

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

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

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

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

Dated : 30.06.2007

P&G CIRCULAR

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

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

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

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

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

Sd/-

(B.N.Sharma)
Chairman & Managing Director

Copy to :

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

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

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

APPLICABLE FOR GOOD BORROWER SCHEMES

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

Note :-

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