

RFC/P&G/1320

RAJASTHAN FINANCIAL CORPORATION
(CREDIT APPRAISAL SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No.RFC/LA-13(11)/396

Dated :02.06.2010

P&G CIRCULAR
(LA No. 543)

Reg : Revision in interest rate structure of the Corporation.

Attention is invited to guidelines regarding the interest rate structure of the Corporation issued vide PG Circular No. 1294 dated 04.12.09 and 1299 dated 31.12.09.

The Board of Directors in the meeting held on 31.05.2010 has reviewed the Interest rate structure of the Corporation in view of prevailing market scenario and has decided to reduce the interest rate by 1% in all Good Borrowers Loan Schemes and 2% under the Scheme for Financing Against Assets.

It has further been decided to discontinue the recovery of service charges @ 1% per annum being levied so far under all WCTL schemes of Good Borrowers including the NAU scheme, SPWCTL and Pass Book Scheme with effect from 01.06.2010 in all existing as well as in new cases.

Accordingly, the revised interest rate structure is enclosed as per Annexure "A".

The revised rates shall be applicable to the loan cases to be sanctioned on or after 01.06.2010. Other provisions shall remain unchanged.

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

Sd/-
(G.S.Sandhu)
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 01.06.2010

APPLICABLE FOR SSI /MSI /NON SSI SECTOR IRRESPECTIVE OF
COST OF PROJECT

S. No	NAME OF THE SCHEME	RATE OF INTEREST
1.	SME Sector Units (Industrial & Service Sector) Upto Rs. 50,000/.	10.75%
2.	SME Sector Units (Industrial projects) above Rs. 50,000/- & upto Rs. 20.00 Crores.	12.50%
3.	a) Scheme for Financing Against Assets b)"Scheme for Financing for Builders/commercial /residential complexes/ Multiplexes, Hotels, Hospitals etc. for purchase of land & building" b)Saral Scheme for SME sector	15.00% 17.00% 14.00%
4.	Construction of Commercial /Residential Complexes	14.75%
5.	a) Service Sector projects (excluding S.No. 3 to 4) and including Hotels, Technical/ Professional Education Projects b) Tourism Projects (except hotel projects), Guest-House cases, Hospitals/ Nursing Home Projects and Medical Equipment Scheme cases	12.50% 13.25%

: APPLICABLE FOR GOOD BORROWER SCHEMES :

S. No	NAME OF THE SCHEME	RATE OF INTEREST
1.	a) Short Term Loan Scheme (STL), Working Capital Term Loan Schemes (WCTL), Special Purpose Working Capital Term Loan Scheme (SPWCTL). b) Units Promoted By Good Borrower (UPGB)	11.50% 11.25%
2.	Working Capital Term Loan to Non Assisted Units	13.00%
3.	Platinum Card Scheme	11.50%
4.	Gold Card Scheme	11.75%

NOTES :-

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 all cases Post Dated Cheques for equated quarterly / monthly installments are to be obtained as per PG circular No. 1307 dated 28.01.2010. Cheques shall be taken for EQI/EMI based on documented rate of interest. It should be clearly stipulated that EQI/ EMI has been calculated on documented rate of

	<p>interest. In case cheque is not realized, the BO shall ask the borrower for enhanced amount of EQI/ EMI by including applicable rate of liquidated damages.</p>
6.	<p>a) No processing charges shall be levied under Card Loan Schemes under Good Borrowers.</p> <p>b) Processing Charges in all the GBD schemes shall be 0.75% of sanctioned loan amount except Card Loan Schemes, as per P&G circular No. 1256 dated : 30.03.2009.</p>
7.	<p>a) In the loan cases where the exposure is upto Rs.5.00 Crores (including existing outstanding loan amount and proposed sanction amount) and are considered under UPGB and STL Scheme of Good Borrowers, Scheme for Financing Against Assets, Fast Track Loan Scheme for existing borrowers under FAAS (commercial/ residential property) and Saral Scheme for SME Sector the documented rate of interest, after three years (from the date of first disbursement) shall be the prevailing rate of interest at that time or the existing rate of interest whichever is higher.</p> <p>b) In all the loan/ GB cases where the exposure exceeds Rs.5.00 Crores (including existing outstanding loan amount and proposed sanction amount), the documented rate of interest shall be reset after every 12 months during the currency of loan from the date of first disbursement and the Corporation shall charge rate of interest prevailing at that time or existing rate of interest, whichever is higher.</p>