The selected officers of Consulting Group are authorized to undertake consultancy services and to charge fee @ 10% of income actually generated is to be distributed equally among the officers of consulting group.

Other Modalities :

1. Acceptability of project report of Consulting Group for availing loan from RFC ;
 - i. Preparation of project report on the basis of documents submitted by the party but prima facie examination of cost, supplier and profitability without going into detail.

The case is to be placed in IPC for BO/RO level cases and PC&CC for HO level cases as per usual practice.

- ii. Preparation of prefeasibility report on the basis of documents submitted by the party but after detailed examination of the case like cost, supplier and profitability.

The case is to be placed in IPC for BO/RO level cases and PC&CC for HO level cases but not to be examined further on cost, supplier and profitability. However, all such cases are to be processed as per norms of the Corporation.

2. As regards preparation of project report/prefeasibility report for in house as well as other FIs/banks is concerned, the final report prepared by Consultancy Group is to be placed before PC&CC for its approval.

All concerned are advised to mobilize cases for providing various consultancy services to RFC Consulting Group at HO and to give wide publicity through industrial association and other forums etc.

SD/-

(SANJAY DIXIT)

Chairman & Managing Director

**RFC/P&G/1100
/RFC/LA/414**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-13(1)/50

Dated : 05.04.2005

P&G CIRCULAR

Reg : Guidelines for sanction of loan cases having high exposure.

In continuation to earlier P&G Circular No. 1096 dt. 20.1.05 regarding enhancement in the limit of financing, the Board in its Meeting held on 18.3.05 has approved the guidelines for sanction of loan cases having high exposure as per Annexure-A.

These guidelines shall be applicable with immediate effect while sanction of loan cases having applied amount beyond Rs. 10.00 crores and upto Rs. 20.00 crores in case of a Corporation/company/cooperative society and beyond Rs. 5.00 crores and upto Rs. 8.00 crores in other cases.

All concerned are advised to take note of above and ensure proper compliance.

SD/-

Executive Director

RFC/P&G/1111
/RFC/LA/418**RAJASTHAN FINANCIAL CORPORATION**
(LOANS SECTION)Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-13(4)/581

Dated : 25.06.2005

P&G CIRCULAR**Sub : Loan Application Fee**

The Corporation has been receiving various loan applications which is required to be accompanied with the requisite application fees. A proposal for revision in loan application fees was placed in the Board of Directors in its meeting held on 15.6.05. The Board has considered the proposal and approved the following scale of loan application fees with immediate effect :

Amount in Rs.)

S.No.	Amount of Loan Applied for	Application Fees
a)	Upto Rs. 25,000/-	25/-
b)	From Rs. 25,001/- to Rs. 50,000/-	50/-
c)	From Rs. 50,001/- to Rs. 2.00 lacs	200/-
d)	From Rs. 2,00,001/- to Rs. 5.00 lacs	400/-
e)	Exceeding Rs. 5.00 lacs	0.1%
f)	Seed Capital Application	75/-

NOTE :

- 1) In cases of loan amount applied exceeding to Rs. 5.0 lacs, the loan application fees shall be Rs. 100/- for every lac of loan amount applied for or part thereof.
- 2) For other applications (e.g. assistance under ERS?IRBI, underwriting, deferred payment guarantee etc.), the rate of loan application fee is as per the rate specified from (a) to (f) above.
- 3) In case the concern has applied for loan with a proviso of equity by way of public issue, application fee would be as under :
 - 0.1% of loan amount applied.
 - 0.25% of the public issue amount.
- 4) In case, projects are received from Banks/FIs for appraisal, the loan application fee shall be charged @ 0.25% of the project cost.

- 5) In case of self financed cases for subsidy, the loan application fee shall be charged @ 0.25% of the project cost.
- 6) Except in Category (a) & (b) above, the loan application fee shall be charged @ 0.50% in case of technocrats, SC/ST entrepreneurs, physically disabled persons and women entrepreneurs (for loans upto Rs. 5.00 lacs) if they have approached for grant of loan under the Special Scheme meant for them.
- 7) It is possible that in some cases, RFC may engaged services of outside persons/consultants for obtaining expert advice and report. In all such eventualities any sum paid by the Corporation for obtaining such reports and if that amount exceeds 0.1% of the amount applied/project cost, then that excess amount shall have to be borne by the party itself.
- 8) If amount applied is enhanced subsequently, the additional loan application fee for the enhanced amount (payable as per schedule) shall have to be collected.

The above changes may be incorporated in LA-2 at S.No.1.2 on page 2 of PG and loan applications fees as per above revised scheduled shall be charged in the loan applications to be received henceforth.

All concerned are advised to take note of above and ensure compliance.

SD/-

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-13(4)/582

Dated : 25.06.2005

P&G CIRCULAR

Sub : Refund of Loan Application Fees

The detailed guidelines with regard to refund of loan application fee was circulated vide P&G Circular No. 1019 dt. 27.9.03. The matter regarding refund of loan application fees was again placed in the Board of Directors in its Meeting held on 15.6.05 and after consideration, the Board has decided that in the following type of cases also, the loan application fees may be refunded with immediate effect :

- a) Sometimes, the loan application is not put up before IPC/PC&CC for want of required information/documents and the case is closed. Similarly, in GBD cases, if unit does not fulfill eligibility criteria like security debt ration, debt equity ratio, incurring losses etc. and cases are closed due to non eligibility criteria for sanction. In all such cases 75% of loan application fees may be refunded back.
- b) In case the loan application is reopened after a lapse of more than 3 months from the date of its closure, then 25% loan application fee shall be got deposited afresh and the case may be allowed to be reopened subject to the condition that 75% of the earlier loan application fee had not been refunded. In case of 75% of the loan application fee had already been refunded earlier, then in that eventuality party has to deposit full loan application fee afresh.
- c) Whenever the case is cleared in principle by IPC/PC&CC on certain terms and conditions and the term loan thereafter could not be sanctioned as a result of justified reasons (such as title problem), 60% of the loan application fee may be refunded back.

The above modifications may be added in P&G (in continuation to earlier P&G Circular No. 1019 dt. 27.9.03) at para no. 1.3 of Chapter LA-2.

All concerned are advised to take note of above and ensure compliance.

SD/-

(Karni Singh Rathore)

Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-11(31)/583

Dated : 25.06.2005

P&G CIRCULAR**Sub : Processing Charges**

The Corporation has been levying processing charges as per details given below on loan sanctioned amount before conveying sanction advise as per P&G Circular No. 1055 dt. 27.5.04 :

Amount in Rs.)

S.No.	Amount of Loan Applied for	Application Fees
a)	Upto Rs. 25,000/-	NIL
b)	From Rs. 25,001/- to Rs. 50,000/-	1%
c)	From Rs. 50,001/- to Rs. 2.00 lacs	1.1%
d)	From Rs. 2,00,001/- to Rs. 5.00 lacs	1.15%
e)	Exceeding Rs. 5.00 lacs	0.1%
f)	Seed Capital Application	1.2%

A proposal for revision in processing charges was placed before the Board of Directors in its meeting held on 15.6.05. The Board has considered the proposal and approved the following processing charges to be levied in the cases sanctioned on or after the date of Board Meeting i.e. 15.6.05 :

1. No processing charges shall be charged for the loan amount sanctioned upto Rs. 25,000/- and in Card Scheme of Good Borrowers (Platinum, Gold and Silver Card Schemes).
2. Processing charges @ 1% of the term loan sanctioned shall be applicable in the cases sanctioned on or after the date of Board Meeting.
3. In the cases wherein the amount of loan sanctioned is exceeding Rs. 5.00 crores, the processing charges upto the loan amount of Rs. 5.00 crores is to be charged @ 1% and beyond Rs. 5.00 crores, the High Level Committee formed by the Board for reduction in rate of interest may reduce the processing charges upto the extent of 50% of the prescribed scale in deserving cases, on case to case basis.

The ABOVE CHANGES IN Processing Chartes may be incorporated in P&G at LA-2 at S.No. 4.4 of Page no. 16 of P&G and above revised schedule shall be applicable in all cases to be sanctioned henceforth.

All concerned are advised to take note of above and ensure compliance.

SD/-

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-13(11)/584

Dated : 27.06.2005

P&G CIRCULAR

Sub : Similar Interest Rate for SSI & MSI/Non SSI Sector

The detailed guidelines for charging different rate of interest for SSI & MSI/Non SSI Sector and in TUF cases were circulated vide P&G Circular No. 1057 dt. 27.5.04 and P&G Circular No. 1077 dt. 24.9.04 respectively.

The matter with regard to keeping similar rate of interest for SSI & MSI/Non SSI Sector was placed before Board in its meeting held on 15.6.05. After consideration, the Board approved that the same rate of interest i.e. 12.75% for MSI/Non SSI Sector as applicable for SSI Sector in the cases for loan amount exceeding Rs. 25.00 lacs, in the cases sanctioned on or after the date of Board Meeting shall be charged.

Interest rate structure applicable for MSI/Non SSI Sector is given at Annexure-A.

Further, similar rate of interest applicable to SSI Sector (loan amount exceeding Rs. 25.00 lacs) shall be charged for Small Road Transport Operators (SRTO's) above 20 number of vehicles, Hospital and Nursing Home, Commercial and Residential Complexes & Tourism related activities including Hotels and restaurant etc. having project cost above Rs. 10.00 crores. In Good Borrowers Schemes for MSI/Non SSI Sector also. The similar rate of interest applicable to SSI Sector (loan amount exceeding Rs. 25.00 lacs) shall also be charged.

In TUF cases, the rate of interest shall continue to be charged as per P&G Circular No. 1077 dt. 24.9.04 and no further rebate for timely payment shall be available.

All concerned are advised to take note of above and ensure compliance.

SD/-

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-13(11)/639

Dated : 05.07.2005

P&G CIRCULAR

**Sub : Enhancement in rebate for timely payment & Revision
Of effective interest rate structure of the Corpn.**

The detailed guidelines for charging different rate of interest for SSI/MSI/Non SSI Sector in TUF cases were circulated vide P&G Circular No. 1057 dt. 27.5.04 and P&G Circular No. 1077 dt. 14.9.04, respectively. Guidelines for charging similar rate of interest for SSI & MSI was issued vide P&G Circular No. 1114 dt. .

The Board of Directors in its meeting held on 15.6.05 has authorized the CMD to order the current effective rate of interest by 0.5% in all cases. Accordingly, the matter was placed in the PC&CC in its meeting held on 30.6.05 and the Committee approved the revised effective rate of interest as per Annexure-A and rebate for timely payment as under :

1. Enhancement of rebate for timely payment from 1.5% to 2% in cases of loans exceeding Rs. 50,000/- in General Loan Scheme including Financing against Assets Scheme (long term), and 2% to 2.25% in Commercial Complex, Residential Complex, Hospital & Nursing Home Financing against Assets Scheme (Short Term) and cases covered under the scheme (excluding Card Scheme).
2. In case of Good Borrowers seeking financial assistance to the tune of Rs. 100.00 lacs & above, the existing rebate of 2.5% for timely payment shall remain unchanged.

The revised rebate for timely payment and effective interest rate as per Annexure-A and Annexure-B respectively shall be made applicable in the cases sanctioned on or after 1.7.05.

All concerned are advised to take note of above and ensure compliance.

SD/-

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-GBD/Gen/125/676

Dated : 04.07.2005

P&G CIRCULAR

**Sub : Scheme for Financing for Builders/Commercial/Residential
Complexes/Multiplexes, Hotels (Tourism Related activities)
Hospitals, Nursing Home for purchase of Land & Building**

The Corporation has introduced a Scheme for Financing against Assets Scheme vide P&G Circular number 1007 dt. 22.5.03. The Scheme for Financing against Assets (Short Term Loan Scheme). The P&G Circular No. 1076 dt. 21.9.04. The Scheme was revised to meet the long term and short term requirements of the entrepreneurs for industrial/service/commercial purpose by mortgaging the fixed immovable assets.

A need has been felt for meeting out the immediate financial requirements by the entrepreneurs for purchase of land, building from Govt. Authorities/private parties for construction of Commercial/Residential/Complexes/Multiplexes, Hotels (Tourism related activities) Hospital,s Nursing Home etc. which are covered U/S 2© of SFCs Act. A proposal was accordingly placed before the Board of Directors in its meeting held on 5.6.05. The Board has considered the proposal and approved the scheme. The Scheme is enclosed and marked as Annexure-A.

Methodology of Appraisal

The Scheme does not require detailed appraisal. However, prima-facie there should not be any adverse reporting against the promoter and its sister concerns by any financial institution/banks in past and their dealing with the bank/financial institution should be satisfactory, if any financial assistance availed.

Follow-up and Monitoring

Since it is a scheme for purely financing against land and building, a close follow up and monitoring of timely repayment has to be ensured. The Branch Managers shall have full powers for taking legal action in case of two consecutive default under the SFC's act in respect of the cases financed under the Scheme so as to effect recovery without delay together with action U/S 138(b) of the Negotiable Instruments Act for dishonour of the cheque.

All concerned are advised to take note of above and ensure compliance of the same.

SD/-

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-15(6)/1009

Dated : 25.08.2005

P&G CIRCULAR

Sub : Financial Assistance for Dall & Oil Mill Project.

A study on the performance of Dall & Oil Mills financed by the Corporation was conducted by Technical Cell and placed in the Meeting of PC&CC held on 4.8.05 for discussions. While considering the study report the Committee took following decisions :

1. No financial assistance should be allowed for Dall & Oil Mills project for smaller loans upto Rs. 5.00 lacs. No such unit should be financed in rented premises.
2. Beyond Rs. 5.00 lacs in all such loans, the promoter's contribution shall not be less than 50% of the project cost.
3. Collateral Security equivalent to term loan amount for fixed assets and 150% for WCTL shall have to be furnished besides primary security.

In view of the above, it has been decided to modify the above conditions in the head of Dall & Oil Mill project under the Selective List Schedule 1/6 (B) of the P&G Circular No. 1032 dt. 18.12.03. The above guidelines would not be made applicable in case of good borrowers of the Corporation.

However, financial assistance to such units under Good Borrower Scheme shall be considered only at HO.

All concerned are advised to take note of above and ensure compliance of the same.

SD/-
(Anand Kumar)
Executive Director

RFC/P&G/1122
/RFC/LA/425

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-(Gen-RFC)05-06/1031

Dated : 29.08.2005

P&G CIRCULAR

Sub : Providing Consultancy Services by RFC.

A proposal for creation of separate cell for providing consultancy services by the Corporation alongwith fee structure was placed before the Board of Directors in its meeting held on 15.6.05, the Board has considered the proposal and approved the same for creation of separate cell for providing consultancy services by the Corporation. The Board has further authorized the CMD to make need based changes in the services and fee structure. Scheme for providing consultancy services by the Corporation alongwith fee structure is enclosed as per Annexure-A. This is in supersession of earlier Circular no. RFC/PG-1099 dt. 1.3.05.

All concerned are advised to take note of above and mobilize cases for providing various consultancy service to "Consultancy Cell" and give wide publicity through Industrial Associations and other forums etc.

SD/-
(Karni Singh Rathore)
Chairman & Managing Director

RFC/P&G/1126
/RFC/LA/426

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-15(6)/1326

Dated : 30.09.2005

P&G CIRCULAR

**Sub : Financial Assistance for “Rerolling Mills
(Mild Steel) and Induction Furnaces.”**

A study on the performance of steel re-rolling mills (Mild Steel) and Induction Furnaces financed by the Corporation was conducted by Technical Cell and placed in the PC&CC in its meeting held on 21.9.05 for discussions. After discussions the Committee decided to include the product in the selective list that financing to steel re-rolling mills (Mild Steel) and induction furnaces may be considered only to experienced and financially sound promoters with need base collateral security on individual merits of the case.

All concerned are advised to take note of above and ensure compliance of the same.

SD/-

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-15(6)/1656

Dated : 26.11.2005

P&G CIRCULAR

Sub : Financial Assistance for Mineral Grinding Units.

A study on the performance of mineral grinding units (calcite, quartz, dolomite, feldspar, china clay, soap stone, gypsum, Bentonite, lime stone etc.) financed by the Corporation was conducted by Technical Cell and the same was placed in the Meeting of PC&CC held on 31.10.05. After discussions, the Committee decided to include the item in the selective list of the Corporation as under :

- A. Existing guidelines for not accepting the loan application for providing financial assistance for setting up mineral grinding units (marble chips and powder) in Alwar District shall be continued unless it is backed by atleast 100% mortgageable and marketable collateral security.
- B. Financing to Mineral Grinding Units other than Alwar District (marble chips and powder) may be considered to experienced and financially sound promoters with need based collateral security.

Accordingly, it has been decided to add above "B" point at Sr. No. 5 ("Mineral Grinding") titled as "Mines and Mineral Products" under the selective List Schedule 1/6(B) of the P&G Circular No. 1032 dt. 18.12.03.

All concerned are advised to take note of above and ensure compliance of the same.

SD/-
(Anand Kumar)
Executive Director

RFC/P&G/1173

RFC/LA/456

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-13(4)/105

Dated : 18.04.2007

Sub : Obtaining PDCs for repayment of term loan amount.

The Corporation is invariably stipulating the condition for obtaining Post Dated Cheques (PDCs) in the loan schemes where the repayment of principal and interest amount is through Equated Quarterly Installments (EQIs)/ Equated Monthly Installments (EMIs).

The matter was reviewed and it has been decided that henceforth PDCs for principal amount also invariably be obtained in all the Loan cases sanctioned on or after 01.04.2007 wherein repayment of principal and interest amount is to be made through separate installment.

Condition in this regard be stipulated in all the term loan cases sanctioned henceforth for obtaining PDCs for repayment of principal amount.

All concerned are advised to take a note of above & ensure compliance.

Sd/-

(B. N. SHARMA)

Chairman & Managing Director

COPY TO :

- 1- All ROs / BOs / SOs.
- 2- Standard Circulation at H. O.
- 3- GM (W. Z.), RFC, Jodhpur.
- 4- Dy. Gen. Manager (WZ), A&I, Ajmer.

RFC/P&G/1174

RFC/LA-457

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-15(6)

Dated : 26.04.2007

P&G CIRCULAR

Reg : Technology Upgradation Fund Scheme (TUFS)

The Joint Textile Commissioner, Ministry of Textiles, Government of India, Mumbai, vide letter datd 04.04.2007 (photocopy enclosed) has informed that the Govt. has decided to keep the Technology Upgradation Fund Scheme (TUFS)in abeyance for sanction of any fresh loans w.e.f.01.04.2007 till the finalization of modifications and issuance of instructions in this regard.

All concerned are advised to take note of the above and ensure compliance.

Sd/-
(B. N. Sharma)
Chairman & Managing Director

Copy to :

- 1- All ROs / BOs / SOs.
- 2- Standard Circulation at Head Office.
- 3- GM (W.Z.), RFC, Jodhpur
- 4- Dy. General Manager (WZ), A&I, Ajmer

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-GBD/Gen/125/270

Dated : 16.05.2007

**: P&G CIRCULAR :
(LA No. 458)**

Reg : Scheme for Financing Against Assets.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 thereafter following amendments /modification were also issued :-

S. No.	P&G Circular No.	Date of Issue	S. No.	P&G Circular No.	Date of Issue
1-	1018	30.08.2003	2-	1020	30.09.2003
3-	1028	18.11.2003	4-	1033	19.12.2003
5-	1037	15.01.2004	6-	1052	27.05.2004
7-	1068	11.08.2004	8-	1075	20.09.2004
9-	1086	07.10.2004	10-	1098	29.01.2005
11-	1105	25.04.2005	12-	1109	25.06.2005
13-	1110	25.06.2005	14-	1132	26.11.2005
15-	1137	08.12.2005	16-	1140	09.01.2006
17-	1147	06.05.2006	18-	1160	09.10.2006
19-	1165	09.11.2006	20-	1168	20.01.2007

The DGM (R), Alwar has requested for inclusion of MIA-RIICO Industrial Area, Alwar in Annexure "A" of the Scheme for Financing against Assets.

The Board of Directors in its Meeting held on 20.12.2004 has authorized CMD to include /exclude any specific area in the Eligibility Criteria of FAA Scheme on merits. The Competent Authority has decided to include MIA, Industrial Area, Alwar under FAA Scheme, as under :-

"The MIA-RIICO Industrial Area, Alwar has been included in Annexure "A" under clause 2(a) of the eligibility Criteria of the Financing Against Assets Scheme, with the condition that MRV of land shall be considered on prevailing reserve price of RIICO and the MRV of building shall be considered, as per norms of the Corporation".

All concerned are advised to take a note of above and ensure compliance.

sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices/RO's.
- 3- DGM (A&I), Eastern & Western Zones.
- 4- GM (WZ), RFC, Jodhpur.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 and some amendments were also issued vide P&G Circular No. 1018 Dated : 30.08.2003, P&G Circular No. 1020 Dated : 30.09.2003, P&G Circular No. 1028 Dated : 18.11.2003, P&G Circular No. 1033 Dated : 19.12.2003, P&G Circular No. 1037 Dated : 15.01.2004, P&G Circular No. 1052 Dated : 27.05.2004, P&G Circular No. 1068 Dated : 11.08.2004, P&G Circular No. 1075 Dated : 20.09.2004, P&G Circular No. 1086 Dated : 07.10.2004, P&G Circular No. 1098 Dated : 29.01.2005, P&G Circular No. 1105 Dated : 25.04.2005, P&G Circular No. 1109 Dated : 25.06.2005, P&G Circular No. 1110 Dated : 25.06.2005, P&G Circular No. 1132 Dated : 26.11.2005, P&G Circular No. 1137 Dated : 08.12.2005, P&G Circular No. 1140 Dated : 09.01.2006, P&G Circular No. 1147 Dated : 06.05.2006, P&G Circular No. 1160 Dated : 09.10.2006, P&G Circular No. 1165 Dated : 09.11.2006 and P&G Circular No. 1168 Dated : 20.01.2007.

, it has been decided to include t

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-15(6)/273

Dated : 18.05.2007

**: P&G CIRCULAR :
(LA No. 459)**

Reg : Financial assistance for Mineral Grinding Units.

Mineral grinding units had been included in the selective list of the Corporation vide P&G Circular No. 1131 Dated : 26.11.2005, with the under-mentioned provisions :-

- A. Existing guidelines for not accepting the loan application for providing financial assistance for setting up mineral grinding units (marble chips and powder) in Alwar District shall be continued unless it is backed by atleast 100% mortgageable and marketable collateral security.
- B. Financing to mineral grinding units other than Alwar District (marble chips and powder) may be considered to experience and financially sound promoters with need based collateral security.

The position of the mineral grinding units (marble chips and powder) in Alwar District has been reviewed on the recommendations of the DGM (R), Alwar and it has been decided by the Competent Authority to consider financial assistance for setting up mineral grinding units (marble chips and powder) including expansion, on merits of the case in the industrial areas of Alwar District (MIA, Rajgarh, Khairthal, Old Industrial Area, Alwar) with the condition to furnish 100% collateral security which will include MRV of land as prime

: 2 :

security (for the purpose of calculating MRV of land, prevailing RIICO reserve price is to be considered).

Accordingly, it has been decided to add/ modify the Para "A" appearing under the selective list schedule 1/6- (B) of the P&G Circular No. 1131 Dated : 26.11.2005.

All concerned are advised to take a note of above and ensure compliance.

sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices/RO's.
- 3- DGM (A&I), Eastern & Western Zones.
- 4- GM (WZ), RFC, Jodhpur.

RFC/P&G/1178
RFC/LA/460

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-12(61)/319

Dated : 24.05.2007

: P&G CIRCULAR :

**Reg : PROVISIONAL NOC IN FAVOUR OF FIs/ BANKS IN LOAN
CASES OF CONSTRUCTION OF RESIDENTIAL/ COMMERCIAL
COMPLEXES.**

The Corporation has been receiving requests from the borrower units of loan cases for construction of residential /commercial complexes requesting to issue provisional NOC for the buyers who intend to avail loan from FIs/ Banks against any area of complex in favour of any FIs/ Banks extending financial assistance.

The matter has been examined and it has been decided that whenever such requests are received from the loanee concern alongwith request of the proposed buyer as well as request from the concerned banks /FIs for issue of provisional NOC on account of sanctioned loan to the prospective buyer in the complex (with schedule of release of instalments of sanctioned term loan), the concerned BM may issue the provisional NOC stating as under :-

: PROVISIONAL NOC :

"RFC has granted a term loan of Rs. _____ on the complex of the concern /company and shall have first charge over the entire property till 75% of the sale consideration in case of residential area and 60% in case of commercial area (envisaged in the Project Report) of any residential /commercial area of the complex is deposited with the Corporation. If any loan /instalment is released by FIs/ Banks against purchase of any area in the complex, the same shall first be deposited with the Corporation in the loan account of the borrower.

Final NOC of the concerned area in the complex shall be issued in favour of FIs/ Banks after deposition of 75% of the sale proceeds in case of residential area and 60% in case of commercial area (envisaged in the Project Report) including the amount already deposited through instalments by the FIs/ Banks".

All concerned are advised to take note of the above and ensure compliance.

Sd/-
(S. K. Agarwal)
Executive Director

Copy to :

- 1- All ROs / BOs / SOs.
- 2- Standard Circulation at Head Office.
- 3- GM (W.Z.), RFC, Jodhpur

: 3 :

4- Dy. General Manager (WZ), A&I, Ajmer

RFC/P&G/1179

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No. RFC/LA-12(43)/320

Dated : 24.05.2007

CIRCULAR
(LA No. 461)

Reg : National Equity Fund.

The SIDBI vide its circular No. 6/2007-08 Dated : 27.04.2007 (photo copy enclosed) has advised not to contract any new NEF cases with immediate effect from 01.05.2007 as GOI has advised SIDBI that no further budgetary allocation would be available from FY-08 onwards.

Accordingly, all concerned are advised not to accept any loan application in the NEF Scheme with immediate effect and application received after 30.04.2007 may be closed with intimation to Head Office and the application Fee be refunded as per norms.

Pending loan applications which were received before 30.04.2007, may be referred to Head Office immediately for taking further necessary action.

All concerned are advised to take a note of above and ensure compliance.

Sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to :

1. All ROs / BOs / SOs.
2. GM (Western Zone), Jodhpur.
3. DGM (A&I), Ajmer.
4. Standard Circulation at HO.
5. All Nodal Officers of the Regions.

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-GBD/Gen/125/493

Dated : 14.06.2007

**: P&G CIRCULAR :
(LA No.462)**

Reg : Scheme for Financing Against Assets.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 thereafter following amendments /modification were also issued :-

S. No.	P&G Circular No.	Date of Issue	S. No.	P&G Circular No.	Date of Issue
1-	1018	30.08.2003	2-	1020	30.09.2003
3-	1028	18.11.2003	4-	1033	19.12.2003
5-	1037	15.01.2004	6-	1052	27.05.2004
7-	1068	11.08.2004	8-	1075	20.09.2004
9-	1086	07.10.2004	10-	1098	29.01.2005
11-	1105	25.04.2005	12-	1109	25.06.2005
13-	1110	25.06.2005	14-	1132	26.11.2005
15-	1137	08.12.2005	16-	1140	09.01.2006
17-	1147	06.05.2006	18-	1160	09.10.2006
19-	1165	09.11.2006	20-	1168	20.01.2007
21-	1176	16.05.2007			

The Manager and DGM (R), Kota have requested for inclusion of Industrial Areas falling under the jurisdiction of Branch Office, Kota in Annexure "A" of FAA Scheme for financing. The matter was placed before PC&CC in its meeting held on

: 2 :

01.06.2007 and the Committee decided to include the Furniture Industrial Area, Small Scale Industrial Area and Industrial Estate at Kota in Annexure "A" under clause 2 (a) of the eligibility criteria of the Financing Against Assets Scheme.

All concerned are advised to take a note of above and ensure compliance.

sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices/ RO's.
- 3- DGM (A&I), Eastern & Western Zones.
- 4- GM (WZ), RFC, Jodhpur.

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-GBD/Gen/125/592

Dated : 23.06.2007

**: P&G CIRCULAR :
(LA No. 463)**

Reg : Scheme for Financing Against Assets.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 thereafter following amendments /modification were also issued :-

S. No.	P&G Circular No.	Date of Issue	S. No.	P&G Circular No.	Date of Issue
1-	1018	30.08.2003	2-	1020	30.09.2003
3-	1028	18.11.2003	4-	1033	19.12.2003
5-	1037	15.01.2004	6-	1052	27.05.2004
7-	1068	11.08.2004	8-	1075	20.09.2004
9-	1086	07.10.2004	10-	1098	29.01.2005
11-	1105	25.04.2005	12-	1109	25.06.2005
13-	1110	25.06.2005	14-	1132	26.11.2005
15-	1137	08.12.2005	16-	1140	09.01.2006
17-	1147	06.05.2006	18-	1160	09.10.2006
19-	1165	09.11.2006	20-	1168	20.01.2007
21-	1176	16.05.2007	22-	1181	14.06.2007

The Manager, Branch Office, Bhiwadi has requested for inclusion of RIICO Industrial Area, Chopanki & Khuskhara in the eligibility criteria in Annexure-A and area of UIT, Bhiwadi falling under the jurisdiction of Branch Office, Bhiwadi under

FAA Scheme for financing. The matter was placed before PC&CC in its meeting held on 13.06.2007 and the Committee decided to include the RIICO Industrial Area, Chopanki & Khuskhera in Annexure "A" under clause 2 (a) of the eligibility criteria and area of UIT, Bhiwadi under category 2 (b) of the eligibility criteria of Financing Against Assets Scheme.

The Committee further decided that for the MRV calculation of the properties located /situated in these areas, the prevailing RIICO allotment rates /DLC rate shall be considered in UIT's area.

All concerned are advised to take a note of above and ensure compliance.

Sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices/ RO's.
- 3- DGM (A&I), Eastern & Western Zones.
- 4- GM (WZ), RFC, Jodhpur.

RFC/P&G/1184
RFC/LA-464

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-13(11)/657

Dated : 30.06.2007

P&G CIRCULAR

**Reg : Revision in interest rate structure of the
Corporation**

The detailed guidelines for charging different rate of interest for SSI & MSI / Non SSI Sector and in TUF cases were circulated vide P&G circular No. 1057 Dated : 27.05.2004 and P&G Circular No. 1077 Dated : 24.09.2004, respectively. Guidelines for charging similar rate of interest for SSI & MSI was issued vide P&G Circular No. 1114 Dated : 27.06.2005, P&G Circular No. 1116 Dated : 05.07.2005, P&G Circular No. 1148 Dated : 08.05.2006 and P&G Circular No. 1152 Dated : 19.06.2006 were issued for enhancement in rebate for timely payment & revision of effective interest rate structure of the Corporation. Interest rates were rationalized vide P&G Circular No.1167 dated 06.01.2007, P&G Circular No.1170 dated 26.02.2007, PG Circular No. 1171 dt. 29.3.07 and P&G Circular No.1172 dated 11.04.2007.

Interest rate structure of the Corporation has been reviewed and it has been decided that the interest rate for Scheme for Financing For Builders /Commercial /Residential Complexes /Multiplexes, Hotels, Hospitals etc. for Purchase Of Land & Building shall be kept at par with Financing Against Assets Scheme for which Documented interest Rate shall be 16.00% p.a. and timely payment rebate shall be 1.00% p.a. (Effective rate 15.00%p.a.).

Documented interest Rate for Construction of Commercial /Residential Complexes, Hospitals, Nursing Homes, Hotels and Tourism Related activity shall be 15.00% p.a. and Timely Payment Rebate shall be 1.00% p.a. (Effective rate 14.00%p.a.). It has therefore been decided to revise the interest rate and timely payment rebate as per Annexure-A in all categories of loan cases to be sanctioned on or after 1.7.07 and the loan cases sanctioned earlier but the execution of loan documents (including token disbursement) of the same is to be done on or after 1.7.07.

All concerned are advised to take note of the above and ensure compliance.

Sd/-

(B.N.Sharma)
Chairman & Managing Director

Copy to :

- 1- All ROs / BOs / SOs.
- 2- Standard Circulation at Head Office.
- 3- GM (W.Z.), RFC, Jodhpur
- 4- Dy. General Manager (WZ), A&I, Ajmer

INTEREST RATE STRUCTURE EFFECTIVE FROM 01.07.2007**APPLICABLE FOR SSI /MSI /NON SSI SECTOR IRRESPECTIVE OF COST OF PROJECT**

S.No.	NAME OF THE SCHEME	DOCUMENTED RATE OF INTEREST	TIMELY PAYMENT REBATE	EFFECTIVE RATE OF INTEREST
1.	SME Sector units (Industrial & Service Sector)-Upto Rs. 50,000/-	12.25%	0.75%	11.50%
2.	SME Sector units (Industrial & Service Sector except mentioned at S.No. 3 & 4) (Above Rs. 50,000/- & upto Rs. 2000 lacs)	14.00%	2.00%	12.00%
3.	Financing Against Assets Scheme (Long & Short Term) and Scheme for financing for builders /commercial /residential complexes /multiplex , hotels, hospitals etc. for purchase of land & building	16.00%	1.00%	15.00%
4.	Construction of commercial /residential complexes, Hospitals, Nursing homes, Hotels & Tourism related activities (Project Loan)	15.00%	1.00%	14.00%

APPLICABLE FOR GOOD BORROWER SCHEMES

S.No.	NAME OF THE SCHEME	DOCUMENTED RATE OF INTEREST	TIMELY PAYMENT REBATE	EFFECTIVE RATE OF INTEREST
1.	Short Term Loan Scheme (STL), Working Capital Term Loan Schemes (WCTL), Units Promoted By Good Borrower(UPGB), Special Purpose Working Capital Term Loan Scheme (SPWCTL)	14.00%	2.25%	11.75%
2.	Working Capital Term Loan to Non Assisted Units, Potential Good Borrowers Scheme, Tatkal Scheme	14.00%	1.75%	12.25%
3.	Platinum Card Scheme	14.00%	2.25%	11.75%
4.	Gold Card Scheme	14.00%	2.00%	12.00%
5.	Silver Card Scheme	14.00%	1.75%	13.00%

Note :-

1.	In case of loans upto Rs. 5.00 lacs to SC/ST entrepreneurs the rate of interest shall be 2% less than the rate of interest applicable to other entrepreneurs in terms of PG circular No. 535 dated 7 th Aug., 1993.
2.	In case of loans upto Rs. 5.00 lacs, to disabled persons, a firm in which disabled person is partner having majority (not less than 51%) share, the rate of interest shall be 2% less than the rate of interest applicable to other entrepreneurs.
3.	Liquidated damages in case of default shall be charged on amount in default for the period of default at rates applicable prescribed by Corporation from time to time. No interest would be charged on the liquidated damages. However, the mode of appropriation of receipts shall remain uncharged.
4.	Interest on rehabilitation cases is to be charged as per the guidelines issued by the Reh. Cell.
5.	In the schemes where post dated cheques for equated quarterly / monthly installments are obtained, the cheques shall be taken net of rebate. It should be clearly mentioned that EQI/ EMI has been calculated in net of rebate i.e. at the interest rate ---% minus --% rebate. In case if the cheque is not realized then BO shall ask the borrower for enhanced amount of EQI/ EMI on actual rate of interest.
6.	The rebate of 1.00% in the commercial complex/ residential complex scheme shall be made available after availment of 75% of the sanctioned loan amount with retrospective effect as otherwise the rebate for timely payment shall be available @ 0.75%.
7.	No processing charges shall be levied under Card Loan Scheme under Good Borrowers.
8.	Service charges @ 1% p.a. are applicable quarterly in addition to the applicable interest on loans granted under WCTL Scheme of Good Borrowers/potential good borrowers, Pass Book Scheme NAU and Tatkal Scheme.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No. RFC/F.LA-GBD/Gen/125/1118

Dated : 20.08.2007

: P&G CIRCULAR :
(LA No. 467)

Reg : REVISION IN REPAYMENT PERIOD INCLUDING MORATORIUM PERIOD UNDER FAAS (LONG TERM & SHORT TERM) AND BUILDERS SCHEME FOR PURCHASE OF LAND AND BUILDING.

The matter for revision in repayment period and in Moratorium period under the following two Loans Schemes of the Corporation have been reviewed :-

i)	Financing Against Assets Scheme (Long Term & Short Term), and
ii)	Scheme for Financing for Builders /Commercial /Residential Complex/ Multiplexes, Hotel (Tourism Related Activities)/ Hospitals, Nursing Homes for purchase of Land & Building.

In supper-session of all earlier guidelines it was decided that in both these schemes, the repayment period shall be three years including the Moratorium period not exceeding six months, with immediate effect.

All concerned are advised to take a note of above and ensure compliance.

sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.
- 4- GM (WZ), RFC, Jodhpur.

RAJASTHAN FINANCIAL CORPORATION

HEAD OFFICE,
TILAK MARG,
JAIPUR.

Ref. No.RFC/LA-16(1)/1191

Dated : 30.08.2007

: P&G CIRCULAR :
(LA No.468)

SUB : Delegation of Powers for sanction of loan.

P&G Circular No. 889 dated 20-12-2000 and P&G Circular No. 1054 dated 27.05.2004 were issued for delegation of powers for sanction of loan.

Consequent upon the decision to close the Regional Offices, the matter relating to delegation of powers for sanction of term loans by the field offices was discussed by the PC&CC in its Meeting held on 20.08.2007 and it has been decided to revise the powers for sanction of term loans by the field offices as under :-

i) Sanction of term loan to SME sector including Good Borrowers :

	Sanctioning Authority	Maximum Amount
-	Dy. Manager (Br.)	Rs.20.00 lacs
-	Manager (Br.)	Rs.40.00 lacs
-	Dy. General Manager (Br.)	Rs.50.00 lacs

ii) Sanction of term loan to NON-SME sector :-

	Sanctioning Authority	Maximum Amount
-	Dy. Manager (Br.)	Rs.15.00 lacs
-	Manager (Br.)	Rs.25.00 lacs
-	Dy. General Manager (Br.)	Rs.40.00 lacs

- iii) All the Loan cases /proposals would be sanctioned by the Competent Authorities on the recommendations of DLAC/ LAC.
- iv) The constitutions of the Committee will remain unchanged as given in the LA-2 at Serial No. 3.2, & 3.2B Page No. 12 of P&G, except for the Committee headed by DGM, the convener will be Manager /DM (Loans/ Appraisal) of the respective Branch. All other delegations of powers for sanction of Loans to borrowers shall be applicable as per the existing policy in respective schemes.
- v) The above changes may be incorporated in LA-2 at Serial No. 3.1 & 3.2, Page No. 11 & 12 of P&G with regard to delegation of powers for sanction of term loans to field offices.

NOTE :

- i) Cost over run upto 20% of the sanctioned amount of loan would be sanctioned (without changing the level of margin of security and promoter's contribution) by the respective Sanctioning Authority over and above the powers delegated for sanction of loan.
- ii) The special schemes and GB Schemes under which powers have not been delegated to field offices shall continue to be exercised at HO.
- iii) The loan for purchase of DG Set (upto 250 KVA) under D G Set scheme shall be sanctioned by the concerned authority within whose jurisdiction total outstanding falls after considering of the said loan.
- iv) The CMD is authorised to make need based relaxations in the terms and conditions in all sanctioned cases under various schemes of the Corporation.
- v) The loan cases /proposals at HO level would be sanctioned by the Competent Authority as per the recommendations of PC&CC.
- vi) Further loan cases may be sanctioned by the Sanctioning Authority under whose jurisdiction total accommodation falls i.e. outstanding against the existing loan plus proposed loan.

vii) Non SME sector will include :

- I. FAAS { excluding industrial unit (Annexure-A) and hotel (tourism related activities) hospital and nursing homes}.
- II. Builders scheme { excluding hotel (tourism related activities) hospital and nursing homes}.
- III. Commercial complex, showrooms and sales outlsets/ residential complex scheme.

The above revised delegation of powers of sanction (Field level and H. O. Level) would also be applicable for the loan cases under GB Scheme and it would be in addition to the powers for sanction of loan under General Loan Scheme.

All concerned are advised to take note of above and ensure compliance.

Sd/-
(S. K. Agarwal)
Executive Director

Copy to :

- 1- The Secretary to CMD,
- 2- PS to ED,
- 3- Standard Circulation at HO,
- 4- All Branches /Sub-Offices,
- 5- DGM (A&I) Eastern & Western Zone,

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/LA-13(11)/1270

Dated : 13.09.2007

**P&G CIRCULAR
(LA No.469)**

**Reg : Revision in interest rate structure of
the Corporation**

The detailed guidelines for charging different rate of interest for SSI & MSI / Non SSI Sector and in TUF cases were circulated vide P&G circular No. 1057 Dated : 27.05.2004 and P&G Circular No. 1077 Dated : 24.09.2004, respectively. Guidelines for charging similar rate of interest for SSI & MSI was issued vide P&G Circular No. 1114 Dated : 27.06.2005, P&G Circular No. 1116 Dated : 05.07.2005, P&G Circular No. 1148 Dated : 08.05.2006 and P&G Circular No. 1152 Dated : 19.06.2006 were issued for enhancement in rebate for timely payment & revision of effective interest rate structure of the Corporation. Interest rates were rationalized vide P&G Circular No.1167 dated 06.01.2007, P&G Circular No.1170 dated 26.02.2007, P&G Circular No.1171 dated 29.03.2007, P&G Circular No.1172 dated 11.04.2007 and P&G Circular No.1184 dated 30.06.2007.

Pursuant to revision in interest rate structure by SIDBI vide its circular No. FI.12/2007-08 Dated : 09.08.2007, the Corporation has also decided to revise the interest rates as per Annexure "A". To boost up the

: 2 :

tourism industry in the State as per the policy of the Government, the Corporation has also reduced the documented interest rate for Hotels & Tourism projects from 15% to 14.50% p.a. and timely payment rebate shall continue to be 1% p.a. (effective rate 13.50% p.a.)

The revised rates shall be applicable in the loan cases to be sanctioned on or after 13.09.2007 and the loan cases sanctioned earlier but the execution of the loan documents (including token disbursement) of the same is to be done on or after 13.09.2007.

All concerned are advised to take note of the above and ensure compliance.

(B. N. Sharma)
Chairman & Managing Director

ENCL : AS ABOVE.

Copy to :

- 1- The Secretary to CMD,
- 2- PS to ED,
- 3- Standard Circulation at HO,
- 4- All Branches /Sub-Offices,
- 5- DGM (A&I) Eastern & Western Zone,

Annexure 'A'

INTEREST RATE STRUCTURE EFFECTIVE FROM 13.09.2007

APPLICABLE FOR SSI /MSI /NON SSI SECTOR IRRESPECTIVE OF COST OF PROJECT

S. No.	NAME OF THE SCHEME	DOCUMENTED RATE OF INTEREST	TIMELY PAYMENT REBATE	EFFECTIVE RATE OF INTEREST
1.	SME Sector Units (Industrial & Service Sector) Upto Rs. 50,000/.	12.25%	0.75%	11.50%
2.	SME Sector Units (Industrial & Service Sector except Serial No. 3 to 5) above Rs. 50,000/- & upto Rs. 20.00 Crores.	14.50%	2.00%	12.50%
3.	Financing Against Assets Scheme (Long & Short Term) & scheme for Financing for Builders /commercial /residential complexes/ Multiplexes, Hotels, Hospitals etc. for purchase of land & building.	16.00%	1.00%	15.00%
4.	Construction of Commercial /Residential Complexes /Hospitals, Nursing Homes Project.	15.00%	1.00%	14.00%
5.	Hotels & Tourism Projects.	14.50%	1.00%	13.50%

APPLICABLE FOR GOOD BORROWER SCHEMES

S. No.	NAME OF THE SCHEME	DOCUMENTED RATE OF INTEREST	TIMELY PAYMENT REBATE	EFFECTIVE RATE OF INTEREST
1.	Short Term Loan Scheme (STL), Working Capital Term Loan Schemes (WCTL), Units Promoted By Good Borrower (UPGB), Special Purpose Working Capital Term Loan Scheme (SPWCTL).	14.50%	2.25%	12.25%

2.	Working Capital Term Loan to Non Assisted Units, Potential Good Borrowers Scheme, Tatkal Scheme	14.50%	1.75%	12.75%
3.	Platinum Card Scheme	14.50%	2.25%	12.25%
4.	Gold Card Scheme	14.50%	2.00%	12.50%
5.	Silver Card Scheme	14.50%	1.75%	12.75%

Note :-

1.	In case of loans upto Rs. 5.00 lacs to SC/ST entrepreneurs the rate of interest shall be 2% less than the rate of interest applicable to other entrepreneurs in terms of PG circular No. 535 dated 7 th Aug., 1993.
2.	In case of loans upto Rs. 5.00 lacs, to disabled persons, a firm in which disabled person is partner having majority (not less than 51%) share, the rate of interest shall be 2% less than the rate of interest applicable to other entrepreneurs.
3.	Liquidated damages in case of default shall be charged on amount in default for the period of default at rates applicable prescribed by Corporation from time to time. No interest would be charged on the liquidated damages. However, the mode of appropriation of receipts shall remain uncharged.
4.	Interest on rehabilitation cases is to be charged as per the guidelines issued by the Reh. Cell.
5.	In the schemes where post dated cheques for equated quarterly / monthly installments are obtained, the cheques shall be taken net of rebate. It should be clearly mentioned that EQI/ EMI has been calculated in net of rebate i.e. at the interest rate ---% minus --% rebate. In case if the cheque is not realized then BO shall ask the borrower for enhanced amount of EQI/ EMI on actual rate of interest.
6.	The rebate of 1.00% in the commercial complex/ residential complex scheme shall be made available after availment of 75% of the sanctioned loan amount

	with retrospective effect as otherwise the rebate for timely payment shall be available @ 0.75%.
7.	No processing charges shall be levied under Card Loan Scheme under Good Borrowers.
8.	Service charges @ 1% p.a. are applicable quarterly in addition to the applicable interest on loans granted under WCTL Scheme of Good Borrowers/potential good borrowers, Pass Book Scheme NAU and Tatkal Scheme.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No.RFC/F.LA-GBD/Gen/125/1389

Dated : 26.09.2007

: P&G CIRCULAR :
(LA No. 470)

Reg : REVISION IN REPAYMENT PERIOD INCLUDING MORATORIUM PERIOD UNDER FAAS (LONG TERM & SHORT TERM)AND BUILDERS SCHEME FOR PURCHASE OF LAND AND BUILDING.

The matter for revision in repayment period and in Moratorium period under the following two Loans Schemes of the Corporation has been further reviewed by PC&CC in its Meeting held on 20.09.2009 :-

i)	Financing Against Assets Scheme (Long Term & Short Term), and
ii)	Scheme for Financing for Builders /Commercial /Residential Complex/ Multiplexes, Hotel (Tourism Related Activities)/ Hospitals, Nursing Homes for purchase of Land & Building.

In super-session of P&G circular No. 1189 Dated : 20.08.2007, it has been decided that in both these schemes, the repayment period shall be three and half (3½ years) years including the Moratorium period not exceeding six months, with immediate effect.

All concerned are advised to take a note of above and ensure compliance.

(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No. RFC/F.LA-13(4)/1403

Dated : 29.09.2007

: P&G CIRCULAR :
(LA No. 471)

Reg : SHARE PREMIUM AS SOURCE OF PROMOTOER'S CONTRIBUTION.

References have been received from the field offices for allowing share premium as sources of finance in the term loan cases sought by the Companies. The matter was discussed in PC&CC in its Meeting held on 12.09.2007 wherein it has been decided that share premium shall not be considered as Sources of Finance in promoter's contribution.

However, the existing policy for raising promoter's contribution in ratio of Capital & IFUL circulated vide P&G Circular No. 1005 Dated : 21.05.2003 shall continue to be followed.

All concerned are advised to take a note of above and ensure compliance.

(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

RFC/O&M/665
RFC/LA/321

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

HEAD OFFICE,
TILAK MARG,
JAIPUR.

Ref. No.RFC/LA-13(2)/1513

Dated : 22.10.2007

: O&M CIRCULAR :

Sub : Credit flow to Micro, Small & Medium
Enterprises Sector (MSME Sector).

SIDBI vide its Circular No. FI No. 13/2007-08 Dated : 23.08.2007(copy enclosed and marked as **Annexure-"A"**) has informed that consequent upon the notification of Micro, Small & Medium Enterprises Development (MSMED) Act-2006, by Government of India, the definition of micro, small & medium Enterprises engaged in manufacturing or production and providing or rendering of services has been modified, as per **Annexure "B"**.

All concerned are advised to take a note of above and ensure compliance.

(S. K.AGARWAL)
EXECUTIVE DIRECTOR

ENCL : AS ABOVE.

COPY TO :

- 1- All BOs/SOs.
- 2- DGM (A&I), Eastern & Western Zone.
- 3- Standard Circulation at Head Office.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No. RFC/F.LA-13(4)/1556

Dated : 26.10.2007

: P&G CIRCULAR :
(LA No. : 472)

Reg : SHARE PREMIUM AS SOURCE OF PROMOTOER'S CONTRIBUTION.

Attention is invited to P&G Circular No. 1201 Dated : 29.09.2007 wherein it was decided that share premium not be considered as Source of Finance in promoter's contribution.

The matter was reviewed in PC&CC in its Meeting held on 23.10.2007 wherein it has been decided that share premium be allowed upto the face value of share as Source of Finance in loan cases of Public Limited Company /Private Limited Company, under the Loan Schemes of Commercial Complex/ Residential Complex, Builders scheme, Hotel & Hospital.

The existing guidelines regarding raising of Promoter's contribution in the specified ratio of Capital (including share premium) & IFUL as circulated vide P&G Circular No. 1005 Dated : 21.05.2003, shall continue to be followed.

All concerned are advised to take a note of above and ensure compliance.

Sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-GBD/Gen/125/1593

Dated : 02.11.2007

**: P&G CIRCULAR :
(LA No. :473)**

Reg : Scheme for Financing Against Assets.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 thereafter following amendments /modification were also issued :-

S. No.	P&G Circular No.	Date of Issue	S. No.	P&G Circular No.	Date of Issue
1-	1018	30.08.2003	2-	1020	30.09.2003
3-	1028	18.11.2003	4-	1033	19.12.2003
5-	1037	15.01.2004	6-	1052	27.05.2004
7-	1068	11.08.2004	8-	1075	20.09.2004
9-	1086	07.10.2004	10-	1098	29.01.2005
11-	1105	25.04.2005	12-	1109	25.06.2005
13-	1110	25.06.2005	14-	1132	26.11.2005
15-	1137	08.12.2005	16-	1140	09.01.2006
17-	1147	06.05.2006	18-	1160	09.10.2006
19-	1165	09.11.2006	20-	1168	20.01.2007
21-	1176	16.05.2007	22-	1181	14.06.2007
23-	1183	23.06.2007	24-	1187	25.07.2007
25-	1189	20.08.2007	26-	1199	26.09.2007

The Manager (Br), Neemrana has requested for inclusion of RIICO Industrial Area, Shahjahanpur, Sotanala and Behror in the

eligibility criteria in Annexure-A under FAA Scheme for financing.

The matter was placed before PC&CC in its meeting held on 23.10.2007. After discussions the Committee decided to include the same in Annexure-A of clause 2 (a) of the Eligibility Criteria under Financing Against Assets Scheme on the following terms & conditions :-

A)	CALCULATION OF MRV OF LAND :- In RIICO Industrial Area Shahjahanpur/ Behror : Prevailing allotment rate of RIICO /DLC rate, whichever is lower. In RIICO Industrial Area, Sotanala : Prevailing allotment rate of RIICO.
B)	MRV of building be calculated as per the guidelines circulated earlier.
C)	Existing P&M if any, shall also be hypothecated for the security of loan.

All concerned are advised to take a note of above and ensure compliance.

sd/-
(S. K. AGARWAL)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-GBD/Gen/125/1737

Dated : 29.11.2007

: P&G CIRCULAR :
(LA No. : 474)

Reg : Scheme for Financing Against Assets.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 thereafter following amendments /modification were also issued :-

S. No.	P&G Circular No.	Date of Issue	S. No.	P&G Circular No.	Date of Issue
1-	1018	30.08.2003	2-	1020	30.09.2003
3-	1028	18.11.2003	4-	1033	19.12.2003
5-	1037	15.01.2004	6-	1052	27.05.2004
7-	1068	11.08.2004	8-	1075	20.09.2004
9-	1086	07.10.2004	10-	1098	29.01.2005
11-	1105	25.04.2005	12-	1109	25.06.2005
13-	1110	25.06.2005	14-	1132	26.11.2005
15-	1137	08.12.2005	16-	1140	09.01.2006
17-	1147	06.05.2006	18-	1160	09.10.2006
19-	1165	09.11.2006	20-	1168	20.01.2007
21-	1176	16.05.2007	22-	1181	14.06.2007
23-	1183	23.06.2007	24-	1187	25.07.2007
25-	1189	20.08.2007	26-	1199	26.09.2007
27-	1207	02.11.2007			

Presently, under the provisions of the Scheme, Financial assistance can be provided if there is no adverse report against the borrower from the Corporation /Banks /FIs and that past dealings with them is satisfactory.

Representations have been received from various Branches for providing financial assistance to the units /promoters who have availed benefits in the form of reschedulement /any relief

: 2 :

in the concern / sister concern/ group concerns from the Corporation/ banks/ FIs under FAA Scheme.

The representations were discussed with some of the BMS and also in the Meeting of PC&CC held on 21.11.2007. After discussions the Committee decided that financial assistance under FAA scheme be considered to such borrowers/units who have availed any benefit/ reschedulement benefits from the Corporation/ banks/ FIs, on the following terms & conditions :-

1)	Three years be completed from the date of square up of loan account in which any benefit was availed from the Corporation /banks /FIs.
2)	Entire benefit availed by the borrower/ unit/ sister concern without any interest on the amount of benefit /sacrifice availed from the Corporation be deposited back for considering term loan under FAAS.

The above be modified in Annexure-A of clause 2 (NOTE) of the Eligibility Criteria under Financing Against Assets Scheme

All concerned are advised to take a note of above and ensure compliance.

(PAWAN ARORA)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-12(71)/1758

Dated : 01.12.2007

**: P&G CIRCULAR :
(LA No. : 475)**

**Reg : SARAL SCHEME FOR SME SECTOR
(EXISTING INDUSTRIAL RUNNING UNITS)**

The Corporation has always associated itself with the SME Sector units of the state by introducing various loan schemes for catering their financial needs. There has been a persistent demand from the entrepreneurs, industrial associations and our field offices for quick sanctions with minimum formalities. Keeping this in view, the scheme termed as "Saral Scheme for SME Sector (existing industrial running units)" has been introduced as per the decision taken in the PC&CC meeting held on 28.11.07.

Under this scheme, the Corporation shall provide financial assistance to existing industrial running units of Micro, Small & Medium Scale Sector for meeting out their industrial financial requirements like expansion, modernization, diversification, acquiring balancing machinery & equipments as well as to meet out working capital requirement, provided the existing prime security (Land & building) are mortgaged alongwith hypothecation of existing P&M as well as further fixed assets to the Corporation under first charge free from all encumbrances.

The scheme will facilitate the existing running industrial units situated in Micro, Small & Medium Scale Sector saturated & having potential industrial areas (as per Annexure "A") who are ready to mortgage their prime security (Land & building) and hypothecation of P&M and MFA with the Corporation, under first charge.

The applicant shall file the loan application in prescribed proforma alongwith the required documents mentioned in the annexure of application form including the project report. Since, this scheme is mainly security based, therefore, the project report submitted by the applicant shall not be examined in detail but the promoters appraisal including their background, net worth, I.T. Returns, balance sheets of sister concerns, obtaining credit reports, antecedents verification etc. shall be undertaken as usual and the project should be prima-facie feasible and viable.

The principal clearance shall be finalized within seven days from the date of registration of loan application and cases cleared in principle shall be sanctioned within 15 days positively subject to submission of clear mortgageable and marketable title and other required documents.

The loan proposal under the scheme may be prepared as per the format of appraisal note annexed with PG Circular No. 1007 dt. 22.5.03. However, terms and conditions regarding rate of interest, repayment period, pre-documentation and disbursement conditions shall be stipulated as mentioned in the annexed scheme i.e. "Saral Scheme for SME Sector". The scheme is

enclosed and marked as Annexure-I. Finance Section shall make arrangements to claim refinance under the scheme from SIDBI.

All concerned are advised to give wide publicity of this scheme through pamphlets, clearly indicating the provisions of the scheme and the Branch Manager shall ensure that each & every existing loanee of the Corporation becomes aware of this scheme and simultaneously attempt to fetch maximum business under this Scheme by 31.12.2007 and send the feed back about the progress of the scheme to HO by 2.1.08.

All concerned are advised to take a note of above and ensure compliance of the same and maximize business under the scheme.

(PAWAN ARORA)
EXECUTIVE DIRECTOR

ENCL : AS ABOVE.

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**SARAL SCHEME FOR SME SECTOR
(EXISTING INDUSTRIAL RUNNING UNITS)**

1. INTRODUCTION

The Corporation has played the pivotal role in industrialization of the State. Various loan schemes had been introduced by the Corporation from time to time for catering to the needs of SME sector. In the present context time factor is the important factor for an entrepreneur and simultaneously, the Corporation has to secure its port folio properly. Keeping this in view, the Corporation has introduced a new scheme named as “SARAL SCHEME FOR SME SECTOR”. In this scheme the Corporation shall provide financial assistance to existing industrial running units of Micro, Small & Medium Scale Sector for meeting their industrial financial requirements like expansion, modernization, diversification, acquiring balancing machinery & equipment as well as to meet out working capital requirement provided the existing prime security (Land & Building) is mortgaged along with hypothecation of existing Plant & machinery as well as future fixed assets to the Corporation under first charge free from all encumbrances. The salient features of the scheme are as under:

2. ELIGIBILITY CRITERIA:

Existing industrial running units situated in saturated & potential industrial areas (as per Annex-A) who are ready to mortgage their prime security (Land & Building) & hypothecation of Plant & Machinery & Miscellaneous Fixed Assets with the Corporation under first charge & such units should also fulfill the following:

- a. The loan amount shall be utilized for creation of fixed assets and/or working capital in the same industrial unit which is proposed to be mortgaged.
- b. The proposed property to be mortgaged should not be presently leased out/rented out and should not be leased out/rented out in future without the permission of the Corporation.
- c. The repayment behavior & past dealings of the promoters/concern/sister concerns/group concerns with the Corporation/banks/FIs should have been satisfactory.

However, if the units/promoters who have availed any benefits/ reschedulement benefits in the loan accounts of the concern/ sister concerns/group concerns from the Corporation/banks/FIs in the past, than loan under the scheme can be considered on the terms and condition as mentioned in PG circular No.1210 dated 29.11.2007.

3. SECURITY:

i) The prime security i.e. land and building of the unit shall be under Ist charge of the Corporation by way of equitable mortgage.

ii) All existing and future Plant & Machinery & MFA shall also be hypothecated.

iii) Personal guarantee of proprietor/partners/directors for securing repayment of loan and interest thereon.

4. ADMISSIBILITY OF LOAN

The scheme is mainly security based, therefore, the MRV of land & building shall be considered as acceptable value. The MRV of land and building will be calculated by a team of two officers of technical & finance discipline as per the guidelines issued in this regard from time to time and as per remarks mentioned in the annexure 'A' of the scheme for some industrial areas. For the purpose of calculation of security, the acceptable value shall be considered and 50% loan of the acceptable value shall be sanctioned.

5. AMOUNT OF ASSISTANCE

From Rs.2.00 Lacs and up to Rs.1000 Lacs only. The maximum limit for proprietorship, HUF and partnership concerns shall be Rs. 800 Lacs and for companies Rs.1000 Lacs.

6. REPAYMENT PERIOD & MODE OF PAYMENT:

The total loan shall be repayable in 3½ years including moratorium period not exceeding six months.

The loan shall be repayable in 13 equated quarterly installments against principal and interest through post dated cheques. The first installment (including principal & interest) shall fall due on first day of the quarter i.e. Dec., March, June & September falling immediately after three months from the date of first disbursement. In case of any balance amount is payable/recoverable (as the case may be), shall be covered/adjusted in last EQI.

The Branch shall recover interest for the moratorium period exceeding three months by calculating the interest manually and the same shall be recovered along with 1st EQI through a separate cheque.

7. PROJECT REPORT:

The applicant shall furnish the detailed project report for existing as well as proposed project consisting of cost of project, sources of finance profitability & cash flow projections and covering the viability parameters including PC, DER & DSCR etc. Since, this scheme is mainly security based, therefore, project report submitted by the applicant shall not be examined in detail but the promoters appraisal including their back ground, net worth, IT returns, balance sheet of sister concern's, obtaining credit reports, antecedents verifications etc.. shall be undertaken as usual and the project should be prima facie feasible & viable.

8 RATE OF INTEREST

The Corporation shall charge interest rate prevailing as on date of first disbursement of loan (including token disbursement). Presently, the rate of interest is 16% p.a. and the timely payment rebate shall be 2.00% p.a. under the scheme.

9. LIQUIDATED DAMAGES:

Liquidated damages shall be charged on the amount of default for the period of default as per prescribed slabs under industrial loan scheme from time to time.

10. APPLICATION FEE:

Application fee @ 0.1% on the amount of loan application along with service tax and education cess as applicable from time to time shall be deposited at the time of filing the loan application.

11. PROCESSING CHARGES:

Processing charges @ 1% along with Service Tax & education cess shall be deposited before conveying sanction of loan.

12. SANCTIONING AUTHORITY

- a) As per existing delegation of powers under general term loan scheme.
- b) The principal clearance shall be finalized within seven days from the date of registration of loan application and cases cleared in principle shall be sanctioned within 15 days positively subject to submission of clear mortgageable & marketable title and other required documents.

13. PRE-DOCUMENTATION:

- A. The promoters/borrower shall keep insured the fixed assets i.e. Building, P&M, F&F, every year till the currency of Corporation loan and the copy of the Insurance policy, shall invariably be furnished to the Corporation.
- B. A specific condition may be stipulated while sanction of loan that no settlement of the account under the scheme shall be considered as no sacrifice should normally be made by the Corporation in respect of amount of principal and interest thereon.

C. UNDERTAKINGS:

- a) The borrower shall furnish undertaking to utilize the loan amount for meeting working capital requirement or for creation of fixed assets to be used for industrial purpose in the industrial unit.
- b) The borrower shall furnish undertaking that it will comply all legal requirement to run the unit i.e. obtaining consent to establish/consent to operate from RPCB, NOC from RIICO/local authority and other departments, if required so.
- c) The borrower shall furnish undertaking that the property is owned by him and not let out/leased and free from all encumbrances. The property mortgaged to the Corporation shall not be leased out/rented out in future without the prior permission of the Corporation.
- d) That no litigation in any court/tribunal/forum related to the property proposed to be mortgaged is pending.
- e) The borrower shall furnish CA certificate for utilization of loan in the industrial unit within six to nine months from the date of first disbursement of loan.
- f) The borrower unit shall install a suitable water harvesting system to conserve the water resources.

14. DISBURSEMENT

- a) The disbursement shall be made in three installments. First disbursement of 50% loan amount shall be made after satisfying the compliance of terms and conditions of sanction letter. The 2nd and 3rd disbursement of 25% loan amount each shall be made only after verifying the utilization of earlier disbursed amount in the project.

b) The disbursement can be made within 6 months from the date of sanction. However, disbursement beyond 6 months can be considered by charging upfront fee @ 0.1% of amount to be disbursed.

Encl: Annex-A

LIST OF INDUSTRIAL AREA ELIGIBLE FOR FINANCING UNDER SARAL SCHEME FOR SME SECTOR

<u>S.No.</u>	<u>Name of Branch Office</u>	<u>Industrial area covered</u>
1.	Ajmer	<ul style="list-style-type: none"> • Ajmer – Parbatpura, Makhopura Ext., • HMT, Industrial Area
2.	Beawar	<ul style="list-style-type: none"> • Beawar – I, II & III Phase of Inds. Area • JIN Udyog Puri • LBS Industrial Area • Indira Gandhi Inds. Area
3.	Bhilwara	<ul style="list-style-type: none"> • Bhilwara I, II & III Phase • Bhilwara (T.A.)
4.	Kishangarh	<ul style="list-style-type: none"> • Kishangarh I, II, III & IV Phase • Units set up on converted land in and around 3rd & 4th phase, RIICO Industrial area, Kishangarh • Units set up on prominent roads namely Harmara Road. Tunkara Roads and Makrana Road of Kishangarh within the vicinity of 3 Kms from Kishangarh N.H. No.8
5.	Makrana	<ul style="list-style-type: none"> • Gangsaw Units located and having opening at Makrana Road, Borawar and Borawar Road Makrana
6.	Alwar	<ul style="list-style-type: none"> • *MIA, Alwar
	*MRV of land to be considered prevailing reserve price of RIICO	

	and the MRV of building to be considered as per norm.	
7.	Bharatpur	<ul style="list-style-type: none"> • Brij 1st Phase
8.	Bhiwadi *MRV of land to be considered on the prevailing RIICO allotment rates.	<ul style="list-style-type: none"> • Bhiwadi Industrial Area • *RIICO Industrial Area, Chopanki & Khuskhera
9.	Neemrana *MRV of land to be considered on the allotment rate of RIICO/DLC rate which ever is lower. # MRV of land to be considered on the prevailing allotment rate of RIICO	<ul style="list-style-type: none"> • RIICO Inds. Area Neemrana • *RIICO Inds. Area, Shahjajanpur • *RIICO Inds. Area, Behror • #RIICO Inds. Area, Sotanala
10.	Bikaner	<ul style="list-style-type: none"> • Bichwal – I, II & III Phase • Rani Bazar (TA) • Nokha Industrial Area • Karni RIICO Inds. Area –I & II Phase
11.	Sriganganagar	<ul style="list-style-type: none"> • Industrial Estate, SGNR
12.	Dausa * a) MRV of land to be considered on RIICO rate only. b) The unit should be running and profit earning in last three years & having good track record. c) All cases be cleared from HO exceeding term loan of Rs.5 lac (loan below Rs.5 lacs are not be sanctioned)	<ul style="list-style-type: none"> • *Somnath Industrial Area
13.	Jaipur(City)	<ul style="list-style-type: none"> • MIA • VKIA • Jotwara • Kartarpura • Sudarshanpura • Bais Godown

		<ul style="list-style-type: none"> • Sitapura • Mansarovar
14.	Jaipur(VKIA)	<ul style="list-style-type: none"> • Vishwa Karma Industrial Area • Jetpura
15.	Jaipur(Rural)	<ul style="list-style-type: none"> • Bassi I Phase • Bagru(Old) • RIICO Inds. Area, Bagru Ext. • RIICO Inds. Area, Bindayaka • RIICO Inds. Area, Heerawala • RIICO Inds. Area Bagru Ext-II
16.	Balotra	<ul style="list-style-type: none"> • Balotra I, II & III Phase
17.	Jaisalmer	<ul style="list-style-type: none"> • RIICO Inds. Area, Jaisalmer
18.	Jodhpur	<ul style="list-style-type: none"> • Mandore • Marudhar, Light Industrial Area. • Mini Growth Centre (Sangaria) • Heavy Industrial Area • Electronic Complex. (T.A.) • BNPH Heavy (TA) • B.K.K. • Boronda Industrial Area Phase-I, II, III & EPIP
19.	Pali	<ul style="list-style-type: none"> • Mandia Road • Pali I & II Phase • Industrial Estate Pali
20.	Kota	<ul style="list-style-type: none"> • Indraprastha • Electronic Complex • Ramganj Mandi • Furniture Inds. Area • Small Scale Inds. Area • Industrial Estate (Near Grain Mandi) • RIICO Chambal Inds. Area

21.	Bundi	<ul style="list-style-type: none"> • By pass Road Inds. Area
22.	Chittorgarh	<ul style="list-style-type: none"> • Ajolia Ka Kheda Phase I & II • Chittorgarh Ext. & TA • Chittorgarh (Chandaria)
23.	Rajsamand	<ul style="list-style-type: none"> • Rajnagar • Units set up on converted land at NH-8 from Nathdwara to Rajsamand and 2 Kms from Rajsamand towards Kelwa having opening at NH No.8
24.	<p>Udaipur</p> <p>*While calculating MRV in the areas it is to be ensured that:</p> <p>i) MRV of land to be considered on the prevailing allotment rate of RIICO.</p> <p>ii) MRV of building to be considered as per book value as shown in the latest balance sheet.</p>	<ul style="list-style-type: none"> • Mewar • Sukher • Pratap Nagar Inds. Area • Units Set up on converted land along with National Highway No.8 in Amberi & Sukher, Distt. Udaipur having opening at NH No.8 • *IID Centre, RIICO Inds. Area, Kaladwas • *RIICO Inds. Area, Gudli • *Bhamashah RIICO Inds. Area, Kaladwas • *RIICO Inds. Area, MIA (Extn.)Udaipur

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302005.**

Ref. No.RFC/ LA-15(6)/1980

Dated: 04.01.2008

PG CIRCULAR

Reg : Re-introduction of Technology Upgradation Fund Scheme (TUFS)

The Ministry of Textile, Govt. of India vide their circular dated 4.4.2007 had informed that the Technology Upgradation Fund Scheme (TUFS) has been kept in abeyance for sanction of any fresh loans w.e.f. 1.4.2007 till the finalization of modifications and issuance of instructions in this regard and accordingly the TUFS scheme was kept in abeyance by the Corporation as per the directions issued vide circular No. RFC/P&G/ 1174 dated 26.04.2007.

Now, a resolution dated 1.11.2007 issued by the Ministry of Textile, Govt. of India has been downloaded from their Website and it indicates that the Technology Upgradation Fund Scheme has been re-introduced with certain modifications and the scheme shall be in operation from 1.11.2007 to 31.3.2012.

The Corporation has played an important role in processing the cases under this scheme. Thus, the field offices are directed to contact the prospective entrepreneurs and fetch maximum business under this scheme in order to boost up the business inflow in SME sector. The salient features of the revised scheme are as under:

1	The scheme will continue to provide a reimbursement of five percentage points on the interest charged by the lending agency on a project of technology upgradation in conformity with the Scheme. However, for the spinning machinery the reimbursement will be four percentage points.
2	The scheme will continue to provide cover for foreign exchange rate fluctuation not exceeding 5%. However, for the spinning machinery the coverage will be 4%.
3	The Scheme will now provide an additional option to the power-loom units to avail of 20% Margin Money Subsidy under TUFS in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200.00 lakh and ceiling on margin money subsidy Rs. 20.00 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.
4	The Scheme will now provide 15% Margin Money Subsidy for SSI textile and jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200.00 lakh and ceiling on

	margin money subsidy Rs. 15.00 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.
5	The Scheme will continue to provide 5% interest reimbursement plus 10% capital subsidy for specified processing machinery.
6	The Scheme will now provide 5% interest reimbursement plus 10% capital subsidy for specified machinery required in manufacture of technical textiles and garmenting machineries. (However, the units which have taken the sanction prior to 31.03.2007 but not started the commercial production, to be certified by Chartered Engineer and Chartered Accountant, will be covered under the modified Scheme).
7	The Scheme will now provide interest subsidy/ capital subsidy/ Margin Money subsidy on the basic value of the machineries and exclude the tax component for the purpose of valuation in view of the decision for non- subsidizing the taxes.
8	The Scheme will provide 25% capital subsidy on purchase of the new machinery and equipments for the pre-loom and post-loom operations, handlooms/ up-gradation of handlooms and testing & Quality Control equipments, for handloom production units.
9	As per para 3.2(2) of the existing Scheme, certain imported second hand machinery have been permitted. The entire range of imported second hand machinery will now be ineligible under the Scheme for any benefit except automatic shuttleless looms with the value cap of Rs. 8.00 lakh per machine and 10 years vintage and with a residual life of minimum 10 years.
10	Other investments such as energy saving devices, effluent treatment plant, in-house R&D, IT including ERP, TQM including adoption of ISO/ BIS standards, CPP etc. (including non-conventional sources) as mentioned in Para 3.3(2) of the existing Scheme will now be eligible for benefits of the Scheme only upto 25% of the cost of machinery.
11	For a specific thrust to garmenting, machineries for CAD, CAM and design studios and likes will be included in the separate heading of the guidelines of the scheme with a financial cap to be determined by the Inter Ministerial steering Committee (IMSC) under the Chairmanship of Secretary(Textiles).
12	Investments like land, factory building, pre-operative expenses and margin money for working capital will now be ineligible for benefit of reimbursement under the scheme except meant for apparel sector and handloom with existing 50% cap. In case apparel unit is engaged in other activity, the eligible investment under this head will only be related to plant and machinery eligible for manufacturing of apparel.
13	The applicability of the modified provisions of the Scheme will be reckoned with the date from sanction of bank loan or commercial production, whichever is later. The date of indenting of machineries or procurement or import or delivery shall be immaterial to decide the applicability of the Scheme.

14	On loans sanctioned during 1.4.1999 and 31.3. 2007, the then existing parameters and guidelines will apply.
15	Scope of the scheme: The Scheme will continue to cover the following segments:
a)	Cotton ginning and pressing.
b)	Textile industry covering:
	Silk reeling and twisting.
	Wool scouring, combing and carpet industry.
	Synthetic filament yarn texturing, crimping and twisting.
	Spinning.
	Viscose Staple Fibre (VSF) and Viscose Filament Yarn (VFY).
	Weaving, knitting and fabric embroidery.
	Technical textiles including non-wovens.
	Garment/ design studio/ made-up manufacturing.
	Processing of fibres, yarns, fabrics, garments and made-ups.
c)	Jute industry.
16	Definition of technology upgradation:
	Technology Upgradation would mean induction of state-of-the-art or near-state-of-the-art technology. But in the widely varying mosaic of technology obtaining in the Indian textile industry, at least a significant step up from the present technology level to a substantially higher one for such trailing segments would be essential. Accordingly, technology levels are benchmarked in terms of specified machinery for each sector of the textile industry. Machinery with technology levels lower than that specified will not be permitted for funding under the TUF Scheme.
17	Eligible machinery: Installation of the specified machinery in a new unit or in an existing unit by way of replacement of existing machinery and / or expansion will be eligible for coverage under TUF scheme for the following:
a)	Cotton ginning and pressing.
b)	Textile industry covering:
	Silk reeling and twisting.
	Wool scouring, combing and carpet industry.
	Synthetic filament yarn texturing, crimping and twisting.
	Spinning.
	Viscose Staple Fibre (VSF) and Viscose Filament Yarn (VFY).
	Weaving, knitting and fabric embroidery.
	Technical textiles including non-wovens.
	Garment/ design studio/ made-up manufacturing.
	Processing of fibres, yarns, fabrics, garments and made-ups.
	Jute industry.
c)	Energy saving and process control equipments for various sectors.
d)	Machinery eligible under 20% margin money subsidy (MMS- TUFs) for powerloom sector.
e)	Machinery eligible under 10% capital subsidy for processing sector.
f)	Machinery eligible under 10% capital subsidy for technical textiles.
g)	Machinery eligible under 10% capital subsidy for garment sector.

h)	Machinery eligible under 10% capital subsidy for CAD, CAM and design studio.
18	General eligibility conditions (type of units):
a)	Existing unit with or without expansion and new units.
b)	Existing units can modernize and/ or expand with the appropriate eligible technology.
c)	New units must set up their entire facilities only with the appropriate eligible technology.
d)	A unit can undertake one or more activities listed at scope of the scheme hereinbefore under the scheme.
e)	Textile/ jute units with 100% foreign equity.
19	Type of textile machinery eligible:
a)	Under the TUF scheme, generally only new machinery will be permitted.
b)	However, the following imported second hand machinery are also eligible under TUFs:
	Air jet, projectile, rapier and waterjet shuttleless looms fitted with or without electronic jacquard/ electronic dobby and with or without high speed direct beam warper with creel and/ or sectional warping machine with auto stop and tension control of upto 10 years' vintage and with a residual life of minimum 10 years and with the value cap of Rs. 8.00 lakh per machine. Electronic dobby or jacquard on stand alone basis of upto 10 years' vintage and with a residual life of minimum 10 years and with the value cap of Rs. 1.00 lakh or Rs. 2.00 lakh per machine respectively.
c)	A certificate from a Chartered Engineer of the exporting country certifying the vintage and residual life of the imported second hand machinery just be furnished to the lending agency at the appropriate time as determined by the lending agency. Such a certificate is compulsory for any import of eligible second hand machinery under this scheme irrespective of the value of such import.
d)	Balancing equipment or equipment required for de-bottlenecking the production process will also be eligible for funding under TUFs.
e)	Waste reduction equipment or devices will be eligible for funding under the TUFs.
f)	Eligibility of any other textile machinery equal to or higher than the benchmarked technology not listed in the annexures or developed in the course of the operation of TUFs will be, suo motu or on reference, specifically determined by the Technical Advisory-cum-Monitoring Committee (TAMC) to be constituted by the Government.
g)	The size of the technologically upgraded facilities of an existing unit or size of the new unit must be of a minimum economic size (MES). MES for eligible segments of the industry should be any unit which is financially viable as per viability analysis of the financial institutions or banks. The MES for the cotton ring spinning will be decided by the IMSC.
h)	Machinery eligible for one segment is eligible for other segments/ activity also unless its eligibility is specifically restricted for a particular segment.

20	Other investments eligible:
a)	The following investments for apparel sector and handloom sector will also be eligible to the extent necessary for the plant and equipment to be installed for Technology Upgradation and the total of such investments will not normally exceed 50% of the total investment in such plant and machinery:
i)	Land and factory building including renovation of factory building and electrical installations;
ii)	Preliminary and pre-operative expenses.
iii)	Margin money required for working capital, specifically required for the technology upgradation.
b)	Investments in the installation of the following facilities including necessary equipment will be eligible only upto 25% of the cost of machinery:
i)	Energy saving devices
ii)	Effluent Treatment Plant (ETP) (except if it is a part of processing plant)
iii)	Water treatment plant for captive industrial use
iv)	In-house R & D including design studio
v)	Information technology including Enterprise Resource Planning (ERP)
vi)	Total quality management (TQM) including adoption of appropriate ISO/ BIS standards. (Lab versions of machinery approved for commercial production purposes under TUFS are eligible).
vii)	Captive power plant (including non- conventional sources) of the units availing of TUFS loan.
viii)	Husk Fired Boiler accompanying textile modernization/ expansion are eligible.
c)	Investment in the acquisition of technical know how including expenses on training and payment of fees to the foreign technicians.
d)	Lending in excess of the limits prescribed above in respect of the items included in subparas (a) and (b) of this para shall attract the normal lending rates.

All concerned are advised to take a note of above and ensure compliance.

(B.N. Sharma)
Chairman & Managing Director

Copy to :

1. Standard circulation at HO.
2. All BOs/ SOs.
3. GM(WZ) Jodhpur
4. DGM (A&I) Eastern and Western Zone.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No.RFC/F.LA-GBD/Gen/125/2010

Dated : 09.01.2008

: P&G CIRCULAR :
(LA No. : 477)

Reg : FINANCING AGAINST THE SECURITY OF RESIDENTIAL
PROPERTIES UNDER FINANCING AGAINST ASSETS SCHEME.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 thereafter various amendments /modification were circulated from time to time.

As per P&G Circular No. 1147 Dated : 06.05.2006, loan application for loan amount below Rs. 50.00 lacs shall not be considered for financing against the security of Residential Properties under FAA Scheme and loan application for loan amount of Rs. 50.00 lacs & above shall be considered for selected cases on the merits of the case.

Representations have been received from the Industrial Associations /field offices requesting for reduction of the minimum amount from Rs. 50.00 lacs for considering the loan against residential property, under this scheme.

The matter was placed before the Board in its 494th Meeting held on 28th December, 2007, wherein it has been decided that the minimum limit of loan amount against the Security of

residential properties may be reduced from Rs. 50.00 lacs to Rs. 25.00 lacs and financial assistance may be provided only for the authorized economic activities.

In view of the aforesaid Board decision henceforth financial assistance against the security of residential property under FAA Scheme shall be considered for term loan of Rs. 25.00 lacs and above. The utilization of loan shall be made for the activities allowed under Section 2 (C) of SFCs Act.

All concerned are advised to take a note of above and ensure compliance.

(PAWAN ARORA)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No.RFC/F.LA-12(71)/2080

Dated : 19.01.2008

**: P&G CIRCULAR :
(LA No. : 478)**

**Reg : SARAL SCHEME FOR SME SECTOR
(EXISTING INDUSTRIAL RUNNING UNITS)**

The Saral Scheme for SME Sector (existing industrial running units) was circulated vide P&G Circular No.1211 Dated : 01.12.2007.

In the scheme, under the clause "DISBURSEMENT" the following condition was stipulated :-

"The disbursement shall be made in three installments. First disbursement of 50% loan amount shall be made after satisfying the compliance of terms and conditions of sanction letter. The 2nd and 3rd disbursement of 25% loan amount each shall be made only after verifying the utilization of earlier disbursed amount in the project."

References have been received from the field offices for adopting similar procedure for disbursement as is being followed in Financing Against Assets Scheme.

The matter was discussed with some of the BMs and also in the Meeting of PC&CC held on 15.01.2008. After discussions, it has been decided to modify the condition regarding disbursement under the Saral Scheme as under :-

“The disbursement shall be made in one installment or such higher number of installments as the disbursing authority feels appropriate after satisfying the compliance of terms & conditions of sanction letter”.

All concerned are advised to take a note of above and ensure compliance of the same.

**Sd/-
(PAWAN ARORA)
EXECUTIVE DIRECTOR**

Copy to:

- 1- Standard Circulation at HO.**
- 2- All Branches/ Sub-Offices.**
- 3- DGM (A&I), Eastern & Western Zones.**

P&G/RFC/1218

RAJASTHAN FINANCIAL CORPORATION
(Loans Section)

Udyog Bhawan
Tilak Marg
Jaipur-302 005

Ref. RFC/LA-14(4)/2151

Date : 01.02.2008

PG CIRCULAR
(LA No. 479)

Sub : Mandatory provisions for Environmental Clearance

The Ministry of Environment and Forest, Govt. of India vide its Gazette Notification No. S.O. 1533 dt. 14th Sept., 2006 has directed that as per the powers conferred vide Sub Section (1) and Clause (v) of Sub Section (2) of Section 3 of the Environment (Protection) Act 1986, read with Clause (d) of Sub Rule (3) of Rule 5 of the Environment (Protection) Rules 1986 and in supersession of the Notification No. S.O. 60 (E) dt. 27.1.94 except in respect of things done or omitted to be done before supersession, the Central Govt. has directed hereby that on and from the date of publication of the notification the required construction of new projects or activities or the expansion or modernization of existing projects or activities listed in the schedule to this Notification entailing capacity addition with change in process and or technology shall be undertaken in any part of India only after the prior environmental clearance from the Central Govt. or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central Govt. under Sub-section (3) of Section 3 of the said act in accordance with the procedure specified in the notification. Photocopy of Notification No. S.O. 1533 dated 14.9.06 is enclosed herewith.

All concerned are advised to take care of above guidelines while accepting/processing the loan applications of the cases falling under the perview of the said notification.

(Pawan Arora)
Executive Director

Encl. As above.

Copy to :

1. Standard circulation at HO.
2. All Branches/SOs.
3. DGM(A&I), Eastern & Western Zones.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No.RFC/F.LA-12(71)/2239

Dated : 12.02.2008

: P&G CIRCULAR :
(LA No. : 480)

Reg : SARAL SCHEME FOR SME SECTOR
(EXISTING INDUSTRIAL RUNNING UNITS)-
MODIFICATION IN INTEREST CLAUSE

The Saral Scheme for SME Sector (existing industrial running units) was circulated vide P&G Circular No.1211 Dated : 01.12.2007 and amendment was circulated vide P&G Circular No.1215 Dated : 19.01.2008.

Originally, in the Scheme, the interest clause was as under :-

RATE OF INTEREST :

The Corporation shall charge interest rate prevailing as on date of first disbursement of loan (including token disbursement). Presently, the rate of interest is 16% p.a. and the timely payment rebate shall be 2.00% p.a. under the scheme.

The Board of Directors in 481th Meeting held 18.03.2005 has decided not to allow moratorium period and debit interest for first time in the loan account on the Interest Debit Date falling just after the 1st disbursement made by the Corporation.

Accordingly, the following modification be made in the Interest Clause of this Scheme :-

RATE OF INTEREST :

"The Corporation shall charge interest rate prevailing as on date of first disbursement of loan (including token disbursement). Presently, the rate of interest is 16% p.a. and the timely payment rebate shall be 2.00% p.a. under the scheme. The first instalment of interest shall be debited on the next Interest debit date falling immediately after the first disbursement of loan".

All concerned are advised to take a note of above and ensure compliance of the same.

Sd/-
(PAWAN ARORA)
EXECUTIVE DIRECTOR

Copy to:

- 1- Standard Circulation at HO.
- 2- All Branches/ Sub-Offices.
- 3- DGM (A&I), Eastern & Western Zones.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302005.**

Ref. No.RFC/ LA-15(6)/2263

Dated : 13.02.2008

CIRCULAR
(LA No. : 481)

**Reg : Financial assistance to project manufacturing granite
slabs (2' x 8' and above) on water based technology.**

Detailed guidelines for financing granite units were issued vide P&G circular No. 1032 dated 18.12.2003 as under:

Schedule 1/6-A: Restrictive list of RFC.

“All type of granite units (Water/ Kerosene based) excluding granite units manufacturing slabs of size 2' X 8' and above based on kerosene (excluding slabs manufactured by gangsaw)”

Schedule 1/6-B: Policy guidelines for selected industries:

“Granite slabs- Granite units manufacturing slabs (2' x 8' and above) based on kerosene (excluding slabs manufactured by gangsaw) may be considered for financial assistance on merits with 100% collateral security”

References were received from Good Borrowers, Industrial Associations and Field Offices for considering financial assistance against the granite units for manufacturing granite slabs size 2' x 8' and above on water based granite cutters without insisting for collateral security.

Looking to non availability of adequate quantity of kerosene, good demand of water based slabs particularly from USA and European countries due to environmental and social restrictions on kerosene based slabs, fine polishing , negligible risk to fire, less pollution, better grip on walls and floors as well as lesser cost of P&M make water based units more viable and feasible in the present scenario and also to the fact that a number of entrepreneurs have changed / are changing their plants to water based technology and are using cutting oil/ castor oil etc. to cut the material as a result of which the economic of the units engaged in manufacturing 2' x 8' and above size granite slabs is better as in comparison to kerosene based units the Corporation has reviewed its present policy after receiving a number of representations from various industrial associations and field offices.

The matter was placed before the PC&CC in its meeting held on 1.2.2008 and the committee took the following decision for providing financial assistance to granite units :

- a) No financial assistance shall be considered for granite tiling plants of size 1' X 2' and below.
- b) Financial assistance for the existing running units in the Industrial Areas may be considered for installation of granite cutter (water based) having size 2' X 8' & above, subject to the condition that mortgageable and marketable collateral security of immovable properties at-least equal to the cost of P&M shall be furnished.
- c) Financial assistance for the new units coming up in the Industrial Areas may be considered for installation of granite cutter (water based) having size 2' X 8' & above, on the following terms & conditions :-
 - a) The promoters are having experience in the line and must have sound financial background.
 - b) In addition to the primary security, the concern shall furnish mortgageable and marketable collateral security of immovable properties of not less than the term loan amount on P&M.

Accordingly, it has been decided to add/ modify the policy related to granite slab manufacturing units (2' X 8' and above) on water based technology appearing under the restrictive list - schedule 1/6-A and selective list schedule 1/6-B of the P&G circular No. 1032 dated 18.12.2003.

This is in supersession of all the earlier guidelines issued in this regard and all concerned are advised to take a note of above and ensure compliance.

(B.N. Sharma)
Chairman & Managing Director

Copy to :

1. All BOs / SOs.
2. Standard Circulation at HO.
3. DGM(WZ), RFC, A&I, Ajmer.

**RAJASTHAN FINANCIAL CORPORATION
(BP Section)**

Ref.No.RFC/BP/Policy/29/120

Dated : 28.02.2008

**CIRCULAR
(BP NO. 1)**

**Reg : Calendar of the Activities of Business Promotion
at Branch Level**

It has been decided that the Branches will undertake the following business promotional activities on regular basis in order to fetch maximum qualitative and quantitative business. The activities which are to be undertaken have been segregated on period basis i.e. on monthly, quarterly, half yearly and annually. The Branch Manager will maintain a separate register in which he will record and certify the business promotional activities undertaken by his Branch during the periods mentioned below.

On monthly basis :

1. Meetings with Industrial Associations

Branch Manager alongwith AM / DM (Loans) must organize a meeting with the office bearers of all the Industrial Association and seek feed back about the prospects of business in the area under the jurisdiction of the Branch.

2. Business Promotion Camps

Organize monthly business promotion campaign in order to popularize RFC's scheme.

3. Liaison with Local Offices

Maintain liaison with RIICO and DIC Offices of the area on regular basis and obtain data / information about the new allottees and new registrations from them.

4. Participation in Auctions /Allotments

Attending auction of land by the local authorities and allotment camp by RIICO in order to persuade the successful bidder to take loan from RFC.

5. Awareness about Schemes / Amendments

To be fully aware about the launching of new schemes as well as latest amendments incorporated by the Corporation in its existing schemes / policies and other FIs in the area.

6. Updation of Good Borrowers Data

Branch should update the list of good borrowers on monthly basis and approach to them for fulfilling their financial needs if any.

7. Contact with Good Borrowers of other Institutions

Existing good borrowers of other institutions may also be touched in order to motivate them to come to the fold of RFC.

On Quarterly basis :

1. Visit to existing Good Borrowers

Existing good borrowers should be visited once in every quarter by the Branch Manager himself in order to ascertain their problem / grievances and also to assess their further financial needs.

2. Review of Business Promotional Activities

Review of all the monthly basis business promotional activities should be done in each quarter.

3. Review of Market Share

Review of RFC's share in terms of new business viz-a-viz other banks/ FIs must be done.

4. Capacity Building of officers / staff

Review of capacity building of the officers / staff should be done by making them more informative about our latest policies / schemes, amendments in the existing schemes, changes being effected in the business scene at District / State / National level.

On Half yearly basis :

1. Maintenance of Information Base

To maintain necessary information base for various products and projects.

2. Consultancy to Entrepreneurs

To prepare small project profile about the projects which can be set up in the area for the purpose of giving consultancy to the entrepreneurs.

3. Sectoral Analysis of Business

A sectoral analysis of the business done by the Branch in the last 6 months should be done taking into account what have been the strengths and weaknesses of the Branch in terms of getting new business. While analyzing the success rate of our existing policies / schemes must be ascertained and likely remedial measures of the same must be suggested.

Annual basis :

1. Analysis of Performance

A complete analysis of the performance of the Branch in the field of business promotion must be done highlighting the strengths and weaknesses of the Corporation viz-a-viz our competitors i.e. other Banks and FIs etc. The analysis should cover the general growth in business realized by the area of the branch jurisdiction and what has been the RFC's share viz-a-viz other FIs.

2. Preparation of Blue Print for Next Year

Preparation of an action plan / blue print of getting business for the next financial year by taking into consideration the strengths and weaknesses of the branch, success rate of our existing schemes / policies, growth rate of business in the area. The blue print so prepared must reach to HO by 1st week of April.

3. Facility Required

In order to achieve the aforesaid blue print / plan of the business, assessment of the facilities required :

- a) Administrative support
- b) Any new scheme / amendment in the existing scheme / policy.
- c) Any other facility from GAD Section.

4. Organizing a Get Together

Organization of a small party inviting DIC, RIICO and concerned Revenue Authorities, and our existing good borrowers for maintaining good liaison with them, as far as possible District Collector should be requested to Chair the function.

All concerned are advised to ensure it's strict compliance with immediate effect.

(B N Sharma)
Chairman & Managing Director

Copy to:

1. All BOs/SOs.
2. Standard circulation at H.O.
3. DGM (WZ), RFC, A&I, Ajmer.