

RAJASTHAN FINANCIAL CORPORATION
(Credit Appraisal Section-1)

Udyog Bhawan
Tilak Marg
Jaipur-302005

Ref. RFC/LA-13(11)/328

Date: 02.01.2017
03

CIRCULAR
(CAS- 10.)

Reg: Revision in the Interest Rate structure of the Corporation.

References were received from Field Offices to review the rate of interest of the Corporation as the rate of interest of other financial institutions/banks is lower, therefore, the proposal to reduce rate of interest was placed before the Board in its meeting held on 23.12.2016 and the Board has approved new rate of interest which is enclosed as Annexure-'A'.

The revised rates shall be applicable to the loan cases to be sanctioned on or after issuance of circular and on the loan cases sanctioned earlier, but the loan documents are to be executed after issuance of the circular.

Note:- The Board also decided that the impact of reduction in interest rates in the above schemes on the business of the Corporation and profitability may be analyzed and put up in the Meeting to be held after six months.

All concerned are advised to take a note of above and act accordingly.


(Anoop Khinchi)
Managing Director

Encl: As above.

Copy to:-

1. All BOs/SOs/FC
2. Standard Circulation at HO

Annexure 'A'

INTEREST RATE STRUCTURE EFFECTIVE FROM 02.01.2017

APPLICABLE TO MSME /NON MSME SECTOR IRRESPECTIVE OF COST OF PROJECT

S. No.	NAME OF THE SCHEME	RATE OF INTEREST
1.	Loans upto Rs.20.00 crore to MSME under Normal Project Loan Scheme of the Corporation.	11.00%
2.	Projects for construction of Commercial/Residential Complexes.	14.50%
3.	Finance Against Assets Scheme (FAAS)	14.50%
4.	Short Term Loan, Working Capital Term Loan, Special purpose Working capital Term Loan, Gold Card, Platinum Card & UPGB under Good Borrower's Scheme	10.75%
5.	Flexi Loan Scheme under Good Borrowers	12.00%
6.	Saral Scheme	12.00%
7.	Loan for purchase of Industrial land from RIICO.	12.00%
8.	Scheme for Financing for Builders/ Commercial/Residential Complexes/ Multiplexes, Hotels, Hospitals etc. for purchase of land & building.	17.00%

It is further decided that no separate rate of interest may be kept for loans upto Rs.50000/-. No changes have been made in the interest rate for other schemes.

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 in terms of PG Circular No. 612 dated 13.06.1995.
3.	In case of loans upto Rs. 5.00 lacs, the rate of interest shall be 1% less under Scheme for Women Entrepreneurs in terms of P&G circular No. 1353 dated 10.11.2010.

4.	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.
5.	In all cases Post Dated Cheques/ECS for equated quarterly / monthly installments are to be obtained as per norms. ECS/post dated 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 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.
6.	Credit Rating System for differential rate of interest is in abeyance.
7.	Reset Clause: In all loan cases to be sanctioned, the documented rate of interest shall be reset every year after completion of one year from the date of execution of loan documents during currency of loan and the Corporation shall charge rate of interest prevailing at the time of reset of interest or existing rate of interest, whichever is higher.