

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-13(11)/490

Dated : 26.06.2008

P&G CIRCULAR
(LA No.488)

Reg : Revision in interest rate structure of
the Corporation

The detailed guidelines for charging different rate of interest for SSI & MSI / Non SSI Sector and in TUF cases were circulated vide P&G circular No. 1057 Dated : 27.05.2004 and P&G Circular No. 1077 Dated : 24.09.2004, respectively. Guidelines for charging similar rate of interest for SSI & MSI was issued vide P&G Circular No. 1114 Dated : 27.06.2005, P&G Circular No. 1116 Dated : 05.07.2005, P&G Circular No. 1148 Dated : 08.05.2006 and P&G Circular No. 1152 Dated : 19.06.2006 were issued for enhancement in rebate for timely payment & revision of effective interest rate structure of the Corporation. Interest rates were rationalized vide P&G Circular No.1167 dated 06.01.2007, P&G Circular No.1170 dated 26.02.2007, P&G Circular No.1171 dated 29.03.2007, P&G Circular No.1172 dated 11.04.2007, P&G Circular No.1184 dated 30.06.2007, P&G Circular No.1195 dated 13.09.2007, P&G Circular No.1206 dated 29.10.2007 and P&G Circular No.1227 dated 28.05.2008.

Interest rate structure of the Corporation has been reviewed in view of prevailing market scenario as RBI has

recently increased the Reverse Repo Rates and Cash Reserve Ratio. The Corporation has decided to revise the interest rate structure by way of revision in timely payment rebate and interest rate as per Annexure "A".

The revised rates shall be applicable in the loan cases to be sanctioned on or after 26.06.2008 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 26.06.2008.

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

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

ENCL : AS ABOVE.

Copy to :

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

Annexure 'A'

INTEREST RATE STRUCTURE EFFECTIVE FROM 26.06.2008

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, hotel projects & Service Sector except Serial No. 3 to 5) above Rs. 50,000/- & upto Rs. 20.00 Crores.	14.50%	2.00%	12.50%
3.	a)Financing Against Assets Scheme (Long & Short Term) & scheme for Financing for Builders /commercial /residential complexes/ Multiplexes, Hotels, Hospitals etc. for purchase of land & building. b)Saral Scheme for SME sector	16.00% 16.00%	0.00 1.00	16.00% 15.00%
4.	Construction of Commercial /Residential Complexes /Hospitals, Nursing Homes Project.	16.00%	0.00	16.00%
5.	Tourism Projects (except hotel projects).	14.50%	1.00%	13.50%

APPLICABLE FOR GOOD BORROWER SCHEMES

S. No	NAME OF THE SCHEME	DOCUMENTED RATE OF INTEREST	TIMELY PAYMENT REBATE	EFFECTIVE RATE OF INTEREST
1.	Short Term Loan Scheme (STL), Working Capital Term Loan Schemes (WCTL), Units Promoted By Good Borrower (UPGB), Special Purpose Working Capital Term Loan Scheme (SPWCTL).	14.50%	2.00%	12.50%
2.	Working Capital Term Loan to Non Assisted Units	14.50%	1.00%	13.50%
3.	Platinum Card Scheme	14.50%	1.25%	13.25%
4.	Gold Card Scheme	14.50%	1.00%	13.50%

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.	No processing charges shall be levied under Card Loan Scheme under Good Borrowers.
7.	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.
8.	The company / concern shall be eligible for timely payment rebate as per the prevailing policy of the Corporation from time to time.