

RAJASTHAN FINANCIAL CORPORATION
(Credit Policy & Monitoring)

No.:RFC/MTC-81/21

Dated : 01.06.2012

C I R C U L A R

It has been observed that there is extra ordinary variation in the cost of the building assessed at the time of valuation, the MRV of the building calculated for the purpose of sale and the value fetched by the Corporation while disposing off a unit. The matter was discussed in detail in the PC&CC and it is felt that the guidelines for computing MRV issued from time to time by the HO are not being strictly followed.

In order to remove this anomaly, attention is once again invited towards the following steps which are essentially required to be followed:-


1. While computing the cost of construction, the building rates circulated vide PG Circular no.1382 dated 15.06.2011 are to be followed for SME Projects and for Hotels multipurpose Commercial Complexes and Residential Complexes, the rates circulated vide PG circular no.1278 dated 24.08.2009 are to be considered.
2. While calculating MRV of a building either at the time of possession or for the purpose of sale, the guidelines issued vide PG Circular no.1089 dated 01.11.2004 are to be followed. As per these guidelines, the MRV of the buildings can be calculated as per the procedure adopted for valuations at the time of disbursement. The present rates of building construction should be applied for arriving at the cost and then depreciation value is to be determined by applying depreciation rate @ 1% (straight line) for good quality buildings (such as Hotels, Hospitals, Pharmaceutical Units, Electronic units, computer centres, commercial complexes, showrooms, offices etc.) and 2% p.a. (straight line) on all other type of buildings. **Further deductions are to be made for the defects/damages in the buildings. The cost of defects/damages may be calculated on the basis of detailed costing based on the latest BSR rates i.e. the cost to be incurred for removal/rectification of the defects/damages.**

Contd...



3. The existing procedure for estimating the cost of land and plant and machinery at the time of appraisal and the MRV of land and plant and machinery at the time of possession/disposal of the unit shall continue to remain in force.
4. The MRV should invariably be computed by team of two officers out of which one should be of technical discipline and the BM should ensure that a certificate with respect to adhering to the circular is recorded by the team in the report invariably.
5. The detailed guidelines issued vide PG circular no.1089 dated 02.11.2004 shall continue to remain in force and are to be followed by the field offices.

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



(YADUVENDRA MATHUR)
Chairman & Managing Director

Copy to:

1. All DGM(Operations).
2. All BOs
3. PA to CMD.
4. PS to ED.

RAJASTHAN FINANCIAL CORPORATION
(Credit Policy & Monitoring Division)

Udyog Bhwan,
Tilak Marg,
Jaipur-302005.

Ref.No.:RFC/CP&M/LA-13(3)/42

Dated : 19.07.2012

C I R C U L A R

Reg:- **Making aware the borrowers about Terms & Conditions of Sanction and procedure of documentation & disbursement before deposition of processing charges.**

During the Branch Manager's conference held on 13.01.2010, it was decided that a copy of terms & conditions of sanction should be sent to BO alongwith endorsement copy of the letter of intent to sanction/deposition of processing charges.

Instances have been noticed that the above decision is not being followed strictly and final terms and conditions of sanction are not forwarded to BO alongwith the letter of intent.

Therefore, all the DGM(Operations) are hereby redirected to invariably send a copy of terms and conditions of sanction with the letter of intent to BO so that the concerned Branch Manager may be in a position to make aware the borrower about the same before deposition of processing charges.

The Branch Manager shall also make aware the entrepreneurs about the execution, compliance of terms & conditions as well as procedure of loan disbursement so as to avoid any ambiguity at a later stage.

The same procedure may also be followed in Branch Level cases before deposition of processing charges.

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



(Yaduvendra Mathur)
Chairman & Managing Director

Copy to :

1. All BOs/SOs/A&I.
3. DGM (Operations)
3. Standard circulation at HO.

RAJASTHAN FINANCIAL CORPORATION
(Credit Policy & Monitoring Division)

Udyog Bhwan,
Tilak Marg,
Jaipur-302005.

Ref.No.:RFC/CP&M/LA-13(3)/46

Dated : 20.07.2012

C I R C U L A R

Reg:- **Registration & Processing of Loan application received at BO.**

The detailed guidelines were issued for Registration and Processing of loan application received at BOs vide Circular No.RFC/LA-13(3)/1498 dated 12.01.2011. As per guidelines issued, it was decided that the loan application of B.O. Level shall be processed by the respective concerned branch (as per site of the project) only as per norms.

The branches are forwarding application of entrepreneurs for granting permission for processing the loan application of jurisdiction of other branch. The matter has been examined and it was decided that:-

1. The preference should be given to process the loan application of entrepreneurs in the respective branch (as per site of the project) on the prevailing norms.
2. However, in exceptional & deserving cases, the permission for processing the loan application (BO Level) of existing borrower may be granted by the respective operations where the entrepreneurs has given justified reasons like Registered Office of the Company, Residence of promoter, maintaining of loan account of other units of the applicant etc.. The processing branch shall ensure to obtain a report about the past dealing & other facts, if any from the concerned branch (jurisdiction as per site of project).

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



(Yaduvendra Mathur)
Chairman & Managing Director

18/7/12

Copy to :

1. All BOs/SOs/A&I.
2. DGM (Operations)
3. Standard circulation at HO.

RAJASTHAN FINANCIAL CORPORATION
(CP&M Division)

Ref.No.RFC/MTC-81/48

Dated: 30.07.2012

C I R C U L A R

Reg: - **Revision in building construction rates.**

The Corporation is considering the building construction rates for hotels, multi purpose commercial complexes and residential complexes as well for general construction as per circular RFC/MTC(81)/432 dated 24.08.2009 and circular RFC/MTC(81)/226 dated 15.06.2011 respectively.

References have been received regarding increase in construction rates considered by Corporation for the construction of buildings. Accordingly, the matter was placed before PC&CC held on 16.07.2012 wherein it was recommended to accept the building construction rates as proposed by Committee constituted for the purpose. Accordingly, the construction rates for Hotels, Multiplexes, Commercial Complexes and residential complexes are increased by 30% and for general constructions of building is increased by 10%. Now, the revised rates are as follows:

1. Construction rates for Hotel:

Details of floor	Rates per sq.ft. (existing)	Rates per sq.ft. (revised)
Lower basement	520	676
Upper basement	520	676
Ground floor	780	1014
1 st floor	800	1040
2 nd floor	840	1092
3 rd floor	860	1118
4 th floor	910	1183
5 th floor	950	1235
6th floor	1000	1300
7th floor	1040	1352
8th floor	1080	1404
9th floor	1120	1456

The above construction rates are inclusive of complete finishing i.e. RCC, framed structure, water proofing, anti termite treatment in foundation and plinth, RCC roofing, brick masonry work in walls, plastering of walls, POP painting of walls, marble flooring, high class finishing with rich specifications, electrification, conduit piping, switches of good quality, first class / selected teak wood frame with teak facing ply flush doors, wire gauge doors and windows, water supply and sanitary fittings and external façade etc. but are exclusive of wood work, furnishing and decorative interior work etc.

The construction rates for residential and multi purpose commercial complexes shall be 10% and 15% less respectively than the above construction rates for different floors as the civil work for all the type (hotels, commercial complex and residential complex buildings) is exclusive of finishing and more or less same. The rates excludes modular kitchen wood work and furnishing items.

2. Construction rates for building of general nature used for industrial purposes:

Particulars	Rate (existing)	Rate (revised)
Factory shed Ht. 15 ft. closed on four sides.	400	440
Office Block ground floor without basement Ht. 11 ft.	600	660
Compound wall 1 meters height above ground level.	470	517
Extra one ft. height of compound wall	50	55
The above construction rates includes excavation , stone masonry in foundation, stone brick masonry in cement mortar in walls , RCC column, plinth , lintel and beams, walls duly plastered , GI sheet, AC sheets roofing for shed / RCC roofing for office block, walls duly plastered , CC flooring, complete in all respect.		

The above rates may be taken care of while carrying out appraisal/valuation and in case the specifications are inferior then the same may be taken care of.

Provision of 10% contingencies is to be provided in both type of buildings to meet out the expenses of unforeseen items and price escalation, if any.

The circular superceeds all earlier circulars on the subject and these revised rates of building construction shall come in to force with immediate effect.


(YADUVENDRA MATHUR)
Chairman & Managing Director

Copy to:

1. All DGM(Operations).
2. All BOs
3. PA to CMD.
4. PS to ED.

BBH

RAJASTHAN FINANCIAL CORPORATION
(CP&M Division)

Ref.No.RFC/LA-12(4)/50

Dated: 08,08.2012

C I R C U L A R

REG:- **FINANCING TO AUTOMOBILE SALES
& SERVICE STATIONS**

The existing guidelines for financing of Automobiles Sales & Service Stations were reviewed by the PC&CC in its meeting held on 22.05.2012. After discussion, it was decided to consider financing for the Automobiles service stations as well as showrooms as a composite unit, i.e. term loan for acquisition of land, construction of building & purchase of plant and machinery required for service station cum workshop alongwith working capital loan for stock of spare parts shall be considered under "MSME Service Sector Project Loan" without any restriction of land area/building area.

Such projects shall be considered subject to condition that these composite units are established either at the prime location of municipal areas of district headquarters or in the industrial area of RIICO.

It is also clarified that no finance shall be considered against the stock of vehicles and showroom alone.

The rate of interest shall be as applicable to Service Sector Projects.

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



(YADUVENDRA MATHUR)
Chairman & Managing Director

Copy to:

1. All DGM(Operations).
2. All BOs/A&I(Ajmer&Jodhpur).
3. PA to CMD.
4. PS to ED.

RAJASTHAN FINANCIAL CORPORATION
(CP&M Division)

Ref.No.RFC/LA-16 (1)/53

Dated: 14.08.2012

C I R C U L A R

REG:- SANCTION OF LOAN AT BO LEVEL

Attention is invited to PG Circular No.1419 dated 19.06.2012 vide which powers for sanctioning of loan were delegated to field offices. In view of the revised credit rating procedure to be adopted by the Corporation, it has been decided to keep the sanctioning powers delegated to field offices in abeyance with immediate effect till further orders.

New loan applications shall be accepted by the BOs and forwarded to respective DGM (Operations). The loan applications pending at the Branch Offices may be forwarded to respective DGM (Operations) immediately so that a view on the same may be taken at Head Office.

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



(YADUVENDRA MATHUR)
Chairman & Managing Director

Copy to:

1. All DGM(Operations).
2. All BOs/A&I(Ajmer&Jodhpur).
3. PA to CMD.
4. PS to ED.

RAJASTHAN FINANCIAL CORPORATION
(Credit Policy & Monitoring Division)

Udyog Bhawan
Tilak Marg
Jaipur-302 005

Ref. RFC/LA-13(11)/69

Dated : 13.09.2012

-: CIRCULAR :-

Reg. : **Financing to MSME units on subsidized rate of interest.**

Recently the RIICO has introduced a scheme under which the MSME units may get finance/loan on subsidized rate for development of industrialization in the following backward districts:-

1. Banswara.
2. Dungarpur.
3. Sirohi.
4. Karauli.
5. Baran.
6. Sawaimadhopur.
7. Dholpur.
8. Pratapgarh.

The copy of office order of the RIICO is enclosed herewith for ready reference.

Presently the Corporation has restricted its financing activities due to limited resources. Therefore, all concerned are advised to publicize the aforesaid scheme amongst the entrepreneurs intending to establish their units in these areas so that they may avail loan on cheaper rate of interest from RIICO.

All concerned are advised to take a note of above.


(**A.R. CHOUDHARY**)
EXECUTIVE DIRECTOR

Encl: As above.

Copy to :

1. DGM(Operations I-VI)
2. All Branches/SOs.
3. PA to CMD/ED.

RAJASTHAN STATE INDUSTRIAL DEVELOPMENT
& INVESTMENT CORPORATION LIMITED
UDYOG BHAWAN, TILAK MARG, JAIPUR 302 005

No: ID.D.6(192)
September 5, 2012

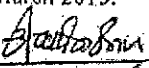
OFFICE ORDER

Sub : Amendment/Simplification in existing procedure/norms for Term Lending activities.

The Board of Directors in its meeting held on 24th August, 2012 has accorded approval for the following Amendment/Simplification in existing procedure/norms for Term Lending activities to facilitate financial assistance at the lower rates to the entrepreneurs of backward district, as notified by the State Government, such as Banswara, Dungarpur, Sirohi, Karauli, Baran, Sawaimadhopur, Dholpur and Pratapgarh be allowed special rebate on the rate of interest as follows:

Particulars	Rebate in Interest
Small scale units (as per the definition of Small scale units, taken by MSME, GoI)	Interest rebate of 3% in the documented rate of interest.
Medium scale units (as per the definition of medium scale units, taken by MSME, GoI)	Interest rebate of 2% in the documented rate of interest.

The above rebate shall be in addition to admissible rebate to good borrowers and timely payment of term loan dues. No swapping of existing loan shall be permissible under this scheme. The scheme shall be valid upto March 2015.


(A.K. Jhalani)
General Manager

RAJASTHAN FINANCIAL CORPORATION

(Credit Policy & Monitoring Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref.No. RFC/LA-13(4)/78

Dated : 27.09.2012

C I R C U L A R

Reg: **Co-financing with Punjab National Bank.**

The liquidity of funds with the Corporation was reviewed in the PC&CC Meeting held on 10.09.2012 and it was decided that PC&CC cleared cases, Good Borrowers and Top-Up Loan schemes cases will be considered in normal course for providing finance.

Further, it was also decided that in other cases the Corporation could go in for co-financing with Punjab National Bank.

All concerned are advised to take a note of above and ensure compliance with immediate effect.


(Arjun Ram Choudhary)
Executive Director

Copy to :

1. All BOs/SOs/A&I,
2. DGM(Operations)R.F.C. H.O.
3. PA to CMD/ED