

RAJASTHAN FINANCIAL CORPORATION
(Credit Policy & Monitoring Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref.No. RFC/ LA-12(79)/ 147

Dated : 14.03.2013

PG CIRCULAR
(LA No. 606)

**Re: Special Loan Scheme for Marble Processing Units having
Import License.**

The Government of India has recently issued **Import License** to selected marble processing units for importing marble blocks. Import of marble blocks requires huge capital involvement in terms of working capital to meet out the cost of raw material, transportation, processing, trade credit cycle etc.

Considering the requirements of the existing borrowers having license for importing marble blocks and also the feed back received from the field offices, it has been decided to launch a new scheme namely **Special Loan Scheme for Marble Processing Units having Import License** for providing financial assistance to marble processing units having import license. The purpose of loan shall be for importing marble blocks, for creation of fixed assets (or both), transportation, processing etc., In addition to our existing borrowers, financial assistance shall also be considered to the units who intend to switch over their loan account from other FIs/Banks and are having **Import License**. Under this new scheme no detailed appraisal shall be undertaken but adherence of financial norms given in the scheme is to be ensured.

The detailed scheme is enclosed as Annexure-A.

The Branch Managers are required to make wide publicity of the scheme and identify all eligible borrowers in order to fetch maximum business under this scheme.

All concerned are directed to implement the loan scheme successfully and strive hard to fetch maximum business.


(Yaduvendra Mathur)
Chairman & Managing Director

Encl: As above.

Copy to:

1. All BOs/SOs/A&I.
2. Standard Circulation at HO.

**SPECIAL LOAN SCHEME FOR MARBLE PROCESSING UNITS HAVING
IMPORT LICENSE**

1. Introduction :

The scheme is introduced to provide financial assistance to marble processing units having license to import marble blocks.

The scheme does not envisages detailed appraisal and only ensures the adherence of financial norms given hereunder.

2. Eligibility :

(a) The existing assisted units engaged in processing marble blocks and having import license for the same shall be eligible under the scheme.

(b) Financial assistance would also be considered for the units who intend to switch over their loan account from other FIs/Banks & possess import license.

3. Purpose of Loan :

Financial assistance would be considered for meeting out working capital requirements/creation of fixed assets (or both), transportation of marble block, its processing etc.

4. Amount of Assistance :

The minimum & maximum loan under the scheme will be Rs 10.00 lacs & Rs 150.00 lacs respectively.

5. Security:

The requirement of security shall be 150% of the loan plus outstanding in the all existing loan accounts. If the unit has availed working capital loan from the Banks/ FIs, same shall also be dubbed while calculating the security debt ratio. Term loan shall be secured by the following securities:

- a) First Charge by way of mortgage of land & building and hypothecation of plant & machinery and current assets.
- b) Personal guarantee of proprietor/partners/directors of the concern/ company.
- c) In case the existing security of industrial assets of the unit is insufficient than collateral security having value not less than the shortfall shall be furnished. The security may be in the form of immovable property located in urban area having clear mortgagable title documents and/or NSC, FDR etc.

The value of security will be assessed as under:-

- a) MRV of land & building
- b) Book Value (written down) of plant & machinery, misc. fixed assets etc.
- d) The security available for the existing loan shall also be continued for the proposed loan.

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- 6. Margin and Promoters' contribution :**
No additional margin and promoter's contribution will be required to be brought in. The Debt Equity Ratio (DER) shall not exceed 2:1, after considering all types of loans including existing loans and promoters' contribution.
- 7. Processing Charges :**
No processing charges shall be charged.
- 8. Repayment Period :**
5 years including moratorium period not exceeding six months. The unit may pre-pay the loan without attracting pre payment premium.
- 9. Rate of Interest :**
The interest rate shall be applicable as per WCTL scheme for Good Borrowers.
- 10. Credit Rating :**
Credit rating is not required for the cases covered under the scheme.
- 11. Liquidated Damages :**
The Corporation shall charge liquidated damages @ 3 % p.a. on the amount in default for the period of default.
- 12. Recovery action :**

 - (a) No default in interest & principal shall be allowed however; in case of default action u/s 138(b) of NI Act shall be initiated.
 - (b) In case the loanee party makes default in making timely payment of interest/EQI, the Corporation shall have the right to call back the disbursed loan.
- 13. Sanctioning Authority :**
The sanctioning authority shall be as per the prevailing norms.
- 14. Disbursement :**
The 1st disbursement of sanctioned amount shall be availed by the loanee with in three months from the date of communication of sanction. The party may however, avail the balance loan as per its convenience but not later than six months from the date of communication of sanction.
- 15. Modalities for operating loan :**
The loanee can draw any amount within the sanctioned limit in multiple of Rs 50000/- by making a request in writing to the concerned BM.
- 16. Utilization :**
The concern/ company shall be required to submit an undertaking stating that the loan availed under the scheme has been utilized for import of marble blocks and its processing with in a period of 6 months from the date of disbursement.