

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-12(65)/ 1598

Dated : 15 .12.2008

P&G CIRCULAR
(LA No. 500)

**Reg: Fast Track Loan Scheme for existing borrower under FAAS
(commercial/ residential property)**

The Corporation has recently introduced a Fast Track Scheme for SME sector vide P&G circular no.1239 dated 06.10.2008. Since introduction of this scheme, there has been a persistent demand from the entrepreneur that the similar scheme should also be introduced for the borrowers to whom loan has earlier been considered under FAAS (commercial/ residential property) .

The Board of Directors in its meeting held on 08.12.2008 has approved a loan scheme as captioned above on the similar lines of “ Fast Track Loan Scheme to existing borrowers” for the borrowers having existing account under Financing Against Assets Scheme on the basis of security of commercial / residential properties who are regular in repayment of EQI/ EMI for at least 1 ½ years. Further term loan may be provided to the eligible borrowers upto the extent of principal loan amount repaid. The Corporation will charge interest as under:

- a) On existing outstanding loan amount - @ 2% p.a. above the documented rate of interest or 14% per annum which ever is higher
- b) On further term loan - Prevailing applicable rate of interest on FAAS which is presently 17% p.a.

No timely payment rebate shall be allowed under the scheme.

**Fast Track Loan Scheme for existing borrower under FAAS
(commercial/ residential property) is enclosed herewith and
marked as Annexure “A”.**

All concerned are advised to give wide publicity of the scheme and Branch Managers 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,

**RAJASTHAN FINANCIAL CORPORATION
(Loans Section)**

**Re: Fast track Loan Scheme for Existing borrowers under
FAAS (commercial/ residential property)**

1. Introduction:

The Corporation has recently introduced a Fast Track Scheme for SME sector vide PG circular No 1239 dt. 06.10.2008. On the persistent demand from entrepreneurs of CRE sector, loan scheme titled as "Fast track Loan Scheme for Existing borrowers under FAAS (commercial/ residential property)" has been introduced to facilitate the existing financed units under FAAS on the basis of security of commercial / residential properties who are regular in repayment of the Corporation dues for at least 1 ½ yeas, 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 financed unit under FAAS on the basis of security of residential/commercial property.**
- ii) The unit should have been regular in repayment and all due installments (Prin./interest/ other money) should have been paid in time as per norms. 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/ waivement (including penal interest) in the loan account.**
- v) The fixed assets already mortgaged to the Corporation should be intact & not given on rent/lease basis and should not have 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 further loan shall be maximum upto the principal loan 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 5 years including moratorium not exceeding six months in quarterly installments with the condition that after 3 years documented rate of interest will be the prevailing rate of interest at the that time or the existing rate of interest which ever is higher.

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 @ 1% 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 Corporation will charge interest as under:

- a) On existing outstanding loan amount - @ 2% p.a. above the documented rate of interest or 14% per annum which ever is higher
- b) On further term loan - Prevailing applicable rate of interest on FAAS which is presently 17% p.a.

No timely payment rebate shall be allowed under the scheme.

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.