

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

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

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

Dated : 13.02.2008

CIRCULAR
(LA No. : 481)

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

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

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

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

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

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

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

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

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

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

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

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

(B.N. Sharma)
Chairman & Managing Director

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