

RFC/P&G/1239

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-12(65)/1191

Dated : 06.10.2008

P&G CIRCULAR
(LA No. 493)

Re: Fast track Loan Scheme for Existing borrowers

Reference is hereby made to P&G circular No. 970 dated 02.07.2002 vide which "Fast track Loan Scheme" was initially introduced for the promoters who intended to avail term loan quickly from the Corporation and were ready to provide extra comfort level for the security of loan. However, this did not yield desired results and hardly any case was sanctioned under the scheme during the last 6 years since its introduction.

The Board in its meeting held on 29.09.2008 has approved a much simplified scheme to facilitate the existing financed running units (excluding GBD schemes and real estate cases i.e. financed under commercial/ residential complex schemes, Builders etc. scheme for purchase of land & building, FAAS cases sanctioned against residential/commercial properties) who are regular in repayment of the Corporation dues for a reasonable period titled as "Fast track Loan Scheme for Existing borrowers" to provide further loan to the extent of principal loan amount repaid for acquisition of additional fixed assets for expansion/ modernisation/ diversification etc. and / or meeting out the working capital requirements quickly with simplified procedure and without detailed appraisal.

Under the scheme above said existing RFC financed running unit having net profits since beginning or in the preceding 3 years, whichever period is lower shall be eligible. The account of unit should have been standard since beginning and the unit should have repaid at least six quarterly principal installments/ EQIs.

Quantum of loan for replenishment under the scheme shall be maximum upto the principal amount repaid.

“Fast track Loan Scheme for Existing borrowers” is enclosed herewith and marked as Annexure “A”. The existing Schedule LA(s) 1/16 G of PG shall be replaced as per provisions of annexed scheme. Separate guidelines shall be issued by Law Section regarding execution of loan documents to be granted under the scheme.

All concerned are advised to give wide publicity of the scheme and Branch Managers shall ensure that each and every existing loanee of the Corporation becomes aware of this scheme and simultaneously shall attempt to fetch maximum business under the scheme.

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

**Sd/-
(A. K. Garg)
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"

**RAJASTHAN FINANCIAL CORPORATION
(Loans Section)**

Re: Fast track Loan Scheme for Existing borrowers

1. Introduction

To facilitate the existing financed running units (except real estate cases i.e. financed under commercial/ residential complex schemes, Builders etc. scheme for purchase of land & building, FAAS cases sanctioned against residential/commercial properties) who are regular in repayment of the Corporation dues for a reasonable period, the Corporation has devised the "Fast track Loan Scheme for Existing borrowers" to provide further loan to the extent of principal loan amount repaid for acquisition of additional fixed assets for expansion/ modernisation/ diversification etc. and / or meeting out the working capital requirements quickly with simplified procedure and without detailed appraisal.

2. Eligibility Criteria

- i) It should be an existing RFC running financed unit (excluding GBD schemes and real estate cases i.e. financed under commercial/ residential complex schemes, Builders etc. scheme for purchase of land & building, FAAS cases sanctioned against residential/commercial properties) having net profits since beginning or in the preceding 3 years, whichever period is lower
- ii) The unit should have been regular in repayment and all due installments (Prin./interest/ other money) should have been paid in time (within grace period of seven days) there should not be any overdue and the unit should have repaid atleast six quarterly principal installments/ EQIs.
- iii) The account of unit should have been standard since beginning.
- iv) There should not be any reschedulement/any waivement including penal in the loan account.
- v) The fixed assets already mortgaged to the Corporation should be intact & not given on rent/lease/not sold any part of security.

- vi) The MRV of the fixed assets already mortgaged should be get reassessed as per norms of the Corporation & the same should not be less than to the original MRV.
- vii) There is no violation of terms & conditions of existing loans sanctioned to the unit earlier

3. Quantum of Loan

Quantum of loan for replenishment shall be maximum upto the principal amount repaid and the amount calculated as per security debt ratio at Sl. No.6.

4. Repayment Period

Loan sanctioned under the scheme shall be repayable in 3 ½ years including moratorium not exceeding six months in quarterly installments. .

5. Competent authority for sanction of loan

Loan under the scheme will be sanctioned by the respective competent authority as per the present delegation of powers. The amount outstanding in the existing loan account (s) alongwith principal replenishment will be the deciding factor.

No detailed appraisal shall be undertaken.

6. Security Debt Ratio

The total security debt ratio (including proposed loan) as per present MRV of land & building of the unit shall not be less than 2.00 : 1 MRV shall be calculated as per the prevailing norms of the Corporation.

7. Processing Charges

Processing charges shall be charged @ 0.5% of the sanctioned term loan excluding the Service Tax, Education Cess and other applicable Government taxes. Application fee

The application fees will be charged as per the prevailing norms of the Corporation from time to time.

8. Rate of interest and timely payment rebate

The rate of interest and rebate on timely payment will be applicable as per the prevailing rate of the corporation for respective loan scheme under which the original loan was granted.

9. Liquidated damages shall be charged as per prevailing policy of the Corporation from time to time.

10. Disbursement:

The sanctioned loan would be disbursed in one or such higher number of instalments as the disbursement authority feels appropriate. The borrower shall furnish the CA certificate reg. utilization of loan in prescribed proforma within 6 months from the date of disbursement.

11. Documentation:

Separate guidelines shall be issued regarding execution of loan documents granted under the scheme.

12. Undertaking & Declaration

- A. The unit shall furnish undertaking that loan shall be utilized for meeting working capital requirement and/ or for creation of fixed assets to be used for industrial/ hotel/ tourism/ hospital/ nursing home projects.**
- B. It will comply all legal requirements to run the unit i.e. obtaining NOC from local authority, RPCB & other Departments, if so required.**
- C. That the property is owned by promoters and presently not let out/leased and shall obtain prior approval from the Corporation for renting/leasing out in future.**
- D. The borrower shall keep insured the fixed assets i.e. building considered for financial assistance, every year till the entire loan is repaid and copy of insurance policy be furnished with the Corporation.**