

RAJASTHAN FINANCIAL CORPORATION
(GBD-LOANS SECTION)

**UDYOG BHAWAN,
TILAK MARG,
JAIPUR.**

Ref. No. F. RFC/ GBD/ GEN.25/677

Dated : 30.03.2009

CIRCULAR

Reg: Relaxation in norms related to GB schemes

Occasionally requests from Industrial Associations and Branch Offices are being received to provide some relaxation in GB scheme to make them more attractive. The matter was placed before the PC&CC in its meeting held on 18 & 20/3/09 and after detailed discussions, the Committee decided to make the following changes in the existing parameters:-

1. Processing charges in all the GBD schemes (wherever applicable) shall be 0.75% of sanctioned amount in place of @ 1.00% presently being charged.
2. The Corporation shall charge interest rate at 0.25% p.a. lower in UPGB scheme for SME sector projects in comparison to the prevailing rate of interest in general loan cases of SME sector. Therefore, the effective rate of interest under UPGB shall be @ 13.00% p.a. in place of 13.25% p.a.
3. The maximum repayment period under UPGB scheme shall be 7 years (in place of 5 years presently being allowed) including moratorium period not exceeding one year. However, for the cases up to Rs.5.00 Crores the rate of interest after three years from the date of first disbursement including token disbursement shall be the rate of interest prevailing at that time or existing rate of interest whichever is higher. For cases above Rs.5.00 crores, the documented rate of interest shall be re-set after every 12 months during the currency of loan commencing from first disbursement of loan including token disbursement and the Corporation shall charge rate of interest as prevailing at that time or existing rate of interest, whichever is higher.

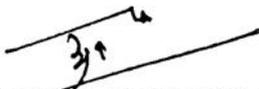
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These norms shall also be applicable with immediate effect in all the cases where loan has been sanctioned but execution of documents has not been made. However, processing charges already deposited even in the cases where documents are yet to be executed the same shall not be refunded.

The necessary modifications may be incorporated in P&G in respective schedules of GB schemes. All concerned are advised to take a note of above and make sincere efforts to maximize the business under Good Borrower Segment.


(ATUL KUMAR GARG)
Chairman & Managing Director

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