

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/58

Dt: 18/22.4.2002

P&G CIRCULAR

Reg: Grant of pari passu charge.

It has been noticed that after availing loan from the Corporation under different GB Schemes, the unit decided to avail further financial assistance from other financial institutions and seek approval of RFC for creation of further charge/pari passu charge over the assets mortgaged to RFC. Since, this may lead to dilution of the security of the Corporation, if permission for pari passu charge is considered, the matter was discussed in the PCC at length and it has been decided that in future while granting permission for pari passu charge in respect of the units having availed financial assistance/loans under GB schemes, the following guidelines be followed:

- i) Pari passu charge for availing WCTL from other term lending institution/bank shall not be considered.
- ii) Pari passu charge for availing other term loans may be considered by enhancing the security debt ratio as under:
 - a) In case the company/concern has availed the financial assistance under gold card/silver card scheme the security debt ratio may be enhanced to 2.10:1 as against 2:1
 - b) In case where the financial assistance has been availed under other schemes of good borrower, the security debt ratio may be enhanced 1.6:1 as against 1.5:1.

All concerned are advised to make a note of above.

(K.C. GUPTA)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-113/215

Dt: 17/20.6.2002

P&G CIRCULAR

Reg: Special purposes WCTL scheme.

Attention is invited to PG Circulars number 808 dated. 4.3.99, No.833 dt. 16.8.99 and No.841 dt. 22.10.99 vide which the scheme for financing for replenishment of blades and segments in respect of marble gangsaw units, replacement of back up rolls, bearings and rollers in SS rolling mills and replacement of carding cloth by carpet woolen yarn manufacturing units was circulated. The scheme particularly for replacement of blade and segments, rollers and back up roll has been successful and corporation has generated good business from marble gangsaw units and SS rolling mill units.

Branch offices are making reference as to whether the Corporation can consider financial assistance again to the units which have been financed once in this scheme. The matter was examined in detail and it is observed that the guidelines issued do not debar/prohibit further loan for these items after repayment of the earlier loan. It is, therefore, clarified that the units which have earlier availed financial assistance under these schemes and repaid the same in full would be eligible for sanction of fresh loan for replacement for the purpose mentioned in the above scheme on the terms and conditions as specified.

All concerned are advised to take a note of it and make all out efforts to garner maximum business under these schemes.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
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Ref: F.RFC.GBD-GEN-91/278

Dt: 29.6.2002

P&G CIRCULAR

Reg: Modification in Gold Card Loan Scheme.

The Corporation is operating gold card loan scheme for the last 2 years and the performance of financing under this Scheme has been satisfactory. To enlarge the scope of Gold card loan scheme the EC (discharging the function of Board) in its meeting held on 15.6.02 has made certain modifications by providing the facility of prepayment without premium with the option to withdraw pre payment made at the convenience of the gold card holders with 1% processing charges. Also the security debt ratio has been reduced from existing 2:1 to 1.75:1. Henceforth the good borrowers who have availed loan under WCTL Scheme would also be eligible for Gold card loan equal to loan admissible for replenishment of WCTL provided they had made payment of 8 EQI and are entitled for replenishment.

Accordingly, necessary modifications in PG Circular number 859 dt. 17.4.00 containing the Scheme for Gold card loan may be made with immediate effect as under:

1. Object: (Point No.2)

Following clause as point No.2(iii) may be added:-

“The scope of the scheme has been enlarged by covering the units which have availed WCTL under GB Scheme and repaid 8 EQI and are entitled for replenishment of WCTL.”

2. Eligibility Criteria (Point No.3)

Following note may be added at the end of this point:-

“Note:- The Silver card holders can be sanctioned fresh Gold Card loan by accepting prepayment without premium from Silver Card holders in case their repayment behaviour is satisfactory for a minimum period of one year and if the concern fulfills the eligibility criteria of Gold Card Loan scheme.”

3. Eligible amount: (Point No.4)

Following para may be added after the existing para at this point:

“The unit applying for Gold Card loan after making repayment of 8 EQI under WCTL shall also be eligible for Gold card loan to the extent of loan repaid under WCTL.”

4. Securities and security debt ratio: (Point No.5)

This para may now be read as under:

“The overall security debt ratio shall be kept 1.75:1. For the purpose of calculation of security, MRV of land and building and book value of P&M and MFA shall be considered. The outstanding in existing loan a/c(s) and proposed loan shall form part of total debt for calculation of security debt ratio.”

5. Repayment period: (Point No.12)

The following para may be added after the existing para:

“The gold card holder will have the facility of pre payment of gold card limits (principal not due) without any pre payment premium and withdraw and same at his convenience on deposition of 1% processing charges on the amount so withdrawn. This facility of depositing and withdrawal of same to the extent of principal not due on the date of withdrawal will be available only at the Branch maintaining the account of the gold card holder.”

All concerned are advised to make necessary modification/additions in the Gold card Scheme circulated vide PG Circular no.859 dt. 17.4.2000 and ensure that with these relaxations in the Gold Card Scheme the scope of our financing in this sector is enlarged further.

EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-112/286

Dt: 29.6.2002

P&G CIRCULAR

Reg: Platinum Card loan Scheme

The Corporation is presently operating Silver Card and Gold card loan scheme for existing good borrowers. Keeping in view the encouraging performance in the sector, it has been felt that these borrowers should be encouraged further by providing more incentive in the rate of interest and for increased amount of loan compared to Gold card scheme in order to continue their good relationship with the Corporation. Accordingly, the EC (discharging the function of Board) in its meeting held on 15.6.02 has approved the proposal to introduce new scheme namely "Platinum Card loan Scheme" for its existing Gold card holders. This scheme inter alia provides;

- a) The following two categories of borrowers are eligible for assistance:
 - i) The existing gold card holders with proven track records of repayment of two years under gold card loan scheme.
 - ii) Existing gold card holders with proven track records of repayment of one year under gold card scheme and two years with other GB schemes.
- b) The borrowers under this scheme shall be eligible for loan equal to 1.25 times of loan repaid in term loan, UPGB and STL Schemes.
- c) The rate of interest would be 1.25% below prevailing rate of interest in this scheme.
- d) The Platinum card loan shall be considered only in case where admissible loan under the scheme is Rs.10.00 lacs or more.
- e) The platinum card loan limit will be in two parts as under:
 - a) Fixed limit : Equal to 90% of total amount admissible.
 - b) Floating limit : Equal to 10% of total amount admissible to be availed from any of Branch Office of the Corporation during the currency of loan with maximum ceiling of Rs.5.00 lac.
- f) The facility of this Card would not be available in joint finance cases.

The detailed scheme approved by EC is enclosed and marked as Annexure-A. The GL code of the scheme would be 585 for Fixed Limit and 586 for Floating Limit and shall form part of PG.

All concerned are advised to read the scheme carefully and make all out efforts to garner maximum business under the Scheme. For this every case where we have already sanctioned and released the Gold card limits is to be looked into and well pursued for availing the Platinum Card limit if it fulfills the criteria of the same.

Encl: As above.

(T. SRINIVASAN)
CHAIRMAN AND MANGING DIRECTOR

Reg: **PLATINUM CARDS LOAN SCHEME FOR GOOD BORROWERS OF THE CORPORATION**

INTRODUCTION:

RFC is providing financial assistance to the SSI and medium scale units since last 4 decades. During the course of financing number of entrepreneurs established themselves as a reputed entrepreneur and recognized as good borrowers by the Corporation. The Corporation has already taken steps to provide financial assistance to good borrowers on liberal terms through its various good borrower schemes including STL, WCTL, Gold card and Silver card loan scheme. In order to encourage the existing entrepreneurs/good borrowers to have continued business relationship with the Corporation in a competitive business scenario, the Corporation may introduce a new scheme termed as "Platinum Card Loan Scheme" so that the existing entrepreneurs availing the loan facilities under GB Schemes with satisfactory repayment behaviour may be further elevated/upgraded under this new scheme.

The brief features of the scheme are as under:

1. OBJECT

Providing of financial assistance to the existing good borrowers of the Corporation availing loan facilities under GB Schemes with satisfactory repayment behaviour, to meet out their immediate requirement either for working capital limit or to acquire fixed assets or both.

2. ELIGIBLE UNITS:

Existing gold card holders with proven track records of repayment of 2 years under gold card scheme.

OR

Existing gold card holders with proven track records of repayment of one year under gold card scheme and two years in other good borrower schemes.

Note: This facility would not be available in joint finance cases.

3. ELIGIBILITY CRITERIA

- i) The existing debt equity ratio is not more than 1.5:1 as per balance sheet of the last financial year.

OR

On considering the proposed Platinum card limit, the debt equity ratio would no exceed 2:1.

- ii) Working results and financial performance of the unit should be satisfactory in the last 4 financial years and it should reveal positive cash generation at least for 2 years in the last 3 years.
- iii) There should be no overdue in sister/associate/family concern of the unit and also no benefit of waiver of penal interest should have granted during last three years.
- iv) The working result of the concerns should justify repayment of existing and proposed loan.

1. ELIGIBLE AMOUNT

- i) The eligibility of loan shall be assessed by the Corporation which shall not be more than 1.25 times of loan repaid against principal in term loan including UPGB and short term loan under GB scheme (loan repaid in WCTL/Silver card/Gold card loan A/c shall not be considered).
- ii) The eligible amount of platinum card would be considered in two segments i.e. fixed limit and floating limit.

The floating limit would be equal to 10% (in multiple of Rs.0.50 lacs) of total platinum card loan admissible subject to maximum of Rs.5.00 lacs.

- iii) Platinum card would be considered only in the cases where admissible loan under this scheme is Rs.10.00lacs or above.

2. SECURITIES & SECURITY DEBT RATIO

The security debt ratio should not be less than 1.75:1. For the purpose of calculation or security, MRV of land and building and book value of P&M and MFA (subject to maximum of MRV of land and building) shall be considered.

Note:- If any gold card holder become eligible for platinum card than while considering the eligible amount under platinum card scheme, the outstanding in existing gold card account will be simultaneously squared up and shall be upgraded into platinum card scheme by way of roll over. In other words, the entrepreneur cannot have gold card as well as platinum card simultaneously. However, no prepayment charges would be charged for such up gradation of gold card loan amount. The borrower shall however surrender gold card to get platinum card.

3. APPLICATION & APPLICATION FEE

After prima facie clearance of the case of the unit, the entrepreneurs shall submit formal application in the prescribed format as enclosed along with application fee as per the existing norms.

4. PROCESSING OF LOAN APPLICATION

No detail appraisal would be carried out. Only entrepreneurs may be identified by analyzing past track records with regards to repayment behaviour with the Corporation and financial performance for the last 4 financial years.

5. INTEREST RATE

The unit would have option to choose fixed or flexi rate of interest at the time of filing application. Request for change in option in interest from fixed to flexi and vice versa can be considered by the GM(Loans) before execution of loan documents. After execution of loan documents, no such request shall be entertained.

Fixed rate of interest: 1.25% below the prevailing applicable rate of interest under general loan scheme. Interest payable at quarterly rest with no further rebate.

OR

Flexi rate of interest:

1.25% below the rate of interest applicable under general term loan scheme prevailing from time to time.

Notes:-

- (i) in case borrower opting for flexi rate of interest no premium on prepayment would be charged.
- (ii) No rebate in interest is available on timely payment under this scheme.

6. LIQUIDATED DAMEGES

No liquidated damages shall be charged till default in two consecutive quarters. In case default persists for more than 2 quarters, liquidated damages shall be charges @ 5 ¼% over and above applicable rate of interest for the period of default on the amount of default.

7. PROCESSING CHARGES

Processing charges @ 1% of amount to be disbursed shall be charged at the time of disbursement.

8. MARGIN AND PROMOTERS' CONTRIBUTION

No additional margin and promoters contribution will be required to be brought in provided that existing debt equity ratio is not more than 1.5:1 however, if after proposed availment of Platinum card limit the debt equity ratio increases beyond 2:1 the concern/unit has to bring additional capital or unsecured (IF) loan so as to keep the debt equity ratio below 2:1.

9. REPAYMENT PERIOD

The loan shall be repayable in maximum 5 years in quarterly instalments including moratorium period not exceeding six months through PDCs of principle sum of fixed limit. Interest to be paid on due dates separately.

10. MORATORIUM PERIOD

The moratorium period for payment of principal sum would be not exceeding six months. However, interest shall be paid quarterly.

11. VALIDITY OF SANCITON

- a) The sanction will be valid for 6 months only from the date of communication of sanction.
- b) Extension in sanction beyond 6 months to 12 months shall be considered by the sanctioning authority.

12. SANCTIONING AUTHORITY

The sanctioning authority shall be CMD. If deemed fit CMD may form a committee of selected officers for recommending the case to CMD.

13. DISBURSEMENT

The disbursement will be released in maximum 2 instalments.

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Ref: F.RFC.GBD-GEN-100/287

Dt: 29.06.2002

P&G CIRCULAR

Reg: Modifications in Silver Card Loan Scheme.

The Corporation is operating silver card loan scheme since October,01. During the course of operation of the Silver Card Loan Scheme, it has been felt that we should give some accommodation to entrepreneurs who have been sanctioned loan under Silver Card loan scheme. Accordingly, the matter was placed before EC (discharging the function of Board) in its meeting held on 15.06.02. The EC has decided as under:-

- i) For units which are fulfilling the eligibility criteria of Silver Card but not of Gold Card but they are having more than adequate security to consider 100% of loan repaid as against 50% of loan repaid, the CMD has been authorized to consider loan equal to 100% of loan repaid towards term loan as against 50% of loan repaid in Silver Card loan in case the security debt ratio after considering Silver Card remains more than 2:1.
- ii) The EC has further authorized CMD to sanction fresh Gold Card loan by accepting prepayment without premium from Silver Card holders where repayment behaviour is reported satisfactory for minimum period of one year and the concern fulfills the eligibility criteria of Gold Card loan scheme.

Accordingly at point no. 3 “Appraisal of Silver Card Loan Scheme” , a note may be added after sub point no. vii as under:-

“with the approval of CMD the unit can be sanctioned fresh Gold Card loan by accepting prepayment without premium from Silver Card holders in case their repayment is satisfactory for a minimum period of one year and if the concern fulfills the eligibility criteria of Gold Card Loan scheme.

Further a new note no. 3 in the main point no. 4 (Eligible Amount) of the Silver Card scheme may be added as under:-

“CMD can enhance eligible amount of loan under Silver Card Loan scheme to the extent of loan repaid (instead of 50% of loan repaid) in case the security debt ratio after considering Silver Card Loan remains more than 2:1.”

All concerned are advised to take a note of the above modifications in the Silver Card Scheme.

EXECUTIVE DIRECTOR

RFC/PG/974

RAJASTHAN FINANCIAL CORPORATION
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Udyog Bhawan,
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JAIPUR-5

Ref: F.RFC.GBD-GEN-113/334

Dt: 17.07.2002

P&G CIRCULAR

Reg: Enlarging coverage of scheme for replacement of back up roll,
Work roll and bearings in SS Sheet manufacturing units.

The EC in its meeting held on 2.7.02 has decided to enlarge the coverage of Special Purposes WCTL Scheme for replacement of back up roll, work roll and bearings in SS Sheet manufacturing units by incorporating the following in the clause "Purpose of Assistance" of PG Circular no. 808 dt. 4.3.99:-

"Financial assistance may also be considered for replacement of machinery/machinery parts and consumables specific to the need of the unit within the overall parameters of security debt ratio under the good borrower scheme."

All concerned are advised to take a note of the same and amend the purpose clause of above scheme accordingly.

EXECUTIVE DIRECTOR

RFC/PG/975

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-112/347

Dt: 20.07.2002

P&G CIRCULAR

Reg: Giving credit for payment to good borrowers from the date of issue of cheque under

Platinum Card Loan scheme.

The EC in its meeting held on 2.7.02 has decided to consider one more incentive to Platinum Card Holders by giving the credit for payment from the date of issue of local cheque or the date of receipt of cheque whichever is later in place of the existing guidelines based on the date of realization of the cheques.

Accordingly, a new para after the existing para in point No.12 repayment period may be incorporated in the Platinum Card Scheme circulated vide PG Circular No.968 dated 29.6.2002 as under:

“The credit of payment to loanee account under the Scheme shall be considered from the date of cheque or the date of receipt of cheque (whichever is later) in respect of local cheque. This facility would not be available on out-stationed cheque.”

It will be ensured that cheques are lodged on the same day. In case of bank holidays or banking hours are over, date of cheque should be date of next bank working day. Further PDCs may be sent to Bank clearing a day before the date of cheque. Overall arrangement may be made to get credit in the minimum clearing time. Any delay on this part will be viewed seriously.

All concerned are advised to make a note of the same.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
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Ref: F.RFC.GBD-GEN-113/627

Dt: 24.09.2002

P&G CIRCULAR

Reg: Modification in SPWCTL schemes for Good Borrowers and
Potential Good Borrowers.

Attention is invited to PG circular no. 808 dated 4.3.1999, 835 dated 16.9.1999, 841 dated 22.10.1999 and 848 dated 13.1.2000 vide which schemes for replacement of consumables i.e. blades and segments in marble gang saw unit, back up roll, bearings and work rolls in SS Sheets manufacturing units and card cloth in carpet woolen yarn manufacturing units under good borrower and potential good borrower schemes were circulated.

As per the provisions of the scheme, further loan can be considered after the earlier loan availed by the unit for the purpose has been repaid totally. Considering repeated representations from entrepreneurs/field officers for grant of fresh loan for the replacement of the above items even when the earlier loan has not been repaid in total, the matter was considered by EC (discharging the functions of Board) in its meeting held on 23.8.2002 and the Committee approved the proposal to consider further loan to the extent of loan repaid against principal under Special Purpose Working Capital loans for replacement of consumables under both the schemes of GB and PGB on usual and following additional conditions:

1. Further admissible loan and outstanding amount in the existing SPWCTL/PGBSPWCTL loan account would not exceed the original sanctioned amount under SPWCTL/PGBSPWCTL.
2. The unit should be running.

Accordingly, the above modification/additions may be made in the SPWCTL & PGBSPWCTL schemes contained in the PG as under:

1. SPWCTL scheme for Good Borrowers:

“Quantum of Assistance: : The following new para may be added after the existing para at this point.

Subsequent loans:

Further admissible loan (on the same margin of security) and outstanding amount in the existing SPWCTL account should not exceed the original sanctioned amount under this scheme provided the unit is running.

2. PGBSPWCTL Scheme:

The following para may be added to the existing para III of clause 8 “ Limit of Financial Assistance”.

Subsequent loans:

Further admissible loan and outstanding amount in the existing PGBSPWCTL account should not exceed the original sanctioned amount in the PGBSPWCTL scheme provided the unit running.

The other terms and conditions of scheme shall remain unchanged.

All concerned are advised to take note of the above and make all-out efforts to generate maximum business in the scheme.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RFC/PG/988

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/813

Dt: 01.11.2002

P&G CIRCULAR

Reg: Modification in Silver/Gold/Platinum card schemes.

The Corporation is operating the following three schemes having the facility of floating limits.

3. Silver Card
4. Gold Card
5. Platinum Card

In all the above schemes the Corporation is charging 1% processing charges at the time of each withdrawal out of the floating limit.

On receipt of representations, the matter was reviewed and was placed for consideration of the Board of Directors in the meeting held on 19.10.2002. The Board has approved that only one time processing fee at the rate of 1% p.a shall be charged on the amount of floating limit and thereafter Rs.500/- may be charged as annual card fee every year. Accordingly, the following amendments may be made in the above schemes at relevant paras as under with immediate effect.

Silver Card Scheme:

- i) Point No.9 appearing in schedule LA(S)-17(g) AT PAGE No.265 of the PG may now be read as under:
 - a) Fixed limit:
Processing charges @ 1% of amount to be disbursed shall be charged at the time of disbursement.

b) Floating limit:
Processing charges @1% shall be charged at the time of first withdrawal on the amount of floating limit. Thereafter Rs.500/- shall be charged as annual card fee every year irrespective of number of subsequent withdrawals during the year.

ii) Clause (iv) of point No.15(b) floating limit appearing at page 267 of PG may be now substituted as under:

Processing charges @ 1% shall be; charged at the time of first withdrawal on the amount of floating limit. Thereafter Rs.500/- shall be charged as annual card fee every year irrespective of number of withdrawals during that year.

Gold Card Scheme:

i) Point No.10 of schedule LA(S)-17(F) appearing at page No.261 of the PG may be read as under:

a) Fixed limit:

Processing charges @ 1% of amount to be disbursed shall be charged at the time of disbursement.

b) Floating limit:

Processing charges @ 1% shall be charged at the time of first withdrawal on the amount of floating limit. Thereafter Rs.500/- shall be charged as annual card fee every year irrespective of number of subsequent withdrawals during that year.

ii) Clause 'd' of point No.17 appearing at page No.263 of the PG may be substituted as under:

Processing charges @ 1% shall be charged at the time of first withdrawal on the amount of floating limit. Thereafter Rs.500/- shall be charged as annual card fee every year irrespective of number of subsequent withdrawals during that year.

Platinum Card Scheme:

Point No.10 of the scheme appearing in schedule No.LA(s)-17(J) at page No.279 of the PG may now be read as under:

a) Fixed limit:

Processing charge @ 1% of amount to be disbursed shall be charged at the time of disbursement.

b) Floating limit:

Processing charges @ 1% of amount shall be charged at the time of first withdrawal on the amount of floating limit. Thereafter, Rs.500/- shall be charged as annual card fee every year irrespective of number of subsequent withdrawals during that year.

All concerned are advised to take note of the above and to amend the PG Chapters accordingly.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RFC/PG/989

RAJASTHAN FINANCIAL CORPORATION
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Ref: F.RFC.GBD-GEN-25/814

Dt: 01.11.2002

P&G CIRCULAR

Reg: Flexibility in the operation of GB/PGB scheme.

Instances have come to the notice during the course of appraisal of cases under GB/PGB schemes that some of the borrowers though are fulfilling all eligibility criteria of GB./PGB schemes but either incurred cash losses in the immediate preceding year or cash profits in immediate preceding year are not adequate to justify the repayment, thus, not eligible for financial assistance under GB scheme.

As per the provisions of GB/PGB schemes the unit should be having cash profit in 2 years out of last 3 years including cash profit in immediate preceding year and in gold card scheme the cash profit should be adequate to justify total payments. A unit does not become eligible for financial assistance in GB/PGB schemes and gold card schemes respectively even after fulfilling all the eligibility criteria, if it has incurred cash losses in the immediate preceding year due to any genuine reason or lower cash profit.

Keeping in view of the above a proposal was placed before the Board that in such cases where the other points of eligibility criteria are fulfilled but the unit has incurred cash losses in immediate preceding year or lower cash profits to justify the repayment under gold card scheme, the CMD may be authorized to relax this eligibility criteria.

The Board has agreed to the above proposal and it has been decided that the relaxation in the above eligibility criteria may be allowed by CMD on merit of each case.

Accordingly, all concerned are advised to take a note of the above and if it is felt that a case deserves to be considered under GB/PGB scheme including Gold card/Silver Card/Platinum Card Scheme by relaxing one of the eligibility criteria i.e. earning of cash profit in immediate preceding year or adequate cash profit to justify the repayment, such case may be referred to HO along with clear cut and specific recommendation of BM for relaxation. However, this relaxation may be considered only after obtaining financial results of six months of current financial year duly certified by CA and ensuring that during this period a unit has incurred cash profit /adequate cash profit for coverage under respective schemes.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
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Ref: F.RFC.GBD-GEN-112/854

Dt: 14.11.2002

P&G CIRCULAR

Reg: Reduction in processing charges for roll over amount under platinum card scheme.

As per the present norms of the Platinum card scheme, the corporation is charging processing charges at the rate of 1% on the total amount of loan sanctioned.

Representations were received to withdraw the provision for processing charges. Accordingly, the matter was examined and was placed before the Board in its meeting held on 19th Oct., 2002 for consideration. The Board has decided to reduce the existing rate of processing charges from 1% to 0.5% on the roll over amount of gold card holder. The board also decided to continue to charge 1% as processing charges on the additional amount to be sanctioned over and above the roll over amount under platinum card scheme.

Accordingly, point No.10 of schedule No. LA(S)-17(J) (processing charges) appearing at page No.279 of PG may now be substituted as under with immediate effort:

- i) On Roll over amount:
Processing charges at the rate of 0.5% shall be charged on the amount to be rolled over as platinum card limit.
- ii) On additional amount:
Processing charges @ 1% of additional amount sanctioned shall be charged over and above roll over amount.

All concerned are advised to take a note of the above and to amend the PG accordingly.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
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Ref: F.RFC.GBD-GEN-25/1526

Dt: 10/15.01.2003

P&G CIRCULAR

Reg: Coverage of commercial complex cases in Good Borrower (GB) scheme including Gold card limit.

The Board in the meeting held on 02.01.2003 has decided to make the following changes in the eligibility criteria of good borrower schemes including the gold Card Scheme for coverage of commercial complex cases:

1. The unit should be operating/dealing with the Corporation for at least 2 years and repaid 50% of loan disbursed.
2. The account of the unit should have been classified as standard assets in last 2 financial years.
3. Working results and financial performance of the unit should be satisfactory in the last 2 financial year and should have shown positive cash generation.
4. The other norms of the GB scheme and gold card scheme shall remain unchanged. However, if there is short fall in prescribed norms of the security debt ratio, the Corporation may accept immovable property which is marketable and mortgagable for the amount of gap.

All concerned are advised to take a note of the above amendments and to modify the PG accordingly.

EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
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JAIPUR-5

Ref: F.RFC.GBD-GEN-25/1533

Dt: 10/16.01.2003

P&G CIRCULAR

Reg: Replenishment of working capital term loan for Good Borrowers.

As per the norms for replenishment of working capital term loan, a unit should have achieved the projected turn-over envisaged at the time of the sanction of original WCTL and it should make repayment in time. It was brought to the notice that in some cases the unit could not achieve the projected turn-over and as such it was not eligible for replenishment of a gap arised in the Working capital loan.

To cover such cases, the Board in the meeting held on 02.01.2003 has approved a proposal to grant replenishments subject to the prescribed norms of the scheme and on the following conditions:

- a. The unit is making timely payment in its existing loan account as per eligibility criteria for Good Borrowers.
- b. The loan under replenishment may be considered to the extent of working capital gap worked out on the basis of the actual turn-over achieved and the actual working capital available as per the latest available balance sheet of the concern.

Accordingly, point No.2 of provision No.14 "REPLENISHMENT OF WCTL REPAYED BY THE BORROWERS" appearing in Chapter LA(S)-17(B) at page 246 of the PG may be modified by incorporating an additional clause as under:

"In case the unit has not achieved the projected turn-over it may be considered for replenishment subject to fulfillment of the following conditions:-

- a) The unit is making timely payment in its existing loan account as per eligibility criteria for Good borrowers.

- b) The loan under replenishment may be considered to the extent of working capital gap worked out on the basis of the actual turn-over achieved and the actual working capital available as per the latest available balance sheet of the concern.”

All concerned are advised to make the above amendment in the PG accordingly.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-113/1568

Dt: 18/21.01.2003

CIRCULAR

Reg: Financial assistance for replacement of parts of Textile units under SPWCTL Scheme for Good Borrowers.

The Board in the meeting held on 02.01.2003 has decided to cover textile units for grant of financial assistance for replacement of part of stenter machine, printing machine and thermax boiler as per the actual requirement within the existing parameters of the SPWCTL scheme for good borrowers. Accordingly, necessary modifications in chapter LAS)-17(D) appearing at page No.252 of the PG may be made as under:

1. A new clause may be incorporated in clause "coverage" of the scheme as under:-

"d) SPWCTL for textile units for replacement of parts of stenter machine, printing machine and thermax boiler."

2. The following new purpose may be incorporated as point no. V in the clause "purposes" of the scheme:-

"For cases of textile units financial assistance may be provided for replacement of parts of stenter machine, printing machine and thermax boiler after a period of 2 years subject to the following conditions:-

I. The minimum security debt ratio of 1.5:1 may be maintained (as the present scheme does not prescribe any security debt ratio).

II. The replacement of existing part of plant & machinery might be having certain book value, therefore, while calculating security debt ratio this amount would have to be deducted from the WDV of plant & machinery and proposed increase by way of replacement would be added to the book value. Similarly for calculation of acceptable value of land & building the MRV shall be considered as applicable to other GB schemes.

III. The MRV, book value or sale value (if available), whichever is higher, shall be deducted from the cost of plant & machinery to be replaced.

Other norms of the scheme shall also be applicable.

All concerned are advised to make the above amendments in the PG accordingly.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1012

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-106/465

Dt: 10.07.2003

CIRCULAR

Reg: Enhancement of maximum limit of loan under WCTL scheme for
Good Borrowers.

The Corporation is considering WCTL under the Good Borrower Scheme up to the maximum limit of Rs.1.00 crore. It has been represented by the borrowers at various forum that this limit should be increased suitably to meet out the increased requirement of working capital. The matter was considered by the Board of Directors of the Corporation in its meeting held on 30.6.2003. The Board has approved the proposal to enhance the maximum WCTL under GB Scheme to the extent of Rs.3.00 crores with the provision that loan above Rs.2.00 crores shall be backed by collateral security not less than the 150% of loan, provided existing collateral security is found to be inadequate. Accordingly, all concerned are advised to make necessary amendment in Point No. 3 of Schedule LA(S)-17(B) appearing at page no.243 of PG as under:-

“QUANTUM OF ASSISTANCE:

The maximum limit of working capital term loan to a company/concern shall be Rs.300 lacs over and above term loan sanctioned by the Corporation subject to maximum exposure of Rs.1000.00 lacs (being the maximum limit of financing of the Corporation). However, loan above Rs.200.00 lac shall be backed by collateral security equal to 150% of loan if existing collateral security is not adequate. However, in case the Borrower being firm (partnership or proprietorship), the maximum limit of assistance shall be Rs.200.00 lacs including existing exposure of term loan, if any, loan only above Rs.2.00 lacs shall be considered under the scheme.”

The other provisions shall remain the same.

All concerned are advised to take note of above for compliance.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1013

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-109/467

Dt: 10.07.2003

CIRCULAR

Reg: Delegation of powers under Scheme of WCTL to NAU.

The Corporation is operating the scheme for grant of Working Capital Term loan (WCTL) to Non Assisted Units (NAU) under the GB portfolio. The scheme was introduced in the year 2001-2002.

Since the scheme was new, all applications received were required to be processed, examined and sanctioned at HO by the authorities as per the delegation of powers irrespective of loan amount.

Borrowers and Industrial Association have represented time and again to empower field offices for grant of loan under this scheme.

Accordingly the matter was placed before the Board of Directors in its meeting held on 30.6.2004. The Board has approved the proposal and it has been decided to delegate powers for sanction of loan under WCTL to NAU Scheme to field offices within their existing delegated powers.

Accordingly, Point No. 10 of Schedule LA(S)-17(I) at page 275 of PG has been modified as under:-

SANCTIONING AUTHORITY

Sanctioning authority shall be as per existing delegation of powers.

It is expected that the delegation will generate further business under this scheme as it will be convenient for entrepreneurs to avail loan at the field offices.

All concerned are advised to take a note of above and make earnest efforts to maximize the business under this scheme.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RFC/PG/1014

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/466

Dt: 10.07.2003

CIRCULAR

Reg: Reduction in liquidated damages for Good Borrowers & Potential
Good Borrowers.

Presently the Corporation is charging liquidated damages at the rate of 5.25% on the amount of default for the period of default in all the Good Borrowers and Potential Good Borrowers Scheme cases irrespective of amount of loan.

The matter was reviewed by the Board in the meeting held on 30.6.2003 and it has been decided to reduce the liquidated damages from 5.25% to 2% for Good Borrowers and Potential Good Borrowers cases. The decision shall be applicable to the following cases:-

- a) loan cases to be sanctioned on or after 30.6.2003.
- b) loan cases sanctioned but documents have been executed/to be executed on or after 30.06.2003.

All concerned are advised to make suitable modification in all the schemes of GB/PGB at appropriate places in PG.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-100/494

Dt: 15.07.2003

CIRCULAR

Reg: Charging of flexi rate of interest in Silver Card Scheme.

The Corporation is presently operating the following card loan schemes:-

1. Silver Card loan
2. Gold Card loan
3. Platinum Card loan.

As per the present norms of these schemes, the Corporation is giving the facility of charging flexi rate of interest in Gold Card and Platinum Card Schemes. During the course of meeting with Good Borrowers of the Corporation held on 08.05.2003, it was suggested that the facility of charging flexi rate of interest may also be extended to the Silver Card loan scheme.

Accordingly, the matter was placed before the Board in its meeting held on 30.06.2003. The Board has approved the proposal to provide the facility of flexi rate of interest in the silver card loan scheme also and the borrower may exercise the option of flexi rate of interest before execution of loan documents. Accordingly, Point No. 7 at page 265 of Schedule LA(S)-17(G) of PG has been modified as under:

INTEREST RATE:

The unit will have the option to choose fixed or flexi rate of interest at the time of filing of application. Request for change in option in interest from fixed to flexi and vice-versa may be considered before execution of loan documents. After execution of loan documents no such option shall be entertained.

- a) Fixed rate of interest – ½% below the prevailing applicable rate of interest under the general term loan scheme. Interest shall be charged at quarterly rest.
- OR
- b) Flexi rate of interest – ½% below the rate of interest applicable under the general term loan scheme prevailing from time to time.

NOTES:

In case the borrower opts for flexi rate of interest, no premium on prepayment shall be charged. No rebate is available on timely payment under this scheme.

The above amendments shall be applicable to the following cases only:

- a) Cases where loan has been sanctioned but loan documents not executed so far.
- b) In all such cases sanctioned/to be sanctioned on or after 30.6.2003.

All concerned are advised to take note of above for compliance.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RFC/PG/1025

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-112/1030

Dt: 29.10.2003

CIRCULAR

Reg: Amendment in Platinum Card Scheme.

Presently the Corporation is providing the facility of prepayment of loan (principal not due) without any prepayment premium with the option to withdraw the same at the convenience of the Borrower on deposit of 1% processing charges on the amount so withdrawn under the Gold Card Scheme.

On the same lines, it has been decided that this facility may also be incorporated in Platinum card scheme as recommended by the PCC in its meeting held on 09.10.03. Accordingly, the following provision may be added to point no. 13 i.e. repayment period of platinum card scheme available in PG at page 280 in schedule LA(S)-17J.

“The platinum card holder will have the facility of pre payment of platinum card limit (principal note due) without any prepayment premium and withdraw the same at his convenience on deposit of 1% processing charges on the amount so withdrawn. This facility of depositing and withdrawal (to the extent of principal not due on the date of withdrawal) will be available only at the branch maintaining the account of platinum card holder.”

The other provisions shall remain the same.

All concerned are advised to take a note of the above and make all out efforts to maximize business under the Platinum Card Scheme.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/1106

Dt: 15.11.2003

CIRCULAR

Reg: Eligibility of borrowers under Good Borrowers Scheme where change of management/partners/directors has taken place.

It has come to the notice that in some cases, change in management/partners/directors was made by the borrowers without taking prior approval from the Corporation in GB cases. As per the norms, repayment behaviour with Corporation for a period exceeding 3 years is taken into consideration to determine eligibility under GB schemes. In case, any change in directors/partners takes place within prescribed period of 3 years, it becomes necessary to re-examine eligibility under GB scheme. Accordingly the matter was considered by the PCC and it has been decided that following guidelines should be followed to consider eligibility under GB schemes:-

a) For Private Limited and Public Limited Company:

Where one or more directors have changed, but the share holding pattern indicates that the original director(s) along with their spouse and children are still holding equity stake equal to 51% or more, the company shall be treated as a good borrower.

For Partnership:

In case of partnership firm where change in partners has taken place, the unit may be deemed as a good borrower if the existing partner(s) along with their spouse and children of retiring partners are holding capital in the firm equal to 51% or more.

The above guidelines shall not be applicable where change in partners/directors have taken place with the prior approval of Corporation and its account(s) has/have been classified as standard account(s) thereafter, for at least 3 years.

All concerned are advised to take a note of above and make all out efforts to maximize business.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1034

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-81/1237

Dt: 20.12.2003

CIRCULAR

Reg: Admissible amount under Gold card and Platinum Card loan schemes.

The Corporation is considering gold card and platinum card loans upto the maximum five times of cash profit in the immediate preceding year subject to the other provisions. It has been observed that in many cases adequate security is available but cash generations in immediate preceding year are not adequate to consider full applied loan. The matter has been examined and placed before Board for consideration. The Board in its meeting held on 03.12.2003 has decided as under:

“The maximum loan admissible under Gold/Platinum card loan scheme on the basis of security debt ratio as under:-

Security Debt ratio	Loan admissible
-----	-----
1.75:1	Equal to 5 times of cash generation
2:1	Equal to 6 times of cash generation
2.5:1	Equal to 8 times of cash generation
3:1	Equal to 10 times of cash generation”

Accordingly, the above para may be added to respective schedule of scheme i.e. Platinum card Loan Scheme Schedule LA(S)-17(J), and Gold Card Scheme (Schedule LA(S) 17(F) under the clause “eligible amount”.

All concerned are advised to take a note of above and amend the respective schedules in PG accordingly.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RFC/PG/1039

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-127/1377

Dt: 30.01.2004

CIRCULAR

Reg: Scheme for WCTL facility of withdrawal and deposit through pass book.

Presently a borrower may be allowed to withdraw not exceeding 2 times a month and to deposit not exceeding 2 times a month meaning thereby that the borrower may be allowed to transact 4 times during a month as per provisions of the scheme.

The Board of Directors in its meeting held on 16.01.2004 has decided to remove the above restriction of 4 transactions with a view to provide more flexibility in the scheme and as such every borrower may be allowed to withdraw and deposit the amount of WCTL as many times as per the requirement subject to the condition that in any case as on date of withdrawal the outstanding balance including withdrawal in the account shall not exceed principal not due as per repayment schedule.

Accordingly sub-point "a" i.e. drawing and depositing facility of main point "Other Salient Feature" of PG Circular No.1002 dated 13.05.2003 may now be read as under:

"Every borrower may be allowed to withdraw and deposit the amount of WCTL as many times as per the requirement subject to the condition that in any case as on date of withdrawal the outstanding balance including withdrawal in the account shall not exceed principal not due as per repayment schedule."

The other provisions of the scheme shall remain the same.

All concerned are advised to take a note of above and amend the scheme accordingly.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1044

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/1418

Dt: 09.02.2004

CIRCULAR

Reg: Switch over scheme for loan from other financial institution/banks to be considered under GB Schemes

The Corporation has recently reduced the rate of interest in all segments of loan schemes to make it competitive in the financial market. The interest rate structure has now become attractive for the borrowers who have availed loan from other financial institution/banks in past at higher rate of interest.

To enlarge the scope of good borrower schemes of the Corporation, the Board of Directors in its meeting held on 3.2.2004 has decided that switch over of loan cases from other Financial Institution/banks may be allowed in the GB schemes at the interest rate applicable under respective schemes.

The eligibility criteria to become eligible for switch over has been kept same as is applicable to good borrowers of RFC provided that the repayment behaviour of the said borrower unit in three preceding years is satisfactory with the respective Bank/Institution and account is classified as standard assets during the period.

The other norms of security debt ratio, debt equity ratio, repayment period, margin, promoter contribution, moratorium period, interest rate, liquidated damages, sanction powers, purpose & processing charges ..etc. shall remain the same.

The Corporation may consider loan for repayment of outstanding loan of bank/financial institutions and for other purposes as prescribed under respective GB schemes subject to ceiling and fulfillment of norms. The quantum of security already offered to Banks/Financial Institutions shall have to be maintained.

All concerned are advised to take a note of above and make all out efforts to maximize the business under this scheme.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RFC/PG/1045

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/1435

Dt: 12.02.2004

CIRCULAR

Reg: Financial assistance for Dall & Oil Mill projects of good borrowers.

In partial modification of PG Circular no.928 dated 26.07.2001. It has been decided that Dall and Oil mill cases of good borrowers may be decided by the field offices under their existing delegation of powers. The other provisions of above Circular shall remain unchanged.

All concerned are advised to make a note of above.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/2610

Dt: 20.07.2004

CIRCULAR

Reg: Replenishment under platinum/gold card loan scheme.

The Corporation is providing platinum card loan equal to 1.25 times of Term Loan repaid and gold card loan equal to term loan repaid in term loan account.

It is observed that in many of the cases the borrower has repaid substantial amount towards these limits but not eligible for fresh limit within the same scheme. However, they are eligible for roll over in the higher scheme but may not fulfill the norms of this scheme.

The matter was considered and it has been decided that Corporation may consider replenishment of platinum card loan, gold card loan as the case may be so as to retain these borrowers and to meet out their further financial requirements subject to following conditions:

1. The borrower is fulfilling all eligibility criteria of respective schemes.
2. There is adequate security available.
3. The borrower has made payment of at least 40% of loan in the respective scheme.
4. There should be encouraging working results of the borrower in the respective scheme.

All concerned are advised to take a note of above and make all out efforts to maximize business.

(SANJAY DIXIT)
CHAIRMAN & MANAGING DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/2615

Dt: 20.07.2004

CIRCULAR

Reg: Financial assistance to existing/non-assisted unit with proven track record and new units promoted by good borrowers of the Corporation (UPGB SCHEME)

The Corporation is operating a scheme called Unit Promoted by Good Borrower (UPGB). Under this scheme, the Corporation is considering financial assistance to those units which have been promoted by the existing good borrower(s) of the Corporation/Bank/Financial institutions having satisfactory track record with regard to repayment of last 3 years with that particular Bank/FIs/Corporation or the existing units satisfying the definition of good borrower(s). This scheme provides additional benefit of rebate of 1% on timely payment.

To become eligible under this scheme, a new unit promoted by existing borrower has to fulfil the norms of having share in profit/capital to the extent of 51% or above in both the unit i.e. the units being promoted and the promoting unit. Share holding of spouse and children are also considered while deciding 51% shares.

It has been noticed during the course of operation of the scheme that in the public limited company the above norms cannot be fulfilled as the equity is widely spread amongst the scattered share holders not inter related. In view of this it is felt that in case of public limited company these norms are difficult to be made applicable.

The matter was considered and it has been decided that Public Limited Company under UPGB scheme may be considered eligible on case to case basis so as to enlarge the scope of the scheme and also accommodate public limited company eligible for financial assistance under this scheme considering mainly the following aspects:-

1. The existing director(s) (including their spouse and children) of the promoting company should be on the board of newly promoted company in majority so as to have controlling power in major decision making.
2. Besides other director of the newly promoted company, these directors shall furnish their personal guarantee for repayment of loan and interest thereon and their guarantee shall not be withdrawn during the currency of total loan.
3. The promoting company shall continue to furnish inter corporate guarantee for securing repayment of loan and interest thereon.

4. There should be exceptional track record of these promoters in the existing company financed by the Corporation/other FIs including banks.

The above norms will substitute at point -I i.e. stake of promoter of PG Chapter LA(S)-17(C) for the borrowers having constitution as Public Limited. In rest of the cases the point No. 1 shall be applicable in its original shape.

All concerned are advised to take a note of above and make all out efforts to maximize business under the scheme.

(SANJAY DIXIT)
CHAIRMAN & MANAGING DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1070

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-96/2844

Dt: 13.08.2004

CIRCULAR

Reg: Enhancement of Floating Limit under Gold Card and Platinum Card Scheme.

As per present provision of platinum card and gold card scheme the maximum floating limit is admissible equal to 10% of total term loan admissible where the quantum of loan is Rs.10.00 lac or above.

During the course of BM Conference, it was suggested that the quantum of floating limit may be enhanced suitably beyond 10%. The matter was considered and the Board in its meeting held on 21.6.2004 decided that the Good Borrowers under Platinum Card and Gold Card schemes may be allowed to avail floating limit to the extent of 20% of total loan as per option subject to the prescribed stipulation. The Borrower shall exercise such option only at the time of applying for loan under the respective schemes.

In view of above the branches may ensure that if any borrower desirous to avail floating limit in excess of 10% of total admissible loan, specific request may be obtained and forwarded along with the loan application. However, the maximum floating limit shall be restricted to Rs.5.00 lac as per scheme.

The above amendment may be given effect in PG and add as "NOTE" in respective PG Chapters as under:-

1. In PG Chapter no. LA(S)-17 (J) the following may be added as 'NOTE' at point no. 5 "Eligible amount"

"The borrower may give his option to avail floating limit up to 20% of loan admissible at the time of applying Platinum Card Loan."

2. In PG Chapter no. LA(S)-17 (F) the following may be added as "NOTE" at point no. 4 "Eligible amount"

"The borrower may give his option to avail Floating limit up to 20% of loan admissible at the time of applying Gold Card Loan".

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

(NAVEEN MAHAJAN)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1072

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/2869

Dt: 17.08.2004

CIRCULAR

Reg: Eligibility of rescheduled cases under GB scheme

As per the norms of good borrower schemes, the borrowers who have availed benefit of reschedulement in any of the last 3 preceding years are not eligible for further financial assistance under good borrower schemes.

In most of the cases reschedulement is done after committing default but on the other side there are certain cases where reschedulement is allowed prior to committing default on the individual merit of the case. The category of such account remains 'Standard' prior to and after approval of reschedulement. There is need to differentiate both these type of cases and; wherever reschedulement is requested before committing default and reschedulement has been considered by the Corporation such borrower may be considered for further financial assistance under GB schemes.

The matter was accordingly placed before the Board in its meeting held on 21st June, 2004. The board has decided to provide further financial assistance under any of the good borrower scheme to the borrowers who had requested for reschedulement prior to committing default and availed benefit of reschedulement in last 3 preceding years provided it fulfills all other eligibility criteria of the respective GB schemes.

All concerned are advised to take a note of above and explore the possibility of covering eligible borrowers under GB scheme who had approached for reschedulement prior to committing default. Accordingly, necessary modification may be made in PG Chapter LA-5 in the eligibility criteria of GB schemes including card schemes and also in the schedules of respective GB schemes including card scheme.

(SANJAY DIXIT)
CHAIRMAN & MANAGING DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-127/2826

Dt: 31.08.2004

CIRCULAR

Reg: Scheme for WCTL with the facility of depositing and withdrawal through pass book.

The Corporation had introduced above scheme vide PG Circular No.1002 dated 13.5.2003. The scheme provides in built facility of drawing and depositing as many times as per requirement. The scheme also provides provision of accepting payment through PDCs in EQI.

Both the above provisions of the scheme may not operate simultaneously. Feed back has been received from the field offices that the decision of accepting PDCs may be discontinued as it may not be possible to ascertain actual amount of interest payable by the borrower and also the date of payment of principal due.

The matter was therefore, examined in detail and accordingly it has been decided that instead of quarterly instalments, annual instalment of principal may be fixed. However, interest instalment may continue to be due on quarterly rest. It has further been decided that in past sanctioned case PDCs already obtained may be returned in case the payments are being made by the party intime. Accordingly, following note may be inserted below point "a" of "Repayment period" of scheme for WCTL with the facility of depositing and withdrawal through pass book.

"The repayment period under WCTL to good borrowers, potential good borrowers and to non-asisted units shall be as under:

Principle:

- i) The loan shall be repayable in 4 equal annual instalments.
- ii) The first instalment shall fall due on 1st day of month falling immediately after expiry of 12 months from the date of expiry of 3 months from the date of 1st disbursement. In case of non payment dues in time liquidated damages shall be charged as per norms.
- iii) The interest shall continue to fall due on 1st day of each quarter.

All concerned are advised to modify the scheme as above and maximize the efforts to increase the business under this scheme.

(SANJAY DIXIT)
CHAIRMAN & MANAGING DIRECTOR

RFC/PG/1083

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-105/3089

Dt: 06.10.2004

CIRCULAR

Reg: Financial Assistance to existing/non-assisted units with proven track records and new units promoted by Good Borrowers of the Corporation (UPGB)

Attention is drawn to P&G circular no.1065 dated 20.07.2004 circulating to consider public limited company eligible under UPGB scheme on case to case basis subject to certain parameters. The matter was placed before Board in its meeting held on 13.09.2004 and Board has decided that while considering these eligible cases the Corporation shall put a condition in all cases of public limited companies that the Directors of public limited company shall not dispose off their share holding during the currency of the Corporation loan.

Accordingly, point no.5 at P&G circular No.1065 dated 20.07.2004 may be added as under:

“The directors of public limited company shall not dispose off their share holding during the currency of Corporation loan.”

The above additions may also be inserted at point-I i.e. stake of promoters at PG chapter LA(S)-17 (C) for the borrowers having constitution as public limited.

All concerned are advised to take a note of above and make necessary modification in the scheme.

(R.S. GUPTA)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1092

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-113/3625

Dt: 12.01.2005

CIRCULAR

Reg: Financing of additional set of blade and segment under SPWCTL to Marble Gang saw Unit (GB Scheme – SPWCTL)

As per present policy, the Corporation has been providing financial assistance to marble gang saw units for acquiring one set of blades and segments for each gang saw machine under SPWCTL scheme. During the course of Branch Managers' conference, a suggestion was given by the field offices that Corporation should provide financial assistance for at least 2 sets of Blades and Segments to the Marble Gang saw Unit so that requirement of blades & segments of a particular unit for six months to 12 months can be met out. The repayment period in this scheme is 3 years.

The matter has been considered and the Board in its meeting held on 20.12.2004 has approved the proposal. The Corporation may accordingly provide financial assistance for at least 2 set of Blade & Segments to the unit for each Gang saw Machine subject to the condition that minimum security debt ratio shall not fall below 1.5:1. Other terms and condition of the scheme shall remain unchanged.

Accordingly, following amendment may be made in PG Page No.252 of schedule LA(S)-17(D) as under:

- i) No.(i) under the main Point of "Purpose" the word "acquisition of one set" may be replaced with "acquisition of two sets"
- ii) In the main point security at page No.253 of PG chapter LA(S)-17(D) the following point may be added at (iii).

The minimum security debt ratio shall not fall below 1.5:1.

All concerned are advised to take a note of above and make earnest efforts to garner maximum business in this scheme.

(ASHWINI BHAGAT)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/3648

Dt: 20.01.2005

CIRCULAR

Reg: Extension of validity of sanction.

The Corporation has circulated guidelines for extension of validity of sanction vide P&G Circular No.1087 dated 11.10.2004. The guidelines provide for delegation of powers for extension of validity of sanction to BM/DGM(R)/ED/CMD as per time elapsed after convey of sanction, but nothing was stipulated about extension of validity in GB cases in the said circular. The matter was considered by PC&CC in its meeting held on 6.1.2005 and decided that in GB cases extension in validity shall be considered as under:

1. In card loan schemes:

The guidelines already exist for extension of validity in card loan scheme wherein CMD has been authorized to extend validity of sanction after six months. Thus no further guidelines are required to be prescribed in such cases.

2. Cases under GB/PGB Schemes:

The norms for extension of validity in these cases may be kept same as is applicable in general term loan schemes circulated vide PG Circular No.1087 dated 11.10.2004. However, in switch over cases from other financial institutions, the validity of sanctions may be extended only after satisfying the following:

- i) The present status of repayment behaviour with the bank/financial institution from which it is being switched over.
- ii) Analysis of balance sheet for the immediate preceding year and provisional balance sheet for current financial year or part thereof.
- iii) Availability of security and existing outstanding of financial institution from which it is being switched over.

- iv) Information/recommendation about the dealing of the unit with the bank/financial institution and overall standing of the promoters. Deviation in the position of company/promoters taken place, if any from the date of sanction to the date of revalidation may specifically be mentioned.

All concerned are advised to take a note of above.

EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-81/42

Dt: 16.04.2005

CIRCULAR

Reg: Modification in Platinum Card and Gold Card Scheme.

As per existing provisions of the Gold card scheme, no liquidated damages are charged till default in two consecutive quarters and in case default exceeds more than four quarters the amount is required to be recalled and interest on recalled amount will be charged at the rate of 2% over and above applicable rate of interest from the date of first default to the date of withdrawal of notice.

Similarly in Platinum card loan scheme, no liquidated damages is to be charged till default in two consecutive quarters. In case default persist for more than two quarters, liquidated damages is required to be charged @ 2% over and above applicable rate of interest for the period of default on the amount in default.

The existing provision provides for default in two quarters and does not attract any liquidated damages. The revised norms for health code classification shall also categorise such default as NPA. The Board of Directors considered the matter and decided that the instalment of principal amount may fall due on annual basis and interest shall continue to fall due on quarterly basis so as to continue the earstwhile facility to these prestigious borrowers. This will accommodate the borrowers to pay annual instalment at any time during the year i.e. even prior to due date without attracting pre payment premium. The Board also decided to take PDCs in Gold Card cases like Platimum Card loan cases. The Board further decided to initiate action like action U/S138(b) of N.I.Act in case of dishonour of cheque. Accordingly, following amendments have been made in the schemes:

GOLD CARD SCHEME:

The following amendment may be made in PG Chapter LA(S)-17(F)

Point no.9 of scheme i.e. Liquidated damages may now be read as under:

A. LIQUIDATED DAMAGES:

No default in interest & principal shall be allowed. In case of default, following action shall be initiated:

- a) Action U/s 138(b) of NI Act.
- b) The status of card holder may be switched over to general loan scheme if the default is not regularized within 15 days of default.
- c) The card , if any, issued to such borrower may stand cancelled.
- d) The Corporation shall charge liquidated damages @ 2% p.a. on the amount in default for the period of default from day one.

B. Repayment period:

- i) The point no.12 of repayment period sub clause (a) i.e. in Fixed limit, substitute the word “quarterly” to “annual”.
- ii) Similarly the point No.12 of repayment period sub clause ‘b’ i.e. floating limit para No.2 of the word “quarterly” may be substituted from “annual”/

A new point 12(ii) may be added and read as under:

REPAYMENT PERION:

- 1) **FIXED LIMIT**
 - i) The loan shall be repayable in maximum 5 years in equal annual instalments including moratorium period not exceeding 6 months through PDCs against fixed limit. The first instalment shall due on 1st day of February falling immediately after expiry of 6 months from the date of first disbursement.
 - ii) The unit may pre pay without attracting pre payment premium.
 - iii) The concern shall make the payment of interest on 1st day of each quarter i.e. March, June, September and December.

PLATINUM CARD SCHEME:

The point No.13 of repayment period of PG Chapter LA(S)-17(J) may now be read as under:

- A) **Fixed limit:**
 - i) The loan shall be repayable in maximum 5 years in equal annual instalments including moratorium period not exceeding 6 months through PDCs against fixed limit. The first instalment shall fall due on 1st day of February falling immediately after expiry of 6 months from the date of first disbursement.
 - ii) The unit may pre pay without attracting pre payment premium.
 - iii) The concern shall make the payment of interest on 1st day of each quarter i.e. March, June, September and December.

Point No.12 of scheme i.e. Liquidated Damages may now be read as under:

LIQUIDATED DAMAGES:

No default in interest and principal shall be allowed. In case of default following action shall be initiated:

- a) Action U/s 138(b) of NI Act.
- b) The status of card holder may be switched over to general loan scheme if the default is not regularized within 15 days of default.
- c) The card, if any issued to such borrower may stand cancelled.
- d) The Corporation shall charge liquidated damages @ 2% p.a. on the amount in default for the period of default from day one.

All concerned are advised to take a note of above and make earnest efforts to achieve maximum business in these schemes.

(ASHWINI BHAGAT)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1127

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-107/635

Dt: 30.09.2005

CIRCULAR

Reg: Enhancement of maximum limit of loan under STL scheme for Good Borrower.

As per provision of existing scheme for STL the maximum limit of assistance was Rs.200 lacs subject to maximum exposure up to Rs.500 lacs including existing outstanding loan accounts in case of company, Corporation & co-operative societies. However, in case of proprietor/partnership firm and others the maximum limit of assistance was Rs.200 lacs.

The maximum limit of finance of the Corporation has been increased to Rs.2000 lacs in case of a Corporation or a Company or a Co-operative society and up to Rs.800 lacs in the case of other i.e. proprietorship and partnership concern.

The proposal for enhancement of maximum limit of loan under STL scheme for good borrowers was placed before the Board of Directors in its meeting held on 15.09.2005 and the Board has approved the proposal for enhancing the existing limit of Rs.200lacs to Rs.500 lacs subject to the following conditions:

- i. The security margin will be kept at 10% on loan amount up to Rs.250 lacs and in case of loan exceeding Rs.250 lacs the security margin will be kept at 25%.
- ii. Cases of loan exceeding Rs.200 lacs shall be appraised properly with regard to finalizing the proposed project cost, cost of P&M and its suppliers. All other terms and conditions of STL will remain unchanged.

The extended limit of financing shall be applicable to all cases.

The above amendment may be modified in PG at LA9S)17(A) at the other terms & condition at Sr. No.1 (page No.239).

All concerned are advised to take a note of above and make necessary modification in the scheme.

(ANAND KUMAR)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

RFC/PG/1128

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-105/636

Dt: 30.09.2005

CIRCULAR

Reg: Enhancement of maximum limit of loan under UPGB Scheme for Good Borrower.

As per provision of existing scheme of UPGB the maximum limit of assistance was Rs.500 lacs in case of Corporation/Company/Co-operative society and Rs.200 lacs in case of other subject to maximum of four times of the principal sum repaid.

The maximum limit of assistance of the Corporation has been increased to Rs.2000 lacs in case of a Corporation or a company or a Co-operative society and up to to Rs.800 lacs in case of others i.e. proprietorship and partnership concern.

The proposal for enhancement of maximum limit under UPGB scheme for good borrower was placed before the Board of Directors in its meeting held on 15.09.2005 and the Board has approved the proposal for enhancing the existing maximum limit of financing from Rs.500 lacs to Rs.2000 lacs in case of Companies/Corporations/Co-operative Society and Rs.800 lacs in other cases subject to maximum ceiling of four times of principal sum repaid of the term loans earlier granted.

The above amendment may be modified in PG at LA(S)-17© AT Sr. No.4 in amount of assistance (page No.250).

All concerned are advised to take a note of above and make necessary modification in the scheme.

(ANAND KUMAR)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/842

Dt: 07.12.2005

CIRCULAR

Reg: To allow timely rebate @ 1% to the loan cases sanctioned in card scheme of good borrower in addition to in-built rebate.

The good borrower division has been operating number of schemes. During the course of operation of the schemes necessary modification/addition have been made to make those schemes more attractive and also to get maximum business from the available lot. These schemes were further reviewed and accordingly a provision of timely rebate @1% is proposed in the card loan to make more effective and get maximum business from the existing borrowers.

The Platinum Card, Gold card and Silver card schemes are providing inbuilt rebate of 1.25%, 1% and 0.5% respectively. Looking to the continuous demand from the existing good borrowers, the matter was placed before the Board in its meeting held 29.11.2005 to approve the proposal of timely payment rebate of 1% in the loan cases to be sanctioned on and after 29.11.2005 under card scheme of good borrower in addition to the in-built rebate.

The Board has approved the above proposal. All concerned are advised to take a note of above and make necessary modification in the scheme.

**(ANAND KUMAR)
EXECUTIVE DIRECTOR**

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/846

Dt: 17.12.2005

CIRCULAR

Reg: Modification in the eligible amount of loan under Card Scheme.

The Corporation is operating following three schemes under Card loan of good borrower:-

1. Silver Card
2. Gold Card
3. Platinum Card

As per the present scheme the maximum eligible amount under the Silver card is 50% of term loan repaid, in case of Gold card it is 100% and in case of Platinum car it is 125%. The repayment of WCTL loan and card loan have not been considered for the eligible loan admissible.

Number of good borrowers who are having long association with the Corporation and have taken loan in card scheme in last 4-5 years are eligible for lesser amount of loan under card scheme even when sufficient security is available as per norms. The number of branch offices have also requested to include repayment of WCTL and loan under card scheme to work out the loan admissibility subject to no dilution of security i.e. 1.75:1 in case of GCL and PCL and 2:1 in case of SCL.

The matter was placed in PC&CC in its meeting held on 7th Day of Dec.,2005. After detailed discussions, the Committee decided to include repayment of WCTL and loan under card scheme to work out the loan admissibility under the card loan scheme subject to the condition that no dilution of the security as required under respective card loan scheme.

All concerned are advised to take a note of above and make necessary modification in the scheme.

(ANAND KUMAR)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-81/1081

Dt: 03.02.2006

CIRCULAR

Reg: Modification in the repayment schedule in case of Platinum card and Gold card.

As per existing provisions of the Platinum and Gold card loan schemes the following condition has been stipulating with regard to repayment schedule as per Circular No.PG-1102 dated 16.04.2005.

“The loan shall be repayable in maximum 5 years in equal annual installments including moratorium period not exceeding 6 months through PDCs against fixed limit. The first installment shall due on Ist day of February falling immediately after expiry of 6 months from the date of first disbursement.”

Considering the feed back received from the branches with regard to have quarterly repayment instead of existing annual repayment, the matter was placed in PC&CC in its meeting held on 21.1.2006 and decided to modify the condition of repayment schedule in case of Platinum card and Gold card as under:

- (i) “The fixed limit of loan shall be repayable in 5 years inclusive of 6 months moratorium period in quarterly installment through 18 PDCs of principal amount. The first installment of principal shall fall due on Ist day of following month falling immediately after expiry of 6 months from the date of first disbursement.”
- (ii) The company/concern shall make the payment of interest on Ist day of each quarter i.e. March, June, September and December separately.

The above modification is made applicable to the loan cases to be sanctioned henceforth.

All concerned are advised to take a note of above and made following amendment in the scheme:

GOLD CARD SCHEME:

The following amendment may be made in PG Chapter LA(S)-17(F)

- A) Repayment period:

The point No.12 of repayment period sub-clause (a) i.e. in fixed limit substitute the word “annual” to “quarterly”.

The condition of repayment period for fixed limit shall be as under:

A(i) Fixed limit:-

The fixed limit of loan shall be repayable in 5 years inclusive of 6 months moratorium period in quarterly installment through 18 PDCs of principal amount. The first installment of principal shall fall due on 1st day of month falling immediately after expiry of 6 months from the date of first disbursement..

PLATINUM CARD

The point no. 13 of repayment period of PG Chapter LA(S)-17(J) may be read as under:-

A(i) Fixed limit:

The fixed limit of loan shall be repayable in 5 years inclusive of 6 months moratorium period in quarterly installment through 18 PDCs of principal amount. The first installment of principal shall fall due on 1st day of month falling immediately after expiry of 6 months from the date of first disbursement.

(ANAND KUMAR)
EXECUTIVE DIRECTOR

RFC/PG/1154

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-109/240

Dt: 26.06.2006

CIRCULAR

Reg: Extension of the scheme for grant of WCTL to NAU.

Attention is invited to PG Circular No.1115 dated 01.07.2005 vide which the operating period of the scheme for grant of WCTL to non-assisted unit was extended up to 31.03.2006. It has now been decided to extend this scheme for further one year i.e. up to 31.3.2007.

All concerned are advised to take a note of above and make earnest efforts to maximise the business.

(R. GUPTA)
DY. GENERAL MANAGER(LOANS)

RFC/O&M/578

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/92

Dt: 30.04.2002

CIRCULAR

Reg: Financial assistance under different GB Schemes.

Keeping in view the fact that the technology of Cimmco & Shakti looms is now obsolete, earlier a decision was taken in PCC meeting held on 7.7.2000 that WCTL under GB Schemes shall not be considered to the units located at Bhilwara operating only on Cimmco & Shakti looms. Since references are now being received from other districts/branches, it has been decided that on the same analogy proposal for providing financial assistance under any GB/PGB Schemes to the units having only Cimmco and Shakti looms as well as B-tex looms shall not be entertained/considered.

All concerned are advised to take a note of above.

EXECUTIVE DIRECTOR

RFC/O&M/580

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-91/122

Dt: 14/16.5.02

CIRCULAR

Reg: Exercise of option for Flexi/Floating rate of interest in Gold Card Schemes.

Attention is invited in PG circular no. 943 dated 25.10.01 vide which promoters were allowed to have an option for flexi rate of interest or fixed rate of interest for the loan sanctioned under Gold Card Scheme on or after 25.10.01. Although as per the circular such option should be exercised by the promoters at the time of submitting the loan application but references are being received from Branch for change in option at later stage also. The matter has been examined and it has been decided that the promoters can be allowed to change their option from fixed rate of interest to flexi rate or vice-versa either before sanction of loan or at the most before execution of loan documents.

No such request for change in option in the rate or interest would be entertained where the loan documents have already been executed or where the loan has been sanctioned before 25.10.01.

All concerned are advised to make a note of above and take necessary action.

(K.C.GUPTA)
EXECUTIVE DIRECTOR

RFC/O&M/589

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-81/1687

Dt.24/28.1.2003

CIRCULAR

Reg: Disbursement under gold card scheme within prescribed period.

As per the norms of the Gold Card scheme disbursement against sanctioned gold card limit is to be availed by the borrower within six months from the date of communication. Instances have come to the notice where disbursement of the gold card limit was not availed by borrowers within the prescribed six months period. The matter was considered by the Board in its meeting held on 2.1.2003 and Board has authorized CMD to grant extension for further six months in such cases.

All concerned are advised to take a note of the above and to refer such cases along with circumstances and reasons together with specific clear cut recommendations for consideration at HO to grant extension for disbursement beyond six months under the Gold Card Scheme.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/1107

Dt: 15.11.2003

CIRCULAR

Reg: PG Circular no. 1027 dated 15.11.03 regarding change in directors/partners in GB scheme cases.

This has reference to PG circular no. 1027 dated 15.11.03 vide which guidelines for considering eligible case under GB/PGB scheme were circulated. In the cases where change in directors/partners have taken place in last 3 preceding years and approval of the same has not been granted by the Corporation, the branch should invariably send following information/documents along with each application so that while processing the loan application in HO this aspect may also be examined in detail and got approved simultaneously.

- a) Name of the directors/partners at the time of sanction of original loan under general term loan scheme along with their share holding pattern (capital holding in case of partnership firm).
- b) Details of change in directors/partners taken place from time to time along with change in share holding patten (capital holding in case of firm) along with approval granted, if any.
- c) Details of existing list of directors/partners (as on date of application under reference) along with their share holding pattern (capital holding in case of firm indicating the relationship with other directors /partners specifically so as to ascertain the relation of directors/partners with each other.
- d) Approval of financial institution who has financed fixed assets or is having first/pari passu charge.
- e) Details of formalities completed with Registrar of Companies, Registrar of Firm, as the case may be with copies thereof.

In case change in directors was not approved by the Corporation, the BO would collect all relevant details about credentials, antecedents and competence etc. of new directors/partners and would highlight the same in the data-sheet/recommendations so that the same may be considered at HO simultaneously during processing of case under GB Schemes.

All concerned are advised to take a note of the above and ensure that the above information should invariably be enclosed with every loan application of GB where change of management has taken place.

(J.P.VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/1307

Dt: 12.01.2004

CIRCULAR

Reg: Recovery in Good Borrower Schemes through post dated cheques,.

As per provisions of Good Borrower Schemes, PDCs are obtained for recovery of financial assistance. Necessary directions were prescribed in this regard vide O&M circular no. 428 dated 2.7.1987 and circular no. 444 dated 10.9.1998.

While reviewing overdue cases under Good Borrower Schemes by a Committee constituted by the PCC, it has come to the notice that Branch Office are not making compliance of the prescribed guidelines in respect of PDCs and prescribed legal action is not being taken in most of the cases where PDCs have been returned and dishonoured. It has, therefore, been decided to take necessary action to recover RFC dues through PDCs in more effective manner and responsibility, if any, may also be fixed for lapse in this regard.

Accordingly, the guidelines prescribed earlier vide circulars referred to above are once again reiterated to the extent that if PDCs are dishonoured, the field offices may file complaint before the Judicial Magistrate (Ist Class) of the area. In case of failure, the responsibility needs to be fixed. However, it is further brought to the notice that keeping in view the recommendations of the Standing Committee on the Finance and other representations., some amendments have been made in the Negotiable Instruments Act, 1881, and important amendments are given below:-

- a) In Section 138(a) – the term of imprisonment has been extended “two years” in place of “one year”.
- b) In the proviso in clause (b) for the words within fifteen days”, the words “within thirty days shall be substituted.

Accordingly notice can be given within thirty days of the receipt of information from the bank regarding return of the cheque as unpaid.

- c) Amendment of Section 141 – Proviso has been added to the extent that where a person is nominated as director of a company by virtue of his holding any office or employment in the Central Govt., or the State Govt., or by Financial Corporation, he shall not be liable for prosecution under this chapter.
- d) Amendment of Section 142 –After clause (b) of Section 142 of principal Act, following proviso has been added as under:

“The cognizance of a complaint may be taken by the Court after the prescribed period, if the complainant satisfies the Court that he had sufficient cause for not making a complaint within such period.”

e) Section 143 to 147 has further been added which provides for the following:

Sec. 143 - Power of Court to try cases summarily.

Sec. 144 – Mode of service of summons

Sec. 145 – Evidence on affidavit

Sec. 146 – Bank’s slip prima facie evidence of certain facts.

Sec. 147 – Offences to be compoundable.

Because of the above amendments, the dishonour of cheque has been made a serious offence and proceedings of the same have also been considered as the summary proceedings and the same can be proved on the basis of affidavit and bank-slip.

Service of summon has also been made easy by making provision for service by speed post or by such courier service as are approved by the Court.

All concerned are advised to review all cases of dishonoured cheques on day-to-day basis and to take action immediately.

(J.P. VIMAL)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(Good Borrower Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-5

Ref: F.RFC.GBD-GEN-25/ 708

Dt: 02.12.2006

CIRCULAR

Reg: Disbursement of floating limit pending renewal of card.

The Corporation is releasing admissible floating limit after surrendering gold card, silver card, platinum card as the case may be as per the prescribed procedure. References have been received from BO that the card is being issued with one year validity and on expiry the borrower are facing difficulties in availing floating limit, because the process of renewal takes 15-30 days time.

To facilitate disbursement in such case, it has been decided to authorize disbursing authorities to release funds against floating limit pending renewal of cards provided the other parameters of the criteria are fulfilled. In such disbursed cases, embossed cards as and when sent to BO shall be got signed by the Branch Manager from the Borrower as per the procedure and will be kept with the BO.

Accordingly, the Disbursing Authority may release disbursement of the admissible floating limit by adopting following procedure where renewed card is yet to be received:-

1. Release disbursement against the floating limit only after availment of full fixed limit.
2. Disbursement of the floating limit shall be released only from the Branch where the loan account of borrower is being maintained.
3. An acceptance letter may be obtained from the borrower that as and when the card is received the same will be surrendered to BM after putting his signature on the back of card against already released floating limit.
4. All other parameters & norms except surrendering of card for floating limit must be fulfilled.

All concerned are advised to take a note of above.

EXECUTIVE DIRECTOR

RFC/P&G/1204

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F. RFC /GBD /GEN.25/850

Dated : 29.10.2007

CIRCULAR

**Reg: Revision in parameters of STL, UPGB and WCTL Schemes
of Good Borrowers.**

The parameters in Good Borrowers schemes were discussed & reviewed in the PC&CC in its meeting held on 18.10.2007. After detailed discussions, in three of the GB Schemes, the Committee decided as under :-

1. REPAYMENT PERIOD :

Presently, the repayment period in Short Term Loan (STL) and Unit Promoted by Good borrowers (UPGB) schemes is up to 8 years. The repayment period shall be as under:-

Name of the G B Scheme	Existing	Proposed
STL	8 years	4 years
UPGB	8 years	5 years

2. Revision in norms for security in WCTL Scheme :

Keeping in view the increasing level of NPA in WCTL scheme of GBD, it is decided that WCTL loan be secured atleast equal to the value of primary security i.e. (land and building only) and if there is any short, the same should be secured through collateral security. The value of P&M shall not be considered for security purpose. The Security Debt Ratio shall be 1.5:1.

The necessary modifications may be incorporated in P&G in respective schedules of GB Schemes. All concerned are advised to take a note of above & ensure compliance.

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

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RFC/P&G/1205

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.25/851

Dated : 29.10.2007

CIRCULAR

**Reg : Dis-continuation of PGBSTL, PGBWCTL, PGBSPWCTL,
Tatkal and Silver Card Loan Scheme of Good Borrowers.**

The Corporation is not receiving healthy response in PGBSTL, PGBWCTL, PGBSPWCTL, Tatkal and Silver Card Loan Scheme of Good Borrowers. The matter was reviewed in the PC&CC in its meeting held on 18.10.2007. After detailed discussions, the Committee decided to dis-continue the following GB schemes :

S. No.	Name of Scheme	Abbreviated name of Scheme	Respective Schedule
1-	Potential Good Borrower Short Term Loan	PGBSTL	LA(S)- 1/17(E)
2-	Potential Good Borrower Working Capital term loan	PGBWCT	LA(S)- 1/17(E)
3-	Potential Good Borrower Special purpose Working Capital Term Loan	PGBSPWCTL	LA(S)- 1/17(E)
4-	Tatkal Scheme	Tatkal Scheme	LA(S) – 1/17H
5-	Silver Card Loan Scheme.	SCLS	LA(S) – 1/17G

Henceforth, no new loan applications under the above schemes be accepted with immediate effect and loan applications pending, if any, be decided on individual merits of the case.

The necessary modifications may be incorporated in P&G in respective schedules of GB Schemes. All concerned are advised to take a note of above & ensure compliance.

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

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RFC/P&G/1206

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No. F. RFC/ GBD/ GEN.25/ 852

Dated : 29.10.2007

CIRCULAR

Reg: Revision in rebate for timely payment in PCL and GCL Schemes.

The detailed guidelines for charging rate of interest for SSI and MSI/Non SSI Sector and Good Borrower Scheme was circulated vide P&G Circular No. 1195 dated 13.09.2007.

In Platinum Card Loan Scheme (PCL) and Gold Card Loan Scheme (GCL), the Corporation provides financial assistance as clean loans, no detailed appraisal is undertaken, disbursement procedure is simplest. Keeping in view all this, the PC&CC in its Meeting held on 18.10.2007 reviewed the rebate for timely payment in these two schemes.. The Committee decided to revise the rebate for timely payment as under :-

Name of the Scheme	Present rebate	Proposed rebate
PCL	2.25%	1.25%
GCL	2.00%	1.00%

After considering the above changes in timely payment rebate the effective rate of interest will be as under:-

S.No.	Name of the Scheme	Documented rate of interest	Timely payment rebate	Effective rate of interest
1.	Platinum Card Scheme	14.50%	1.25%	13.25%
2.	Gold Card Scheme	14.50%	1.00%	13.50%

The above revised rates shall be applicable in Platinum Card Loan Scheme (PCL) and Gold Card Loan Scheme (GCL), where loans are sanctioned on or after 29.10.2007 and the cases sanctioned earlier but the execution of loan documents is to be done on or after 29.10.2007.

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

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

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

RFC/P&G/ 1270

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/GEN.25/ 330

Dated : 29.06.2009

CIRCULAR

Reg: Revision in schemes being operated by Good Borrower Division

The Corporation is operating different schemes for providing financial assistance to its existing good borrowers. During the course of operation of the schemes necessary revisions/modifications have been made by the Corporation in order to make the schemes more attractive and also to obtain maximum business from the borrowers maintaining standard accounts and having of proven track record.

Certain modifications were placed before the Board in its meeting held on 18.6.09 wherein it was decided to make the following changes in the existing parameters of various schemes being operated by Good Borrower Division:

1. The floating limit under Platinum Card and Gold Card schemes has been increased up to 35% from 20% (i.e. by 15%) subject to a maximum of Rs.10.00 lacs in place of the present limit of Rs.5.00 lacs only.
2. The repayment period under the Short Term Loan (STL) scheme has been enhanced to seven years including moratorium period not exceeding six months. The documented rate of interest after 3 years (from the date of first disbursement) shall be the rate of interest prevailing at that time or existing rate of interest , whichever is higher.
3. The effective rate of interest under STL scheme has been reduced from 13.25% to 12.75% p.a. (a circular in this regard is being separately issued by loan section)
4. The price of application form for Good Borrower schemes has been reduced to Rs.100/- from Rs.200/-

The necessary modifications may be incorporated in the P&G in respective schedules of Good Borrower schemes.

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

Sd/-

(ATUL KUMAR GARG)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GBD-LOANS SECTION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No. F. RFC/ GBD/ GEN.25/

Dated : 30.03.2009

CIRCULAR

Reg: Relaxation in norms related to GB schemes

Occasionally requests from Industrial Associations and Branch Offices are being received to provide some relaxation in GB scheme to make them more attractive. The matter was placed before the PC&CC in its meeting held on 18 & 20/3/09 and after detailed discussions, the Committee decided to make the following changes in the existing parameters:-

1. Processing charges in all the GBD schemes (wherever applicable) shall be 0.75% of sanctioned amount in place of @ 1.00% presently being charged.
2. The Corporation shall charge interest rate at 0.25% p.a. lower in UPGB scheme for SME sector projects in comparison to the prevailing rate of interest in general loan cases of SME sector. Therefore, the effective rate of interest under UPGB shall be @ 13.00% p.a. in place of 13.25% p.a.
3. The maximum repayment period under UPGB scheme shall be 7 years (in place of 5 years presently being allowed) including moratorium period not exceeding one year. However, for the cases up to Rs.5.00 Crores the rate of interest after three years from the date of first disbursement including token disbursement shall be the rate of interest prevailing at that time or existing rate of interest whichever is higher. For cases above Rs.5.00 crores, the documented rate of interest shall be re-set after every 12 months during the currency of loan commencing from first disbursement of loan including token disbursement and the Corporation shall charge rate of interest as prevailing at that time or existing rate of interest, whichever is higher.

These norms shall also be applicable with immediate effect in all the cases where loan has been sanctioned but execution of documents has not been made. However, processing charges already deposited even in the cases where documents are yet to be executed the same shall not be refunded.

The necessary modifications may be incorporated in P&G in respective schedules of GB schemes. All concerned are advised to take a note of above and make sincere efforts to maximize the business under Good Borrower Segment.

Sd/- .

(ATUL KUMAR GARG)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.109/148

Dated : 15.05.2009

CIRCULAR

Reg : Extension of the scheme for grant of WCTL to NAU

Attention is invited to PG circular No. 1479 dated 30.04.08 vide which the operating period of the scheme for grant of WCTL to Non assisted units was extended up to 31.3.2009. It has now been decided to extend this scheme for one more year i.e. up to 31.3.2010.

Circular No.RFC/P&G/1264 Dt. 14.5.2009 issued in this regard is hereby withdrawn.

All concerned are advised to take a note of above and make earnest efforts to maximize the business.

Sd/-

(PAWAN ARORA)
Executive Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/GEN.25/

Dated : 08.09.2009

CIRCULAR

Reg: Relaxations in norms related to Good Borrower Schemes

Suggestions related to various schemes being operated by the Good Borrower Division were received during Good Borrowers' Week organized from 17th to 21st August, 2009. Accordingly, to make GB schemes more attractive and also **to obtain substantial business under SME sector from our existing borrowers** a note was placed before PC&CC in its meeting held on 28.8.09 for modifications/relaxations which have been considered and approved by the Committee and the same are as under:

A) Coverage of FAAS/SARAL scheme cases of SME Sector for further loan under Good Borrower Schemes

It has been decided to cover FAAS/SARAL scheme cases of SME, Tourism (except CRE, Residential/Commercial complex, Multiplex, Cinema Hall), Hospital & Nursing Home for loan under Good Borrower schemes subject to the following conditions:

1. The unit should fulfill the eligibility criteria of the concerned GB scheme of the Corporation.
2. For working out the loan admissibility, the amount repaid under FAAS/Saral schemes shall also be considered in addition to loan repaid in other schemes.
3. Only the cases related to SME sector, tourism sector/hospital/nursing home (CRE sector, multiplex, cinema hall cases are not covered) shall be considered for financing under GB Schemes. The cases of FAAS in which the loan was considered against commercial/residential properties for use in industrial units shall also be covered under Good Borrower Scheme provided that the entire security including assets of said unit (primary security) is mortgaged with the Corporation.

4. The existing loan account under FAAS/SARAL scheme shall continue as per original schedule of repayment. No prepayment shall be accepted. However, in exceptional circumstances CMD may allow to pre-pay loan under FAAS/SARAL scheme after availment of loan under GB scheme on the condition that pre payment charges equal to the difference in rate of interest under FAAS/Saral scheme and GB scheme (under which loan has been sanctioned), shall be charged on the outstanding amount for the remaining period of repayment.
5. While considering further loan under GB schemes, the security required for existing outstanding loan sanctioned under FAA/Saral/any other scheme shall be reduced as per norms of the scheme from total MRV. The balance MRV shall be taken into consideration for working out further loan under GB schemes.
6. The total exposure of the Corporation shall not exceed the value of land and building.
7. There shall be no dilution in the original security mortgaged with the Corporation under FAAS/SARAL.
8. The branch should satisfy about the utilization of earlier loan sanctioned under FAAS/SARAL.

B) Rate of interest in Platinum and Gold Card Loan Schemes

Keeping in view the fact that the Corporation is considering fresh loans under SME sector on cheaper rate whereas the rate of interest under GB scheme is quite high and banks are also financing such cases at a lower rate of interest therefore, it has been decided to reduce the effective rate of interest (after rebate) under GCL and PCL to 13% and 12.75% respectively revising the rebate from 0.50% & 0.75% to 1.50% & 1.75% under GCL & PCL respectively.

The revised interest rates shall be applicable to loan cases sanctioned on or after 28.8.09 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 28.08.2009.

C) Platinum Card Loan scheme:

As per requests received from Good Borrowers, it has been decided that where there is an outstanding balance in Gold Card Loan account and the party wants additional loan under Platinum Card Loan scheme then the Corporation shall not insist for roll over of the outstanding balance of Gold Card to Platinum Card loan. Fresh admissible platinum card loan shall be sanctioned separately, i.e. both gold card loan as well as platinum card loan may be allowed to continue simultaneously. However, in such cases if party is already enjoying floating limit under gold card loan scheme then floating limit under Platinum Card shall not be considered and as such the entire admissible loan under platinum card shall be sanctioned as fixed limit.

The necessary modifications may be incorporated in the P&G in respective schedules of Good Borrower schemes.

Sd/-

(ATUL KUMAR GARG)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RFC/P&G/1313

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.109/

Dated : 11.05.2010

CIRCULAR

Reg : Extension of the scheme for grant of WCTL to NAU

Attention is invited to PG circular No. 1265 dated 15.05.2009 vide which the operating period of the scheme for grant of WCTL to Non-assisted units was extended up to 31.3.2010. It has now been decided to extend this scheme for one more year i.e. up to 31.3.2011.

All concerned are advised to take a note of above and make earnest efforts to maximize the business.

(DR. MOHAN LAL YADAV)
Executive Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/GEN.25/ 199

Dated : 17.06.2010

CIRCULAR

**Reg : Revision in parameters in Security Debt Ratio in
Good Borrower Schemes**

The PC&CC in its meeting held on 09.06.2010 has decided to make the following changes in Security Debt Ratio for GB schemes as under:

Name of the Scheme	Present Security debt ratio	Revised Security debt ratio
Card Schemes (GCL & PCL)	1.75:1	1.25:1 (the loan amount shall be restricted to the MRV of land and building as per revised guidelines)
WCTL to assisted units	1.5:1 (excluding the value of P&M)	1:1 (the loan amount shall be restricted to the MRV of land and building as per revised guidelines)
WCTL to NAU	2:1 (excluding the value of P&M)	1.5:1 (the loan amount shall be restricted to the MRV of land and building as per revised guidelines)

In UPGB scheme the Committee has decided to consider the security margin 10% lower as compared to security margin prescribed under general loan scheme. However, the other parameters i.e. debt equity ratio, promoters contribution etc. will be maintained as per prescribed norms.

Necessary amendments may be made in the respective schemes and existing guidelines. Other provisions shall remain unchanged.

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

(G.S. SANDHU)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/GEN.25/
Dated : 06.07.2010

CIRCULAR

**Reg : Revision in parameters in Security Debt Ratio in
Good Borrower Schemes**

Attention is invited to PG circular No. RFC/P&G/1329 dt. 17.06.2010 on the subject cited above. The matter was placed before the board in the meeting held on 30th June, 2010.

After discussion, the Board has approved the matter with the following amendments in security parameters in the under mentioned Good Borrower Schemes:

Name of the Scheme	Present Security debt ratio	Revised Security debt ratio
Card Schemes (GCL & PCL)	1.75:1	1.50:1 (the loan amount shall be restricted to the MRV of land and building as per revised guidelines)
WCTL to assisted units	1.5:1 (excluding the value of P&M)	1.50:1 (excluding the value of P&M and the loan amount shall be restricted to the MRV of land and building as per revised guidelines)
WCTL to NAU	2:1 (excluding the value of P&M)	1.50:1 (excluding the value of P&M and the loan amount shall be restricted to the MRV of land and building as per revised guidelines)

Necessary amendments may be made in the respective schemes and existing guidelines. Other provisions shall remain unchanged.

The Board has also decided that the matter shall be reviewed after three month. Therefore, all the branches are advised to send the feed back along with the progress latest by the 7th of October, 2010.

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

Sd/-
(G.S. SANDHU)
Chairman & Managing Director

Copy to : 1- All BO(s)/SO(s).
2- Standard Circulation at HO.
3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/GEN.25/480

Dated : 01.09.2010

CIRCULAR

Reg : Roller over of exiting loan outstanding of GCL to PCL

As per the Platinum Card Loan scheme, if any Gold Card holder becomes eligible for platinum card then while considering the eligible amount under PCL scheme, the outstanding in existing Gold Card Loan account is simultaneously squared up and shall be upgraded to Platinum Card by way of roll over on the request of the promoter.

The Corporation has revised rate of interest vide PG circular No.1320 dt. 2.6.10 and accordingly, the rate of interest in PCL scheme is 11.50% p.a. whereas the earlier loans under GCL scheme were sanctioned at higher rate of interest.

The matter was discussed in PC&CC in its meeting held on 18.8.2010 and it has been decided not to allow the roll over of existing GCL to PCL. It has been further decided to provide further eligible loan under PCL scheme without roll over of existing GCL.

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

Sd/-

(G.S. SANDHU)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Eastern & Western zones.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/GEN.25/504

Dated : 04.10.2010

CIRCULAR

Reg : Good Borrower Division

Attention is invited to PG circular No.1343 dt. 23.08.2010 regarding delegation of powers for sanction of loans under Card Schemes at field level.

As per above circular the Cards against floating limit are to be issued at Branch level. The matter has been reviewed and it has been decided that the work related to issuance of Cards shall be centralized at Head Office. BOs shall forward details of cases in which Cards are to be issued for floating limit to Good Borrower Division at HO and same shall be issued from GBD, HO only.

It has also been decided that **HO Good Borrower Division will continue to work as earlier** and it will carry out the following activities.

1. Processing of loan applications of good borrowers which are beyond the sanctioning powers of Branches, the files if transferred to CAS then again be transferred to Good Borrower Division.
2. All work related to issuance of Cards (Gold Card & Platinum Card) including maintenance of proper record.
3. Maintenance of Good Borrower related statistics.
4. Formulation of policies, new schemes and modification in existing GB schemes depending up on need of Good Borrowers.
5. Monitoring of Branch level sanctions of good borrowers after delegation.

6. Monitoring default in all GB cases by taking regular feed back from branches.

Vide above PG circular No.1343 dt. 23.8.2010 powers of sanction of loan under Card schemes had been delegated to field level as per their delegation of powers of sanction. HO level cases under Card schemes will continue to be sanctioned by CMD. However, the sanction letter shall be issued under the signature of ED.

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

Sd/-

(G.S. SANDHU)

Chairman & Managing Director

- Copy to :**
- 1- All BO(s)/SO(s).
 - 2- Standard Circulation at HO.
 - 3- DGM (A&I), Eastern & Western Zone.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.25/596

Dated : 14.12.2010

CIRCULAR

**Reg : Revision in parameters in Security Debt Ratio in
Good Borrower Schemes**

Attention is invited to PG circular No.RFC/P&G/1333 dt. 06.07.2010 vide which the security debt ratio was revised from 1.75:1 to 1.50:1 subject to the condition that the loan amount in GB schemes shall be restricted to the MRV of land & building.

In the Branch Managers Conference held on 02.12.2010 the Branch Managers requested to consider MRV of Plant & Machinery also for working out the admissibility of loan in Good Borrower cases. It has therefore, been decided that for calculation of the eligibility of maximum loan amount, the value of Plant & machinery up to 50% of MRV of P&M may also be considered in all Good Borrower Schemes excluding working capital schemes.

It is however, to be ensured that minimum security debt ratio of 1.50:1 is maintained.

All concerned are advised to take a note of above and take action accordingly.

Sd/-

(G.S. SANDHU)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/GEN.25/626

Dated : 04.01.2011

CIRCULAR

Reg : Admissibility of loan amount in Good Borrower Schemes

Attention is invited towards PG circular No. RFC/P&G/1358 dt. 14.12.2010 vide which PG circular No.1333 dt. 06.07.2010 was modified to consider the value of P&M up to the extent of 50% of MRV of calculating the eligibility of maximum loan amount under all GB schemes excluding working capital schemes.

The above matter was placed before Board of Directors in its meeting held on 24.12.2010. After detailed discussions, the Board decided to continue with the existing policy of not considering the value of P&M for calculating the admissibility of loan under GB schemes.

It is, therefore, decided to withdraw the PG circular No.1358 dated 14.12.2010 with immediate effect. The guidelines issued vide PG circular No.1333 dt. 6.7.2010 shall only be applicable in calculation of admissible loan amount for all GB loan schemes.

All concerned are advised to take a note of above and take action accordingly.

Sd/-

(G.S. SANDHU)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.25/788

Dated : 01.04.2011

CIRCULAR

Reg : Modification in Parameters of Good Borrower Schemes

The Board of directors in its meeting held on 29.03.2011 have approved the following modifications in parameters of various Good Borrower Schemes, for admissibility of loan.

Name of Scheme	Admissibility linked to repayment of loan.	
Short Term Loan (STL)	4 times of loans repaid (upto 5times, CMD is authorized)	5 times of loan repaid*
Platinum Card Loan (PCL)	1.25 times of loan repaid	1.50 times of loan repaid
Gold Card Loan (GCL)	Equal to loan repaid	1.25 times of loan repaid
Unit Promoted by Good Borrower(UPGB)	4 times of loan repaid	5 times of loan repaid*

*In STL & UPGB scheme, CMD may consider to allow loan upto 6 times of loan repaid depending on security.

The Board of directors have further approved increase in the loan limits of STL & Card schemes as under:-

Short Term Loan Scheme (STL)	Rs.5.00 Crore to Rs.10.00 Crore
Platinum Card Loan Scheme (PCL) & Gold Card Loan Scheme (GCL)	Rs.5.00 Crore to Rs.10.00 Crore

Necessary amendments may be made in respective schemes and existing guidelines. Other provisions of the GB schemes shall remain unchanged.

All concerned are advised to take a note of above and garner maximum business in various GB schemes.

Sd/-

(UMESH KUMAR)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Eastern & Western Zone.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.149/787

Dated : 01.04.2011

CIRCULAR

Reg : Flexi loan scheme for Good Borrowers

The Corporation has launched various schemes for its existing good borrowers depending on their needs. Looking to persistent demand of good borrowers, to have flexibility in loan scheme in which they can withdraw and deposit the amount as per their need and convenience for creation of fixed assets or working capital, a unique scheme named “Flexi loan scheme for good Borrowers” have been approved by the Board of Directors in its meeting held on 29.03.2011.

This loan scheme is flexible and amount within sanctioned limit can be withdrawn and deposited by the entrepreneur any number of times during currency of loan. Sanctioned loan can be utilized for creation of fixed assets or meeting out of the working capital requirements (Scheme is enclosed at Annexure ‘A). The “Flexi Loans” are for three years which can be renewed for three years further on the request of the industrial unit.

All concerned are therefore, advised to go through the scheme and garner maximum business.

Sd/-

(UMESH KUMAR)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Eastern & Western Zone.

FLEXI LOAN SCHEME

FOR GOOD BORROWERS OF THE CORPORATION

1. INTRODUCTION

RFC is providing financial assistance to its good borrowers. The Corporation has already taken steps to provide financial assistance to good borrowers on liberal terms. In the same series, it is proposed to have a unique scheme for the good borrowers. Under this scheme where Corporation shall provide financial assistance totally flexi in nature i.e. the loan sanctioned can be withdrawn and deposited within LDR any number of times. The Corporation may provide financial assistance to meet immediate requirement of funds either for acquisition of fixed assets, working capital or for both without going into detailed appraisal. This would facilitate the entrepreneurs to save the higher cost of funds which would otherwise to be borrowed from private financier. The brief features of the scheme are as under:-

2. OBJECT

Providing financial assistance to the good borrowers of the corporation to meet out their immediate requirement either for working capital need or to acquire fixed assets or both as and when required.

3. ELIGIBILITY CRITERIA

- i. The unit should have operating/dealing with the corporation for at least 4 years. (The loan cases which have been paid off in past as per the LDR(excluding prepayment) will be eligible for Flexi loan provided their accounts were classified as standard assets in the last 3 years from the date of clearance of account.
- ii. The account of the unit should have been classified as standard assets in the last 3 financial years.
- iii. Working results and financial performance of the unit should be satisfactory in the last 3 financial years.
- iv. The borrower should not have availed any benefit by way of waiver of interest/penal interest or grant of reschedulement in the last 3 financial years and during current financial year.
- v. There should be no overdue in sister/associate/family concern of the unit and also no benefit of waiver of penal interest should have been granted during last three years.
- vi. The working result of the concerns should justify of existing and proposed loan.

4. ELIGIBLE AMOUNT

- i. The minimum and maximum loan under the scheme shall be Rs.10.00 lacs and Rs.100.00 lacs respectively.
- ii. The loan shall be restricted to 1.25 times of loan repaid by the unit in all loan accounts.
- iii. The eligibility of loan limit shall also linked with cash profit of the preceding financial year as being done in card schemes..

5. SECURITIES & SECURITY DEBT RATIO

- i. The loan shall be secured by 1st charge on existing and proposed assets of unit.
- ii. Personal guarantee of promoter/partner/director of the unit/company.
- iii. Further charge on additional security if taken earlier.

The overall security debt ratio shall be kept 2.00:1. For the purpose of calculation of security, MRV of land and building and MRV or book value of plant and machinery and MFA which ever is less shall be considered. The outstanding in existing loan account(s) and proposed loan shall form part of total debt for calculation of security debt ratio. The loan shall however be restricted to MRV of Land & Building.

6. APPLICATION FEE

The application fee shall be as per existing norms.

7. INTEREST RATE

The rate of interest shall be equal to applicable as per the prevailing rate of interest of the Corporation for SME sector and shall be payable on quarterly basis.

8. LIQUIDATED DAMAGES

No default in interest & principal shall be allowed, however, in case of default, following action shall be initiated :

- a) Action u/s 138(b) of NI Act.
- b) The Corporation shall charge liquidated damages @ 2% p.a. on the amount in default for the period of default from day one.

9. OPTION FOR CALL BACK

In case the loanee party makes default in making payment of interest on time, the Corporation shall have right to call back the disbursed loan.

10. PROCESSING CHARGES

Processing charges @ 0.25% shall be charged.

11. MARGIN AND PROMOTERS' CONTRIBUTION

No additional margin and promoters contribution will be required to be brought in.

12. REPAYMENT PERIOD

The condition of repayment shall be as under:

- i) Flexi loan is sanctioned for 3 years (from the date of 1st disbursement of loan) which can be renewed on the request of the party for next 3 years on the terms and conditions of interest rate applicable at that time. The loanee party shall however, inform 3 months prior to 3 years period for renewal of Flexi loan.
- ii) The unit may pre-pay without attracting per payment premium.
- iii) The concern shall make the payment of interest on 1st day of each quarter i.e. March, June, September and December separately.
- iv) The concern/company to furnish one blank PDC for repayment of loan.

13. RENEWAL CHARGES:

The Corporation will charge 0.25% at the time of renewal of loan after 3 years.

14. MORATORIUM PERIOD

No moratorium period for payment of principal as the same is for 3 years on renewal basis.

15. SANCTIONING AUTHORITY

The sanctioning authority shall be CMD, on recommendation of committee of officers as being in card schemes.

16. DISBURSEMENT

1st disbursement of sanctioned amount should be availed within two months from the date of communication of sanction. The party may however, avail the balance sanctioned amount as per its convenience.

17. MODALITIES FOR OPERATING FLOATING LIMIT

- a) The loanee sanctioned loan under the scheme can approach the concerned Branch Office of the Corporation for drawing any amount within the overall flexi limit in multiple of Rs.50000/- within flexi limit sanctioned to it by making normal request in writing to the BM.
- b) The loanee party can however, draw the amount maximum four times a month.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.109/ 816

Dated : 03.05.2011

CIRCULAR

Reg : Extension of the scheme for grant of WCTL to NAU

Attention is invited to PG circular No. 1313 dated 11.05.2009 vide which the operating period of the scheme for grant of WCTL to Non-assisted units was extended up to 31.3.2011. It has now been decided to extend this scheme for one more year i.e. up to 31.3.2012.

All concerned are advised to take a note of above and make earnest efforts to maximize the business.

Sd/-

(ARJUN RAM CHOUDHARY)
Executive Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/Gen-149/ 737

Dated : 08.08.2011

CIRCULAR

**Reg : Security based admissibility of loan in ‘Flexi loan Scheme’
for good borrowers**

It has been observed that due to repayment period of 3 years (unless renewed further) in Flexi Loan Scheme for good borrowers, the loan admissibility under flexi loan scheme is quite low if it is linked with the cash profits of the unit in the immediate preceding financial year. Sometimes, inspite of very good securities and credentials of the promoters, we are unable to sanction adequate loan to our existing good borrowers.

The matter regarding the admissibility of loan linked with the cash profits and security debt ratio in flexi loan scheme for good borrowers was placed before the PC&CC in its meeting held on 26.7.2011. After detailed discussions, the Committee decided to link the loan admissibility under flexi loan scheme as multiple of cash generation based on security debt ratio, as is also being done in card schemes. The basis to work out the admissibility of loan is as under:-

Security debt ratio	Loan admissibility
2.00:1	Equal to 3 times of cash generation in immediate preceding year.
2.50:1	Equal to 5 times of cash generation in immediate preceding year.
3.00:1	Equal to 6 times of cash generation in immediate preceding year.

The above basis may be considered while computing the admissibility of loan in flexi loan scheme for good borrowers.

All concerned are advised to take note of this revised basis.

Sd/-
(Yaduvendra Mathur)
Chairman & Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/ Gen-25/761

Dated : 29.08.2011

CIRCULAR

**Reg : Examination of Financial Statement of Proprietor/Partnership cases
under GB Schemes**

Attention is invited to provisions for examination of financial statement of proprietor/partnership cases under the GB Schemes contained in PG where the audited balance sheet and Profit and Loss accounts are not required for the concerns having turnover below Rs.40.00 lacs (based on guidelines of Income Tax Department). This ceiling of Rs.40.00 lacs has now been revised to Rs.60.00 lacs by the Income Tax Department.

Further, as per the guidelines, in cases where audit is not compulsory, the following guidelines for loan amount are prescribed:

- i) In all loan cases up to Rs.10.00 lacs, Balance Sheet duly certified by CA certifying "it is correctly drawn from the books of accounts" may be accepted.
- ii) However, in loan cases above Rs.10.00 lacs audited Balance Sheet is to be furnished invariably in all cases.

The matter has been reviewed and it has been now decided that audited balance sheet in cases of proprietorship/partnership concern may not be insisted where the turnover is up to Rs.60.00 lacs. It has also been decided that in such cases the ceiling of loan of Rs.10.00 lacs is withdrawn with the condition that the borrower shall submit balance sheet and P&L account duly certified by Chartered Accountant(s) and admissible loan as per the provisions of the respective Good Borrowers Scheme shall be considered.

The above guidelines shall be applicable in supersession to all earlier guidelines issued in this regard.

All concerned are advised to take a note of above.

Sd/-

(Yaduvendra Mathur)
Chairman Cum Managing Director

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RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

UDYOG BHAWAN,
TILAK MARG,
JAIPUR.

Ref. No.F.RFC/GBD/Gen-149/798

Dated : 21.09.2011

CIRCULAR

**Reg : Modification in parameters of Flexi loan Scheme
for Good Borrowers**

The Corporation have recently launched Flexi loan scheme for Good Borrowers. During course of implementation of above scheme, we have received number of suggestions/references from field offices for making the scheme simple and more attractive to generate more secured business.

Keeping in view the above and some practical difficulties being faced, in operating the scheme, the matter was discussed in the PC&CC meeting held on 12.09.11 in which following amendments were approved in the "Flexi loan scheme" with the immediate effect:-

- a) The Security Debt ratio shall be maintained at 1.5:1 in place of 2:1, as considered in other GB Schemes.
- b) The linkage of the cash profit for loan admissibility is dispensed with.
- c) In case, the loan limit is not renewed after three years; the party will have the option to repay the outstanding loan either in one installment or in maximum twelve equated monthly installments (EMI) with interest (on the rate of interest prevailing at that time or the documented rate of interest which ever is higher).
- d) It has also decided to increase the upper ceiling of the loan amount to Rs.200.00 lac if the party comes for renewal after three years; subject to fulfilling of the other clauses of the eligibility and admissibility criteria on the rate of interest prevailing at that time or the documented rate of interest which ever is higher.

The necessary amendment may be made in the scheme accordingly. In light of above modification the Circular No.PG1390 dt. 8.8.2011 stands withdrawn. The other existing guidelines and provisions of the scheme shall remain unchanged.

All concerned are advised to take a note of above.

S/d-

(Yaduvendra Mathur)
Chairman Cum Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
(GOOD BORROWER DIVISION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No.F.RFC/GBD/GEN.149/ 1164

Dated : 1.11.2011

CIRCULAR

**Reg : Delegation of powers for sanction of loan under Flexi
Loan Scheme of Good Borrowers to Field Offices**

The Flexi Loan Scheme for good borrowers was launched vide PG circular no. 1376 dated 1.4.2011 with the condition that the sanctioning authority under the scheme shall be CMD.

Looking to good response in the Flexi Loan Scheme and likely business potential, it was felt that the sanctioning powers under this scheme if delegated to field offices can further boost up our business and it will be more convenient for our Good Borrowers also.

It has, therefore, been decided to delegate the sanctioning powers of this scheme of Good Borrowers also to field offices, in addition to the powers conferred under general loan scheme of the Corporation within their over all delegated powers for GBD. The delegation of the powers for sanction of loan under Good Borrower schemes including “Flexi Loan Scheme” are as per annexure `A’.

It is expected from branches to monitor each sanctioned case and they shall not allow even a payment of single default (in interest) on due date in these cases. Regular feed back to HO, GBD section about sanctions made, amount disbursed, case wise position of overdue (if any), action taken in case of overdue in “Flexi Loan Scheme” cases.

For the convenience of branches and uniform system of loan appraisal in this scheme, a format for loan proposal for “Flexi Loan Scheme” have been designed which is enclosed as annexure `B’.

All concerned are advised to take a note of above, ensure compliance and try to cover all eligible Good Borrower in the scheme.

(Yaduvendra Mathur)
Chairman Cum Managing Director

Copy to :

- 1- All BO(s)/SO(s).
- 2- Standard Circulation at HO.
- 3- DGM (A&I), Ajmer/ Jodhpur.

Delegation of powers for sanction of loan under Good Borrower schemes including Flexi Loan Scheme to Field Offices

Sanction authority	Amount of loan (Rs. In lacs) For all Good borrower schemes including Flexi Loan scheme
Manager(Branch)	
(i) `A` Category branch (including Neemrana & Sitapura branches)	150.00
(ii) Other than `A` Category branch	50.00
Dy. Manager(Branch)	
(i) `A` Category branch (including Neemrana & Sitapura branches)	50.00
(ii) Other than `A` Category branch	30.00
Asstt. Manager(Branch)	15.00

Note:-

1. The loan cases under good borrower schemes may be sanctioned by the sanctioning authority under whose jurisdiction total accommodation fall i.e. outstanding against the existing loan plus proposed loan in GB cases.
2. The above limit of sanction under good borrower scheme is in addition to the power of sanction of loan under general loan schemes.
3. At HO, the sanctioning power shall continue to vest with the CMD.

Annexure 'B'

RAJASTHAN FINANCIAL CORPORATION

Branch Office _____

File No. GBD/FLEXI-

DATE OF REGISTRATION	
At BO	

PROPSAL FOR SANCTION OF FLEXI LOAN TO
M/S _____ FOR A LOAN OF
Rs _____

GENERAL INFORMATIONS

1.	NAME OF THE UNIT/CONCERN/COMPANY	
2.	CONSTITUTION	
3.	ADDRESS FOR CORRESPONDENCE	
4.	ADDRESS OF WORKS	
5.	REGISTERED OFFICE	
6.	AMOUNT OF LOAN APPLIED	
7.	PRODUCTS MANUFACTURED	
8.	DATE/YEAR OF PRODUCTION	
9.	SIZE OF UNIT(MEDIUM/SSI)	
10.	REGISTRATION/MEMORANDUM NUMBER WIH INDUSTRIES DEPATT.	
11.	DATE/YEAR OF FORMATION/INCORPORATION	
12.	REGISTRATION NUMBER WITH ROC	
13.	NAMES OF PROPRIETOR /PARTNERS/DIRECTORS(PRESENT)	1 2 3 4

14	CHANGE OF DIRECTORS (IF ANY) WHETHER CHANGES APPROVED BY RFC	1 2 3 4 5 6
15	DEBT EQUITY RATIO ` EXISTING AFTER PROPOSED LOAN	
16	SECURITY DEBT RATIO	
17	PRESENT RATE OF INTEREST	

ELIGIBILITY CRITERIA:

a.	The unit should have operating/dealing with the corporation for at least 4 years.	YES
b.	The account of the unit should have been classified as standard assets in the last 3 financial years.	YES
c.	Working results and financial performance of the unit should be satisfactory in the last 3 financial years.	YES
d.	The borrower should not have availed any benefit by way of waiver of interest/penal interest or grant of reschedulement in the last 3 financial years and during current financial year.	Not availed
e.	There should be no overdue in sister/associate/family concern of the unit and also no benefit of waiver of penal interest should have been granted during last three years.	NO Over dues

COMMENTS OF BRANCH ON:

a.	Reputation of promoters within the society	
b.	Integrity	
c.	Means of promoters	
d.	Whether any legal proceeding have been initiated	

DETAILS OF FINANCIAL ASSISTANCE AVAILED FROM RFC

Rs in lacs

S No.	Loan Sanctioned		Name of scheme	Loan disbursed	Loan repaid	Loan Outstanding	Overdues
	Date	Amount					
1							-
2							-
3							
4							
5							
6							
TOTAL							-

OUTSTANDING

General schemes-----

G B Schemes-----

FINANCIAL PERFORMANCE: (Last 3 years)

(Rs.in lac)

Year			
Sales and other income			
Net profit			
Cash profit			
Net worth			

SECURITY:

Rs in lacs

	Book value as on-----	Market value	Acceptable Value
Land			
Building			
Plant and Machinery			
Misc. Fixed Assets			
Total			

SECURITY DEBT RATIO:

(Rs. In lac)

Total Security		
Total debt:		
Existing:		
Proposed		

Security debt ratio: -----

CALCULATION OF ELIGIBLE AMOUNT : (Lowest of the following)

(Rs. in lac)

a.	On the basis of loan repaid (-----x 1.25)					
	Less: Outstanding in Flexi loan account					
b.	On the basis of security debt ratio (1.50:1)					
	Security available Rs-----					
	Less: Outstanding					
d.	On the basis of debt equity (2:1)					
	Existing Equity	Capital Reserve & Surplus	-----	Maximum admissible loan (-----)	-----	
		Unsecured loan (IF)	-----			

	Existing Debt	RFC loan O/s (as on --	-----	Less: Debt	-----	
		-----)	-----			
		-----	-----			
		Unsecured loan (IB)	-			
			-----		-----	
			-----		-----	
e.	On the basis of MRV of land & building (-----+-----)				-----	
	Less: Existing O/s				-----	-----
e.	Loan applied					-----
	Loan recommended (Minimum of above)					

RATE OF INTEREST:

As per detailed terms and conditions enclosed

REPAYMENT PERIOD:

As per detailed terms and conditions enclosed

RECOMMENDATIONS:

1. The unit is good borrower of Corporation, having satisfactory repayment behaviour, adequate level of security is available and it is fulfilling eligibility criteria of Flexi loan scheme, **Flexi loan** of Rs----- lac may be sanctioned in favour of the concern/company

Members of Appraisal Team

- 1.
- 2.

ANNEX-A

TERMS AND CONDITIONS FOR SANCTION OF FLEXI LOAN

1. AMOUNT OF LOAN : Rs.----- lacs

2. PROCESSING CHARGES:

Processing charges @ 0.25% of Rs.----- lac	
Service Tax @ 10% of Rs.---- --/-	
Education cess @ 3% of Rs.-----/-	
TOTAL	

3. PURPOSE:

The limit granted by Corporation shall be utilized for working capital requirement or creation of fixed assets or both as and when required.

4. DISBURSEMENT:

The 1st disbursement of sanctioned amount should be availed within two months from the date of communication of sanction. The party may however, avail the balance sanctioned amount as per its convenience.

- a) The unit can approach the branch office of the Corporation for drawing any amount within the limit in multiple of Rs.50000/- within flexi limit sanctioned to it by making normal request in writing to the Branch Manager.

- b) The loanee party can however, draw the amount maximum four times a month.

5. REPAYMENT PERIOD:

- i. Flexi loan is sanctioned for 3 years (from the date of 1st disbursement of loan) which can be renewed on the request of the party for next 3 years on the terms and conditions of interest rate applicable at that time. The loanee party shall however, inform 3 months prior to 3 years period for renewal of Flexi loan.
The concern shall furnish one blank PDC for repayment of loan and 12 PDC for payment of interest of loan for each quarter.
- ii. In case the loan limit is not renewed after three years, the party will have the option to repay the outstanding loan either in one instalment or maximum in twelve equated monthly instalments (EMI), subject to charging of prevailing rate of interest at that time or documented rate of interest, whichever is higher.
- iii. The concern may pre-pay without attracting pre payment premium.
- iv. The concern shall make the payment of interest on 1st day of each quarter i.e. March, June, September and December separately.

6. RENEWAL CHARGES:

The Corporation will charge 0.25% at time of renewal of loan after 3 years, on the request of party.

7. SECURITY:

- i) The Loan shall be secured by 1st charge on existing and proposed assets of the unit situated at _____
- ii) Personal guarantee of all the partners/directors of the unit.
- iii) Further charge on additional security if taken earlier.

8. RATE OF INTEREST:

The rate of interest shall be applicable as prevailing for SME sector at the time of 1st disbursement of loan including token disbursement and shall be payable on quarterly basis. Presently, the rate of interest of flexi loan scheme is @ -----% p.a.

9. LIQUIDATED DAMAGES:

No default in principal & interest shall be allowed. In case of default following action shall be initiated.

- a) Action U/s 138(b) of NI Act.
- b) The Corporation shall charge liquidated damages @ 2% p.a. on the amount in default for the period of default.

10. OPTION FOR CALL BACK:

In case the loanee party make default in making payment of interest on time, the Corporation shall have right to call back the disbursed loan along with interest and other money.

11.INSURANCE :

The unit shall keep insured its fixed assets at its own cost.

12.The overall security debt ratio shall not be less than 1.5:1

13.The unit shall not increase debt equity ratio above 2:1 during currency of loan.

14.The promoter/unit shall submit its consent to the Corporation that during the currency of loan, the Corporation may obtain/provide any credit information related to it from/to the credit Information Bureau of India Limited.

15.The unit/concern shall submit an undertaking that the borrower hereby agrees to pay a penalty of Rs.500/- on its every dishonoured cheque given by the borrower to the Corporation and the borrower further agrees and gives its consent that in case of non-payment of above penalty by the borrower the Corporation has every right to recover and debit the above amount in his loan account under the head of "other charges" of the Corporation without prejudice to all other legal rights of the Corporation available under the provisions of the Negotiable Instrument Act and/or under the provisions of all other law in force.

16.The existing loan A/c under FAAS/SARAL scheme shall continue as per original schedule of repayment and no pre-payment of these loan shall be accepted.

17.Before disbursement of loan, the Branch manager shall satisfy about the utilization of earlier loans sanctioned to the unit under FAAS/SARAL schemes.

OTHER TERMS AND CONDITION

GENERAL:

1. The unit shall clear the over dues if any in existing loan account and also in loan accounts of sister/associate concern if any before documentation and before each disbursement.
2. That the Corporation shall have a right of physical inspection of the unit and verification of the stock and fixed assets and may call for any information including books of accounts as may be required from time to time during currency of loan.
3. The unit shall not appropriate the profits unless it has cleared or made a provision for clearance of over dues that may exists in the corporations loan and interest thereon.
4. That the Corporation shall be at liberty to appoint a concurrent auditor to get examined the books of accounts of the borrowing company and company will render all help and produce all books of accounts as may be required and fees of the chartered accountant shall be payable by the firm.
5. Without formal consent of the Corporation, the borrower will not increase further debt liabilities to be secured by the fixed/current assets of the unit.
6. The interest free unsecured loan if any shall not be withdrawn till the currency of Loan.
7. There will be no change in constitution/management without prior approval of the Corporation.
8. The company/concern shall give undertaking that it shall not undertake any change in management & share holding during currency of loan of the Corporation without prior approval of the Corporation.