

RFC/PG/959  
RFC/LA/350

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/LA-15(6)/29

Dated : 05.04.2002

: PG CIRCULAR :

**Reg: Selected Industries-Projects of Dairy  
Sector.**

Attention is invited to the guidelines with regards to Selected Industries specified in Schedule 1/6B of PG. At Serial No. 3 of the Schedule 1/6B guidelines with regards to financing projects in Dairy Sector has been laid down/incorporated as under:-

"No loan would be sanctioned to projects for creation of new processing capacity in Dairy Sector till NOC from State Govt. /Agency concerned by the State Govt. is produced."

Keeping in view the thrust /importance for developing Dairy Sector given in Budget 2002 and also increasing demand of dairy products, it has been decided to modify the existing guidelines for financing Dairy projects at Serial No. 3 of the Selected Industries, Schedule 1/6 B of PG as under :-

(i) Projects fulfilling the norms of Milk & Milk Products order, 1992 regarding installed capacity of proposed dairy unit for handling Milk & Milk Products only be considered for finance (Extract of relevant guidelines is enclosed at Annexure "A").

(ii) Promoters contribution would not be less than 40% of the project cost.

(iii) Collateral security of immovable property having MRV not less than term loan would be furnished.

The relaxation in collateral security (not below 50% of the loan amount) be considered by the CMD.

Relaxation in the norms of collateral security if any requested be referred to HO only if the BM/DGM® (sanctioning authority as the case may be) is satisfied about the viability of the project and security of loan giving full justification for further consideration of the PCC/CMD.

All concerned are advised to take a note of above.

**(K.C GUPTA)**  
**EXECUTIVE DIRECTOR**

**Extract of Milk & Milk Product Order, 1992**

The relevant guidelines for Registration of Dairy units as per the Milk & Milk Products Order, 1992 are as under:-

**Registration:** 1. On and from the date of commencement of this order no person shall manufacture or carry on business in milk or any milk product nor create any manufacturing facility for the business, unless such person has made an application in the form specified in the first schedule along with the prescribed fee to the registering authority for obtaining the registration certificate.

2. The provisions in sub paragraph (I) shall apply to such person who handles or is equipped to handle or who has in the establishment or unit under his ownership or control (or where he has more than one such establishment all the establishment put together) installed capacity for handling milk in excess of ten thousand liters per day, or milk product containing milk solids in excess of five hundreds tones per annum.

RFC/PG/961  
RFC/LA/351

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No.RFC/LA-15(6)/75

Dated : 11.04.2002

: PG CIRCULAR :

**Reg: Plastic Processing Units.**

A study of Plastic Processing Units assisted by the /corporation was conducted by Technical Cell. On the basis of findings of the study, it has been decided to include the item i.e. Plastic Processing Units in the list of Selected Industries at Schedule LA (S) 1/6B of "Procedure & Guidelines". The item is incorporated in the said Schedule under the heading "Others" at Serial No. 5 as under:-

5. Plastic  
Processing  
Units

i) The unit promoted by experienced persons in the line with sound financial Base shall be considered Only in potential areas Like Jaipur, Udaipur, Jodhpur Kota and Alwar Districts.

ii) The projects having cost estimate of Rs. 50 lac and above based on latest Technology plastic processing machines with higher standard of automations and performance shall be considered.

iii) However, proposal of

Expansion/modernization  
of existing units shall  
be considered irres-  
pective of project  
Cost, on their merits.

All concerned are advised to take note of above.

**(K.C GUPTA)**  
**EXECUTIVE DIRECTOR**

RFC/PG/962  
RFC/LA/352

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/LA-12(62)83

Dated : 11/15.4.2002

: PG CIRCULAR :

Reg: Scheme of Assets Financing

The Scheme for Assets Financing was circulated vide PG Circular No. 925 dated 21.7.2001. On a review, it has been decided that the assets acquired /purchased within a period of 18 months prior to the date of filing of loan application may be considered for financial assistance under the Scheme. Accordingly a new para no. (iv) has been added under the Eligibility norms of the said Scheme as under:-

“(iv) The assets acquired /purchased within a period of 18 months prior to the date of loan application may be considered for financial assistance.”

Further the “Note” given under the heading “Purpose of Assistance” is modified to read as under:-

“The assets of sick/closed acquired/to be acquired on cash down basis either from the Corporation or otherwise would also be considered.”

All concerned are advised to take note of above.

(K.C GUPTA)  
EXECUTIVE DIRECTOR

RFC/PG/965

RFC/LA/353

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No.RFC/LA-16(20)303

Dated : 27.5.2002

: PG CIRCULAR :

Reg:Blacklisting of entrepreneurs-Schedule  
LA(S)1/7 B

As you are aware that the Corporation is maintaining a list of the PG as Schedule LA(S)1/7B of those persons who have tried to cheat the Corporation by submitting forged quotations/documents or by applying for loans in false/benami names. The financial assistance is not considered by the Corporation to any unit in which such persons are directly or indirectly interested as proprietor/partner/director.

The name of persons whose details as given below are added to the said schedule LA(S) 1/7B because of presentation of a credit report which later was denied by the issuing officer. 'This act might have put RFC to considerable loss, had due diligence have not been applied to same.

Name of promoters & address	Father's name	Real Name,if any	Concern
Shri Prem Kathuria 1-52,Kirti Nagar New Delhi	(Late Shri R.B. Kathuria)	-	M/s. Synth Bharat Laboratories G-1-1424 Rampur Mandana Industrial Area Bhiwadi
Shri Satish Kathuria 1-52,Kirti Nagar New Delhi	(Late Shri R.B. Kathuria)	-	-do-

All concerned are advised to take a note of above and take necessary action as per norms. The photographs and specimen signatures of the promoters are enclosed with the circular.

**EXECUTIVE DIRECTOR**

RFC/PG/970  
RFC/LA/354

**RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)**

**HEAD OFFICE,  
TILAK MARG,  
JAIPUR.**

**Ref. No.RFC/LA-12(65)/472**

**Dated : 02.7.2002**

**: PG CIRCULAR :**

**Sub:Fast Track Loan Scheme**

Many a times, the promoters who are confident about the successful running of their project propose to furnish additional/collateral security for availing the term loan quickly on fixed assets which provide extra comfort level to the Corporation . Keeping this in view, it was felt that in all such cases the Corporation should also reciprocate and come forward to provide financial assistance on liberal terms without diluting the overall financing norms laid down by SIDBI/IDBI/Central/State Government/ RPCB etc. The Executive Committee, discharging the functions of the Board. In its meeting held on 15-06-2002 has approved a new Scheme in the name 'Fast Track Loan Scheme'. A copy of the Fast Track Loan Scheme is enclosed herewith which will form a part of PG as Schedule 1/16 B.

All concerned are advised to take a note of above.

**sd/  
Executive Director**

**RAJASTHAN FINANCIAL CORPORATION**  
**(Loans Section)**

**Fast Track Loan Scheme**

**1. Introduction**

The scheme envisages providing financial assistance on liberal terms to the entrepreneurs who are interested to furnish additional / collateral security for term loan for fixed assets, such entrepreneurs can avail financial assistance on liberal terms from the Corporation with regard to promoters' contribution and security margin without diluting overall financial norms / terms laid down by the SIDBI/ IDBI, Central / State Govt. RPCB etc. and also with simplified procedure of disbursement as compared to general category of borrowers. This would Not only facilitate early implementation of the project but would also encourage business of the Corporation.

**2. Eligibility Criteria**

The promoter/ Concern/ Company who furnishes collateral security for the term loan against fixed assets would be eligible to be covered under the scheme. However, as a part of specific decision/ guidelines of Corporation where collateral security requirement is must, such as units in rented premises, mining units, transport loan cases, working capital term loan under SWS, projects based on fast changing technology etc. shall remain outside the purview of this scheme.

The scheme would be applicable to the loan cases under general loan scheme and not applicable under Good Borrower Scheme/ UPGB and NAU Scheme.

## 1. Category of promoters

Such promoters may be categorized into 2 categories based on the quantum of collateral security proposed to be furnished for term loan against fixed assets as under :-

Quantum of collateral security	Category
(i) Where the value of collateral security against fixed assets is more than 80% of loan amount	"A"

OR

Where in the project, the component of land & building is more than 50% of the total investment towards fixed assets and collateral security is not less than 50% of the loan amount.

OR

Where in the Service Sector projects like Hotel, Commercial Complex, Hospital, Nursing Homes proposed to be located in major cities like Jaipur, Jodhpur, Udaipur, Ajmer and Bikaner the component of land and building is more than 75% of the total investment towards fixed assets of the project and collateral security is not less than 25% of the loan amount.

(ii) Where the value of collateral security against "B" Fixed assets is more than 40% but upto 80%.

OR

Where in the project the component of land & building is more than 50% of the total investment towards fixed assets and collateral security is not less than 25% of the loan amount.

OR

Where in the service sector project like Hotel, Commercial Complex, Hospital, Nursing Home, Proposed to be located in major cities like Jaipur, Jodhpur, Udaipur, Ajmer and Bikaner the component of land and building is more than 75% of the total investment

towards fixed assets in the project and collateral security is not less than 10% of the loan amount.

Note : For the purpose of determining the value of collateral security, the value of primary security would not be considered.

## 2 Facilities

These eligible entrepreneurs/cases would be entitled to sanction/ avail laon on the liberal terms/ norms as detailed below :

A. Facilities/ Relaxation in terms of sanction :

		A	B
(i)	Mininum Promoters Contribution	30%*	33%*
(ii)	Security Margin		
	a) where usual security margin is 30%	25%	27.5%
	b) where usual security margin is 40%	35%	37.5%
	c) where usual security margin is 50%	40%	45%

(iii) DSCR may be accepted 1.5:1 1.6:1

\*However it should not dilute D.E Ratio of 2:1 in small scale units and 1.5:1 in medium scale units.

iv) Other Relaxations

a) Credit reports from reputed persons/ Gazetted Officer would not be insisted upon if satisfactory report from Bank has been received.

b) Cases would be taken up for processing/ sanction without waiting of NOC/ consent from RPCB and the unit would be allowed to furnish the same as under :

i) NOC in red category cases would be furnished before first disbursement of loan (after documents and release of token money).

ii) Whereas in Orange category cases, the same may be furnished uptill disbursement of 25% of sanctioned loan or disbursement of 50% value of collateral security, which ever is less.

B. Facilities/ Relaxation in terms of disbursement of loan

(i)	Raising or promoters' contribution before disbursement	50%	75%
(ii)	Maximum inspection for verification and valuation of assets	2	3
(iii)	Advance disbursement	33%	25%

Note : The next advance disbursement would be subject to proper utilization of previous advance and would be over and above the admissible disbursement against valuation of assets of the project. Beyond 66% disbursement against sanctioned loan amount, eligible disbursement would be released after carrying out valuation only.

iv.) Payment/ Receipts for smaller amount in case of plant and machinery and MFA would not be insisted to the extent of 10% of the total cost of plant and machinery and MFA. For such payment only a statement showing the itemwise details of payments duly signed by the promoter and certified by CA would be furnished.

#### 5. Other Modalities

- 1) while forwarding loan application under the scheme should be marked as "Under Fast Track Loan Scheme" on the top / front of loan application form.
- 2) The IPC (for branch level cases) and PCC (for HO level cases) would decide / approve the eligibility and coverage of the loan application under Fast Track Loan Scheme.
- 3) In such cases while conveying sanction on top of sanction letter Words "Fast Track Loan Scheme" shall be specified / mentioned.
- 4) Terms and conditions of sanction / disbursement would be accordingly modified.
- 5) Such loan cases would be closely monitored by Branch Manager himself besides Nodal/ Monitoring Officers appointed otherwise in the loan cases above Rs. 100 lacs and Rs. 50 lacs etc.

- 6) While considering assistance under this scheme it may be ensured that the financial parameters / norms of appraisal like Debt Equity Ratio repayment period, rate of interest etc. as laid down by the SIDBI/ IDBI and the guidelines issued by Central/ State Govt. / RPCB etc. from time to time and circulated through PG should not be diluted. The present minimum debt equity ratio is 2:1 in case of Small Scale unit and 1.5:1 in case of Medium Scale Units.
- 7) The rate of rebate interest on timely payment will be 1% for all cases.

RFC/PG/971  
RFC/LA/355

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/LA-15(6)/501

Dated : 06.07.2002

: PG CIRCULAR :

**Reg: Plastic Processing Units.**

After study of Plastic Processing Units assisted by the Corporation, the said item was placed in the List of Selected Industries of the Corporation as Sr. No. 5 (others) of Schedule 1/6 B vide PG Circular no.961 dated 11.4.02.

On a review, it has been decided to add a new para as Sr.No. IV against the above said item, which is as under:-

5. Plastic Processing  
Units

iv) If marketing scope is found at a particular place a particular place and the promoter is prepared to provide 100% collateral security for term loan on Fixed assets and 150% for WCTL (in case the loan is applied under SWS) such projects may also be Financed within the sanctioning powers of BO/RO.

All concerned are advised to take a note of above.

**EXECUTIVE DIRECTOR**

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/LA-12(64)/509

Dated : 08.07.2002

**Sub: Purpose of Assistance under Switch Over  
Loan Scheme.**

Guidelines to provide assistance to units intended to switch over their loan accounts from Banks and other financial institutions were issued vide PG circular NO. 858 dated 17.4.2000. Under the Switch Over loan Scheme, financial assistance is extended to those entrepreneurs who availed earlier term loan from any bank/financial institutions but now interested to switch over their loan accounts to the Corporation. While considering the financial assistance under the Switch Over Scheme, some entrepreneurs have also approached to the Corporation for repaying unsecured loan/creditors towards capital goods so as to given them relief from pressure of repayment of unsecured loans/creditors to capital goods which has arisen due to short/inadequate financing from banks.

Since the Switch Over Scheme does not specify this purpose specifically, the Executive Committee discharging the functions of the Board in its meeting held on 15.6.2002 has approved the following purpose of loan under Switch Over Scheme :-

- 1 Financial assistance for repayment of outstanding loan of the other FIs/Banks.
2. For repayment of unsecured loan (excluding IFUL)/Creditors towards capital goods, Provided it does not dilute the norms of minimum promoter's contribution and debt Equity ratio.
3. For acquisition of further fixed assets for modernization, diversification, expansion etc.

Accordingly, the purpose clause of Switch Over Loan Scheme may be modified to include above.

Other terms and conditions of the Switch Over Loan Scheme will remain the same as per guidelines mentioned in PG circular NO. 858 dated. 17.4.2000.

All concerned are advised to take a note of above.

**EXECUTIVE DIRECTOR**

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/LA-14(4)/510

Dated : 09.07.2002

: P&G CIRCULAR :

Guidelines for obtaining NOC/consent from RPCB by industrial units were circulated vide PG circular NO. 909 dt, 17.4.01 in the case relating to the product covered under Red/Orange/other category.

As per these guidelines, the application/cases relating to the product covered under Red category of RPCB are to be examined and processed by the Corporation only if the promoter/company submit consent from RPCB to establish unit which should be valid for next one year time or atleast for the period of implementation of the project/uptil the date of commencement of production envisaged in the project.

The entrepreneurs are approaching the Corporation with regard to time lag in obtaining NOC/consent from RPCB in the Red category case and have suggested that instead of obtaining the same during the course of processing of loan sanction/conveying the sanction of loan, the same can be submitted at the time of execution of loan documents.

The matter has been considered and in partial modifications to the existing guidelines, the following decisions have been taken with regard to obtaining NOC/consent from RPCB.

- i) In case of product/unit covered under Red category of RPCB, the NOC/consent to establish the unit from RPCB shall be furnished before execution of loan documents instead of furnishing of NOC/consent to establish the unit before appraisal/conveying of sanction of loan.
- ii) In case of application/cases having projects/activities covered under both Red/Orange category then the proposal for orange category should be considered for finance with the condition that the unit shall not undertake any activity covered under Red category unless it submit/furnish the NOC /consent to establish the unit from RPCB in both the categories before execution of loan documents

Other terms and conditions will remain the same as per the PG 909 dt. 17.4.2001.

Accordingly para LA-4 2.8 (b) be modified to read as follows:-

- i) In case of product/unit covered under Red category of RPCB, the NOC/consent to establish the unit from RPCB shall be furnished before execution of loan

documents instead of furnishing of NOC/consent to establish the unit before appraisal/conveying of sanction of loan.

- ii) In case of application/cases having projects/activities covered under both Red/Orange category then the proposal for orange category should be considered for finance with the condition that the unit shall not undertake any activity covered under Red category unless it submit/furnish the NOC /consent to establish the unit from RPCB in both the categories before execution of loan documents

All concerned are advised to take a note of above

**EXECUTIVE DIRECTOR**

RFC/PG/981  
RFC/LA/358

**RAJASTHAN FINANCIAL CORPORATION  
( LOANS SECTION )**

**HEAD OFFICE,  
TILAK MARG,  
JAIPUR.**

**Ref. No. RFC/LA-13(4)/790**

**Dated : 21.08.2002**

**: P&G CIRCULAR :**

**SUB: INVESTIGATION OF CREDITWORTHINESS OF PROMOTRS**

With a view to simplify the procedure of loan appraisal particularly in the matter of establishing the credit worthiness of the promoters, it has been decided that in case antecedents of the promoters are found satisfactory after verification of the same by the Corporation Officers and satisfactory credit reports from the bankers of the promoters and their sister concerns are available then no further credit reports from the Gazetted Officers/Good Borrowers/MPs/MLAs etc. may be insisted upon

Accordingly, the Para NO. 2.4 of Chapter LA-2 of P&G has been modified to read as under:-

“If the application is prima-facie in order, detailed scrutiny should be taken up in accordance with the norms of appraisal and simultaneously letters for knowing creditworthiness of the applicant (Performa No. LOANS/P-5) should be issued to the bankers of the promoter and his sister concerns and verification of antecedents should also be carried out by the officers of the Corporation. If the antecedents of the applicant are found satisfactory and satisfactory credit reports from bankers are also available, then further credit reports from other sources may not be insisted upon.

All concerned are advised to take a note of above

**EXECUTIVE DIRECTOR**

RFC/PG/987  
RFC/LA/360

**RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)**

**HEAD OFFICE,  
TILAK MARG,  
JAIPUR.**

**Ref. No. RFC/LA-12(64)/1303**

**Dated : 25.10.2002**

**: CIRCULAR :**

**SUB: SWITCH OVER SCHEME**

The scheme of switch over of loan accounts from banks and other financial institutions to the Corporation was introduced vide P&G Circular No. 858 dated 17.4.2000. As per the circular, the proposals under switch over cases were to be examined and considered at HO only.

Now the Board in its 466<sup>th</sup> Meeting held on 19.10.2002 has delegated the powers of sanction under this scheme, to field officers upto the existing sanction powers.

In view of the above, the para No. 6 of the said Circular No. 858 would stand amended as under :-

“The field offices will process and sanction the cases under this scheme upto the existing sanctioning powers.”

All concerned are advised to take a note of above for compliance.

**( J.P.Vimal )  
EXECUTIVE DIRECTOR**

RFC/PG/1000

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/LA-12(61)/2288

Dated : 24.03.2003

**: PG CIRCULAR :**  
**(LA No.362)**

SUB: Scheme for financial assistance to industrial concerns involved in commercial construction activities for development of residential houses/flats/Housing complexes.

With a view to widen scope of operating areas of the Corporation the Board of Directors in its meeting held on 11.03.2003 has decided to introduce a new scheme called as Scheme for financial assistance to industrial concerns involved in commercial construction activities for development of residential houses/flats/Housing complexes. Detailed scheme as approved by the Board is enclosed, which will form part of the P&G as Schedule LA(S) 1/16 H.

It is expected that the Corporation may get a good business under the new introduced scheme. All concerned are advised to give the publicity to the scheme within the area falling in their jurisdiction and attract maximum business

( J.P.Vimal )  
EXECUTIVE DIRECTOR

**Sub: SCHEME FOR FINANCIAL ASSISTANCE TO INDUSTRIAL CONCERN INVOLVED IN COMMERCIAL CONSTRUCTION ACTIVITIES FOR DEVELOPMENT OF RESIDENTIAL HOUSES/FLAT/HOUSING COMPLEX**

**OBJECTIVES**

To provide financial assistance on commercial basis for construction of housing complex and residential houses/flats either independently or part of commercial complex.

**Eligible Borrowers**

The borrowers may be a concern having constitution as proprietor, a partnership firm, a company, a registered public trust or Registered Cooperative Society constituted to run the venture on commercial lines as builders.

**Eligible Activities**

Construction of Houses, Flats, Apartments and Housing complexes providing basic infrastructure facilities like Electricity, Water, Sanitation, Telephones, Lift, Air conditioner and cooling, parking, storage etc.

The financial assistance would be provided for construction activities for the sale on commercial basis.

**Purpose of Loan**

The assistance may be granted to eligible borrowers for

- a) Cost of land
- b) For construction of building for Housing complexes/Apartments (commercial cum residential complex)
- c) For acquisition of required plant and machinery/equipment like lifts, Air Conditioning plant and fire fighting equipments. other safety devices and also other plants and equipments required for modern type of Housing complexes.
- d) Furnishing of Houses/flats.

## **Amount of Loan**

Amount of loan would be need based within the normal financing ceiling of the corporation, which is presently upto Rs. 500 lacs.

## **FINANCIAL PARAMETERS**

- A. Promoter's Contribution : Minimum 40% of the project Cost
- B. Debt Equity Ratio : Not More than 2:1  
(for the concern as a whole)
- C. Margin of security on : 30%  
Land, building, Plant and  
Machinery & equipments
- On Furniture & fixture : 50%

### **Repayment Period :**

The amount shall be repayable in a period not exceeding 5 years including moratorium period of 12 months from the date of completion as envisaged in the project depending upon DSCR.

### **Rate of interest :**

The rate of interest as applicable from time to time for term loan under commercial complex scheme which is presently as under :-

- |  |        |
|--|--------|
| 1. Loans upto Rs. 2.00 lacs  | 12.25% |
| 2. Loans above Rs. 2.00 lacs<br>And upto Rs. 25.00 lacs                    | 13.75% |
| 3. Loans above Rs. 25.00 lacs<br>(upto project cost of Rs. 10.00<br>Crore) | 14.25% |
| 4. Loans having project cost<br>Above Rs. 10.00 crores                     | 16%    |

NOTE: Rebate in interest rate on timely payment would be made available as applicable under General Loan Scheme.

**LIQUIDATED DAMAGES:**

In case of default, liquidated damages (i.e default rate of interest) shall be charged on the amount in default for the period of default at rates applicable.

**Other terms & conditions :**

1. The location should have been earmarked for residential commercial cum residential located in cities including district Head Quarters having adequate scope.
2. Financial assistance shall only be made on submission of approved map from the local authorities
3. Financial assistance shall be made available on construction activities under this scheme for the construction of residential flat/houses/complex and the said construction is made for sale on commercial basis.
4. The borrower shall deposit with the corporation 75% of the sale proceedings of the residential houses/flats/housing/complexes upto the clearance of total term loan.
5. That the loanee/borrower shall ensure and stipulated a condition in the sale deed /lease deed/conveyance deed to be executed with the purchaser that the accommodation so purchased shall be used for residential purposes only.
6. Charge to the extent of sale made shall be released by the Corporation soon after depositing the sale consideration with the Corporation as referred above.

**Sanctioning Authority**

Sanctioning authority shall be RO/ZO/HO only as per delegation of powers.

The cases sanctioned under the Scheme must be monitored closely. In case of two consecutive defaults of installments of Principal and/or interest in any case, the same would not only be reported in the HO without any fail but appropriate action to effect the recovery of overdues shall immediately be initiated by Branch Office.

RFC/PG/1002

RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/GBD/Gen-125/199

Dated :13.05.2003

**: PG CIRCULAR :**  
(LA No.363)

**Sub:Scheme for working capital term loan with the facility of deposit and withdrawal through pass book**

The Corporation is operating schemes to provide working capital term loans to the good borrowers and new entrepreneurs. With a view to provide flexibility in these schemes , and to widen the scope of these schemes,the Board of Directors in its meeting held on 28.4.03 has decided to introduce a new scheme called “Schemne for Working Capital Term Loan with the facility of deposit and withdrawal through pass book.”Detailed Scheme as approved by the Board is enclosed which will form part of the P&G As Schedule LA(S) /1/17K Accordingly necessary additions in the SWS and WCTL Schemes for GB/PGB may be made in Schedule no. 12/M ,17B,17E and 17I respectively.

Flexibility is in built in the scheme for availment of two replenishment loans before original LDR after deposit of four instalments without further execution of loan documents.Pre payment is allowed without premium, no application fee and no processing charges shall be charged for replenishment under the Scheme. It is expected that the Corporation may get good business under this new scheme.

All concerned are advised to give due publicity to the scheme within the area falling in the jurisdiction and attract maximum business.

( J.P.Vimal )  
EXECUTIVE DIRECTOR

Encl:As above

## **SCHEME FOR WORKING CAPITAL TERM LOAN WITH THE FACILITY OF DEPOSIT AND WITHDRAWAL THROUGH PASS BOOK**

### **Introduction**

The Corporation is operating schemes to provide working capital to good borrowers and to new entrepreneurs under the single window scheme. As per norms of the scheme, WCTL is provided as term loan and borrowers are not free to withdraw and redeposit the loan during the currency of loan. During the course of operation of these schemes, demand has been raised at various forums of Industrial Associations and entrepreneurs that the Corporation should provide flexibility in the schemes & for depositing and withdrawing funds without charging pre-payment charges as per their requirement/need. Keeping this in view, the Corporation has decided to modify these schemes as as to provide better flexibility for optimum use of funds as per requirement of the unit

### **Scope:**

The following units will be covered for financing under this scheme :-

- 1) Good borrowers/potential good borrowers eligible under the existing WCTL Scheme
- 2) Units eligible under non assisted unit (NAU) Scheme for WCTL.
- 3) New units or existing units eligible for WCTL under Single Window Scheme to Tiny and SSI units.

### **Eligibility Criteria**

The eligibility criteria will be the same as applicable under respective schemes already in operation.

### **Quantum of Assistance**

- A) WCTL under GB,PGB, & NAU Scheme  
Rs. 2 lacs to 100 lacs
- B) Under Single Window Scheme  
Upto Rs. 200 lacs subject to the condition that component of WCTL shall not exceed quantum of term loan proposed for the fixed assets i.e WCTL would not exceed to 50% of the total term loan

### **Computation of WCTL**

The computation of WCTL shall be made as per the provisions/norms contained in the respective schemes.

### **Debt Equity Ratio**

- a) WCTL under GB,PGB & NAU Scheme  
Not exceeding 2:1 after proposed loan
- b) Single Window Scheme
  - i) For term loan (including proposed WCTL) upto Rs. 10.00 lacs 3:1

- ii) For term loan (including proposed WCTL) 2:1  
above Rs. 10.00 lacs

**Security Debt Ratio :**

- a) GB Scheme : 1.5:1  
b) PGB & NAU Schemes : 2:1  
c) Single Window Scheme : First charge over fixed assets and hypothecation of current assets and collateral security to the extent of 150% of the term loan provided as WCTL.

**Calculation of acceptable value of Security**

The acceptable value of security shall be calculated as per norms laid down in the circular of the respective scheme.

**Rate of interest**

The rate of interest (including replenishment ) is chargeable as under:-

- a) Good Borrower Scheme
- i) SSI Sector 13%  
(Small Scale units,Hospital/Nursing Homes and Toruism Related activities including Hotels and Restaurants etc. Project Cost upto Rs. 10.00 Crore.
  - ii) MSI/Non SSI Sector 14%
- b) PGB,NAU and Single Window Scheme
- i) SSI Sector 13.50%  
(Small Scale units,Hospital/Nursing Homes and Toruism Related activities including Hotels and Restaurants etc. Project Cost upto Rs. 10.00 Crore.
  - ii) MSI/Non SSI Sector 15%

No flexi rate of interest shall be chargeable

**Liquidated Damages**

- a) On principal overdue : If there are principal overdues as on 31 March of every year , the liquidated damages as prescribed in respective scheme shall be charged on the amount of default and for the period of default to be worked out as per repayment schedule.
- b) Interest Overdue Liquidated damages as prescribed in the respective scheme shall be charged on the amount due for the period of default.

## **Service Charges**

Service charges @ 1% p.a. shall be charged over & above interest to be due on quarterly basis alongwith the interest on interest due dates

## **Timely payment rebate**

No separate rebate would be available for the timely payment

## **Pre-payment charges**

Pre payment of loan is allowed without premium

## **Repayment Period**

- a) The repayment be worked out as per the existing prescribed norms in respective scheme
- b) The repayment schedule shall be automatically extended by the installment replenished. The concern has to ensure that the amount fallen due against principal in a particular financial year shall be cleared in that particular financial year itself i.e by 31<sup>st</sup> March, failing which liquidated damages shall be applicable as above.
- c) The interest is payable on due dates failing which liquidated damages shall be applicable as above.

## **Execution of Loan Documents**

The Scheme provides in built facility of replenishment, two times only before original LDR therefore adequate provisions for flexibility and replenishment in the legal documents have to be made to facilitate the above modifications ,accordingly documents of this loan account shall be executed as per modified documents which shall be prescribed by the Law Section separately.

## **Disbursement**

The process for disbursement and other terms and condition of respective schemes shall remain unchanged.

## **Miscellaneous terms & conditions**

The other parameters like sanctioning authority ,moratorim period etc prescribed procedure of Single Window Scheme,GB Schemes shall remain unchanged and shall be guided by the respective provisions of these schemes.

## Other Salient Features

a) **Drawing & Depositing Facility** : Every borrower may be allowed to withdraw not exceeding 2 times a month and to deposit not exceeding 2 times a month meaning thereby that the unit is allowed to transact 4 times during a month. Amount to be deposited/ withdrawal would be as per the requirement of the borrower. However, in any case as on date of withdrawal the outstanding balance including withdrawal in the account shall not exceed principal not due as per repayment schedule.

b) **Freezing of operation** : If at any time it is observed that unit is not making payment of interest on due date, the facility of flexibility in operation would stand seized till such time the overdue interest paid by the borrower.

c) **Replenishment of limit** : The borrower who is maintaining this account regularly will have the facility of replenishment two times before original LDR after deposit of four instalments. The replenished amount will be added to the principal not due amount as and when it is disbursed. As such no separate account is required to be opened for the replenishment. The LDR shall also be extended by the number of installments replenished.. The replenishment shall be considered at the documented rate of interest irrespective of whatever be the prevailing rate of interest.

d) Additional requirements of working capital can be considered separately for which separate account shall be opened and shall be subject to interest rate prevailing at the time of first date of disbursement.

e) No application fee and processing charges shall be charged for replenishment of WCTL.

f) **Transaction fee** : Charges are to be levied on the basis of number of transaction of deposit and withdrawal @ Rs. 25/- each (excluding entries related to repayment schedule) on the 1<sup>st</sup> day of the next quarter.

g) **Maintenance of pass book** : Every borrower will be provided a pass book containing details of amount sanctioned, disbursed ,interest rate, liquidated damages, service charges, repayment schedule and the amount replenished etc. will have basic information of borrower and at the time of every withdrawal and deposit the borrower will ensure that the entries have been made in the pass book by the concerned Branch Office.

The pass book shall be reconciled on monthly basis and the borrower may get the pass book completed and the concerned clerk and AM and DM who may be verifying officer should also put signature on the pass book so that no error in account occurs. The entrepreneur should also put his signature at the time of taking passbook after verification for his satisfaction about correct position of the account. The overall supervision shall be of the BM. The concerned Cashier/Staff/Officials who have been given the responsibility will attract disciplinary action if this prescribed procedure is violated.

h) **Monitoring** : The monitoring and follow up of the scheme shall be made by the concerned DGM® . He will regularly monitor these cases on monthly basis. Nodal Officers shall also review the default cases regularly and shall suggest further course of action to regularize the account.



- 1- Please quote your account number in all correspondence
- 2- All payments deposited, should be got entered & verified in the pass book
3. Interest fall due on quarterly basis on the first day of April, July, October, & January of each financial year.
- 4- The pass book shall be reconciled on monthly basis and the borrower may get the pass book completed and concerned clerk, AM and DM who may be verifying officer should also put signature on the passbook . The entrepreneur should also put his signature at the time of taking passbook after verification for his satisfaction about correct position of the account.
- 5- Unless the loanee notifies the Corporation within seven days from the date of reconciliation about any discrepancy in the pass book, it will mean that the account is correct to the satisfaction of the borrower.
- 6- Appropriation of receipts (under this payment profile )shall be as under:-
  - A) Other Money
  - B) Penal Interest
  - C) Interest
  - D) Overdue Principal &
  - E) Not due principal
- 7- In case of any suggestion for improving operating of the scheme, you may send it to the concerned Branch Manager or Regional Office.

RFC/PG/1005  
RFC/LA-365

**RAJASTHAN FINANCIAL CORPORATION  
(LOANS SECTION)**

**HEAD OFFICE,  
TILAK MARG,  
JAIPUR.**

**Ref. No. RFC/LA-13(4)/242**

**Dated : 21.05.2003**

**: PG CIRCULAR :**

**Sub: Raising of Unsecured Loans as source of finance**

Attention is invited to PG Circular No. 295 dated 15.3.89 vide which guidelines for raising unsecured loans were issued. Accordingly the corporation has been following the guidelines for allowing to raise unsecured loans in means of finance upto 25% of the capital. But now days due to increase in promoters contribution which is not less than 33% in any case , the promoters are facing problems of raising higher capital amount . The problem is more peculiar in cases of commercial /residential complexes. In such projects, the capital requirement is for the short duration and after sale of building it is got liquidated and the capital is blocked in the company. Therefore, builders are not interested to raise PC through share capital which involves higher cost in the form of ROC fees, Stamp duty etc payable for increasing the authorized capital in company cases. In view of above the promoters of such projects have been requesting to allow them to bring in more funds by way of interest free unsecured loans instead of raising funds in the form of entire capital.

The Board of Directors in its meeting held on 28.4.03 has approved the following norms for capital contribution in the projects under different schemes as under :

“ In case of commercial/residential complexes the component of Unsecured loans (Interest Free) shall not exceed 65% of total Promoter contribution and in case of other projects the unsecured

Loans (interest free) shall not exceed 35% of total promoter contribution.”

Accordingly, para no. 2.40 of chapter LA-4 at page 54 & 55 of the PG would stand amended as given overleaf.

All concerned are advised to take a note of above.

**( J.P.Vimal )**  
**EXECUTIVE DIRECTOR**

COPY TO :

- 1- All ROs/BOs/SOs.
- 2- DGM (A&I), Eastern & Western Zone.
- 3- General Manager (Western Zone), Jodhpur.
- 4- Standard Circulation at Head Office.

Amendment in PG Clause 2.40 of Chapter LA-4 (Page No. 54-55)

Unsecured Loans  
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2.40 After exhausting all the above sources, sometimes there remains an un-filled gap without which the project cost cannot be financed. This gap is generally met by raising unsecured loans. While deciding this source, it should be seen that:-

- a) In case of residential /Commercial complexes, the component of unsecured loans (Interest Free) shall not exceed 65% of total promoters contribution and in case of other projects, the unsecured loans (Interest free) shall not exceed 35% of the total promoters contribution.
- b) These loans should not be allowed to be repaid during the currency of loan of the Corporation without prior consent of the Corporation.
- c) The rate of interest on interest bearing unsecured loans should not exceed the rate of interest on term loan.
- d) The parties are in a position to manage these loans.

An undertaking from those persons who are prepared to extend unsecured loans should be taken at the time of execution of loan documents as an evidence of availability of such loans.

RFC/PG/1006  
RFC/LA-366

RAJASTHAN FINANCIAL CORPORATION  
( LOANS SECTION )

HEAD OFFICE,  
TILAK MARG,  
JAIPUR.

Ref. No. RFC/LA-12(1)/251

Dated : 21.05.2003

**: PG CIRCULAR :**

**Reg : Working capital term loan under S ingle Window Scheme.**

In Schedule 1/12M of third updated edition of 'Procedures and Guidelines 2002', permissible working capital term loan components has been specified at para 2(A) at page 178 as under :

“The component of working capital term loan shall not exceed the quantum of term loan proposed for the fixed assets i.e WCTL would not exceed to 50% of the total term loan.”

However, at page 181 para 10(v) of PG 2002 earlier provision of the scheme was not deleted while incorporating the above latest provision as mentioned below:-

“Under the scheme, no ratio in between working capital loan and fixed capital loan has been prescribed and therefore sanctioning authority may enhance or reduce the loan against working capital loan on the basis of nature of the project. However, cases only for working capital shall not be covered under the scheme.”

To remove the aforesaid anamoly at page 181 para 10(v) of PG 2002 amendment has been done incorporating the present norms and now the para 10(v) of page 181 of 2002 is to be replaced and read as under:-

“Cases only for working capital shall not be covered under the scheme except as mentioned at para 1(f).”

All concerned are advised to take a note of above.

( J.P.Vimal )  
EXECUTIVE DIRECTOR

**RAJASTHAN FINANCIAL CORPORATION**  
**(LOANS SECTION)**

Ref. No. RFC/LA-12(43)/594

Dated : 28.07.2003

**: CIRCULAR :**

**Sub : National Equity Fund Scheme**

Attention is invited to PG Circular No.881 dated 16.10.2000 and 896 dated 8.2.01 highlighting the revision in NEF Scheme made by SIDBI.

As per present practice repayment of NEF assistance alongwith service charges is co-terminous with the repayment of term loan. Now SIDBI has desired that repayment under NEF assistance and the Service Charges should be made on 1<sup>st</sup> of March / June / Sept. / Dec. in place of 1<sup>st</sup> of April / July / Oct./ Jan. of each year.

It has therefore been decided in change the repayment schedule of NEF assistance accordingly in cases under NEF scheme and henceforth the date/month of repayment schedule i.e. on quarterly basis starting from 1<sup>st</sup> of March / June / Sept. / Dec. of every year in the loan proposal and sanction letter should be specifically mentioned.

The repayment schedule of term loan shall continue to be prevailing as per the existing guidelines / norms of the Corporation.

All concerned are advised to make a note of it and take action accordingly.

**(J.P. Vimal)**  
**Executive Director**

**Encl : As above**

RAJASTHAN FINANCIAL CORPORATION

Ref. No.RFC/LA-12(18)/615

Dated :04.08.2003

**: PG CIRCULAR :**

**Reg: Scheme for Technology Development &  
Modernisation for SSI Units.**

SIDBI vide its circular No.FI.1./2003-2004 dated 12.5.2003 has decided to extend Refinance Scheme for Technology Development & Modernisation for SSI Units (RTDM) for a further period of two years i.e. till 31.03.2005 with the existing features.

Therefore, the Corporation can now sanction assistance as per norms and parameters of the revised RTDM scheme already circulated vide P&G Circular No.813 dated : 07.04.1999. However, the scope of the scheme also been enlarged by SIDBI by inclusion of service sector projects as eligible activity for assistance from SIDBI under the scheme.

Necessary addition / modification may be made as under:-

- 1.Para No.3 of LA(S)-1/12 JJ regarding eligible criteria : - "3 (e ) Service Sector Units ".
- 2.Para No.13 of LA(S)-1/12 JJ regarding operation period:-  
"The scheme is valid upto 31.03.2005".

All concerned are advised to take a note of above.

**(J.P. Vimal)**  
**Executive Director**

**RAJASTHAN FINANCIAL CORPORATION**  
**(LOANS SECTION)**

Ref. No. RFC/LA-13(4)/847

Dated : 27.09.03

**CIRCULAR**  
**(LA-371)**

**Reg : Refund of Loan Application**

The matter regarding refund of loan application fee was reviewed by the Board of Directors its meeting held on 19.9.03 and after consideration, the Board has adopted the following policy regarding refund of application fees with immediate effect.

1. All loan applications may be accepted alongwith required loan application fees. However, 25% of application fee may be retained by the Corporation and balance 75% of application fee may be refunded in the following circumstances:

i) Where applicant concern is not an industrial concern under SFCs Act

ii) Where application attracts restrictive provisions of SFCs Act

iii. Where industry is not to be encouraged within the existing frame work of the corporation's financing

iv. Where case is not cleared by PCC/IPC meeting and/or the party has not agreed on the terms & conditions and stipulated by PCC/IPC meeting during the course of discussions in such meetings.

2) In following circumstances the application fees once deposited shall not be refunded

i) In case where the applicant has been advised to approach the Corporation afresh for alternative new line of product, the application fees deposited with the earlier loan application may be adjusted against the subsequent application.

ii) Where case is cleared in principle by PCC/IPC meeting on certain conditions and thereafter if the applicant approaches

for refund of applicable fees on account of seeking modification in the terms and conditions.

The above said guidelines shall be applicable prospectively and required amount of loan application fee may be refunded alongwith the rejection letter to be issued to the applicant.

The above guidelines to be substituted in PG at para 1.3 of Chapter LA-2.

All concerned are advised to take a note of above and ensure that henceforth no loan application is accepted without required application fee.

**(J. P. Vimal)**  
**Executive Director**

**RAJASTHAN FINANCIAL CORPORATION**  
**(LOANS SECTION)**

Ref. No. RFC/LA-12(6)/861

Dated : 25/30.09.03

**PG CIRCULAR**  
**(LA-373)**

**Reg: Financing of Filter Press and auxiliary items for  
Marble Gangsaw Unit and Delegation of Powers thereof**

In order to curb the environmental hazard in marble sawing units on account of marble slurry, the Corporation has been operating a scheme for financing of Pollution Control Equipments including Filter Press for Marble Gang saw units as circulated vide PG circular no. 922 dated 12.6.01.

The Board of Directors in its meeting held on 19.9.03 while reviewing the existing scheme has made some amendments and approved the following new scheme

1. Financial assistance for acquiring Filter Press and auxiliary items for marble gangsaw units may be considered at nil security margin subject to the overall debt equity ratio of 2:1 and security debt ratio of 1.5:1 to following categories of the entrepreneurs:

- a) Existing financed units fulfilling eligibility criteria of good borrowers/potential good borrowers scheme of the Corporation.
- b) In case the unit is not financed by the Corporation but the fixed assets are free from all encumbrances and the unit is ready to mortgage existing as well as proposed assets to the Corporation to secure the proposed loan adequately.

2. Financial assistance for acquiring Filters press and auxiliary items for other existing financed marble

gangsaw units not covered under 1(a) above may be considered keeping 30% security margin subject to overall Debt Equity Ratio of 2:1 and Security Debt Ratio of 1.5:1

In case the adequate security is not available then the loan component against proposed Filter Press and auxillary items shall be reduced proportionately or the party shall be required to furnish some additional collateral security to meet the gap in the security.

The Board has also delegated the powers of sanctioning term loan for Filter press and auxiliary items for marble gang saw units to the concern Branch Manager irrespective of quantum of loan amount and outstanding loan to the existing loan account(s) till 31<sup>st</sup> March,04 so as to avoid inconvenience and to provide better services to the entrepreneurs at field level.

This supersedes the earlier PG circular No. 922 dated 12.6.01 issued in this regard.

All concerned are advised to take a note of above.

**(J. P. Vimal)**  
**Executive Director**

**Encl:As above**

