

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

HEAD OFFICE,
TILAK MARG,
JAIPUR.

Ref. No. RFC/LA-12(64)/509

Dated : 08.07.2002

**Sub: Purpose of Assistance under Switch Over
Loan Scheme.**

Guidelines to provide assistance to units intended to switch over their loan accounts from Banks and other financial institutions were issued vide PG circular NO. 858 dated 17.4.2000. Under the Switch Over loan Scheme, financial assistance is extended to those entrepreneurs who availed earlier term loan from any bank/financial institutions but now interested to switch over their loan accounts to the Corporation. While considering the financial assistance under the Switch Over Scheme, some entrepreneurs have also approached to the Corporation for repaying unsecured loan/creditors towards capital goods so as to given them relief from pressure of repayment of unsecured loans/creditors to capital goods which has arisen due to short/inadequate financing from banks.

Since the Switch Over Scheme does not specify this purpose specifically, the Executive Committee discharging the functions of the Board in its meeting held on 15.6.2002 has approved the following purpose of loan under Switch Over Scheme :-

- 1 Financial assistance for repayment of outstanding loan of the other FIs/Banks.
2. For repayment of unsecured loan (excluding IFUL)/Creditors towards capital goods, Provided it does not dilute the norms of minimum promoter's contribution and debt Equity ratio.
3. For acquisition of further fixed assets for modernization, diversification, expansion etc.

Accordingly, the purpose clause of Switch Over Loan Scheme may be modified to include above.

Other terms and conditions of the Switch Over Loan Scheme will remain the same as per guidelines mentioned in PG circular NO. 858 dated. 17.4.2000.

All concerned are advised to take a note of above.

EXECUTIVE DIRECTOR