

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

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

Ref. No. RFC/LA-12(1)/252

Dated : 22.05.2003

: CIRCULAR :

Sub: Scheme for Financing against Assets

INTRODUCTION

The Corporation is a leading financial institution in the State of Rajasthan. The Corporation is catering to the needs of borrowers for meeting out their requirement for creation of fixed assets and also the working capital requirement for efficient operation of the project. It has been observed that in the existing financial products, the Corporation some times may not cater to the genuine needs of the industrial finance for want of certain legal formalities. Keeping this in mind, a scheme has been devised wherein the Corporation shall provide financial assistance to meet out the requirements of industrial/service/commercial purpose by mortgaging the fixed immovable assets situated in the municipal limits of District headquarter and/or industrial unit situated in the industrial area(as per Annexure-A) saturated and having potential.

This scheme will therefore, facilitate those borrowers who could not avail financial assistance for their industrial/commercial/service needs due to one or other reason, may now be eligible to avail financial assistance under this scheme by just mortgaging their properties which are free from all types of encumbrances, as explained in the scheme.

METHODOLOGY OF APPRAISAL

The scheme in detail is annexed herewith. The scheme does not provide detailed appraisal, However, prima-facie there should not be adverse reporting against the borrower by any financial institution/bank in past and their dealings with the bank/financial institution is satisfactory, if any financial assistance availed. To enable this, a format of Appraisal Note is also annexed herewith.

FOCUS AREA

The scheme is only a mortgage scheme, wherein immovable marketable fixed assets are to be mortgaged therefore utmost care has to be taken while examination of title documents and also assessment of acceptable value of property to be mortgaged. The existing guidelines issued from time to time in this regard shall have to be followed strictly.

FOLLOW UP AND MONITORING

Since it is purely financing against assets scheme, a close follow up of timely repayment has to be ensured. The concerned Branch Manager shall take immediate recovery action including legal actions in case two consecutive defaults of principal and/or interest are committed. Not only this but action u/s 138(b) of Negotiable Instruments Act shall also be initiated expeditiously on bouncing of cheque.

All concerned are advised to take a note of above and make all out efforts to popularise the scheme and to achieve the quality business.

(J.P.Vimal)
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION

Branch Office/Head Office

Ref. No. RFC/_____

Dated _____ 2003

Sub: Proposal for sanction of loan under Scheme for financing against assets for Rs. _____ lacs.

Date of Registration at BO _____
At HO _____

Loan Amount applied : Rs. _____

PART-A

1. Name of the Unit M/s. _____

2. Address

A) Correspondence Address

B) Works Address if any

3. Date of incorporation

4. Constitution

5. Name of Proprietor/Partners

Directors

d) Line of product

di) Name of Banker with A/c No.

dii) Security Debt Ratio

PART-B

1. Introduction:

2- **ELIGIBILITY CRITERIA :**

i) Whether existing marketable and : YES/NO
Mortgageable fixed assets of industrial unit situated as per Annexure-A.

ii) Whether existing marketable and : YES/NO
Mortgageable fixed assets of Commercial Complex/ Hotels, Nursing Homes & Other service unit situated within Municipal limits of District Headquarter.

iii) Whether other marketable and : YES/NO
Mortgageable immovable property

situated within Municipal Limits of District Headquarter.

- iv) Whether past dealing of the concern with Bank/FIs, if any, is satisfactory. : YES/NO
- v) Whether past dealing of sister / Associate concern with Bank/ FI is satisfactory, if any. : YES/NO

3. Comments of Branch for promoters :

1. Reputation within society
2. Integrity
3. Means of promoters
4. Whether any legal proceedings Have been initiated

4. Repayment Behaviour
(If the loanee is existing borrower of the Corporation).

The Corporation has considered following loans to the unit

S.No.	Date of sanction	Loan sanctioned	Amount Disb.	(Rs. In lacs)	
				Amount Overdue	Amount O/S
1.					
2.					
3.					

Total

The unit has availed total(Nos.)____ loan of Rs._____from the corporation and has squared up____term loan account and has repaid Rs._____in all the loan accounts and past dealings with the Corporation was satisfactory.

5 Details about promoters

1. Net worth as per statement of Networth as on_____

2. Income assessed and tax paid for preceeding three years

S.No.	Assessment Year	Income Assessed	Tax Paid
1.			
2.			
3.			

3. Details of concern/unit for preceding three years in which the borrower is interested as Proprietor/Partner /Director

S.No.	Name of Unit	Nature of Activity	Income/Sale	Net Profit	Cash Profit
1					
2					
3					
4					

6. Security

The calculation of security by Branch Office as per norms is as under (Amount in lacs)

Description	MRV	Acceptable Value
Land(Area)		
Building(Built up)		
Plant and machinery		Nil
Total		-----

7. Security Debt Ratio

a) Total acceptable value of security	_____
b) Debt	
i) Existing	_____
ii) Proposed	_____
Total	
c) Security debt ratio(a/b)	_____

The loan shall be secured as under:

- a. The loan shall be secured by way of first charge after creation of equitable mortgage on land & building situated at _____.
- b. Personal guarantee of the proprietor/Partners/Directors for repayment of loan & interest thereon

a) Calculation of eligible loan amount

1. On the basis of Security Debt Ratio 2:1 _____
(i.e 50% of acceptable value)
Less loan outstanding if any _____
2. Loan amount required by the party
3. Loan admissible (minimum of above)

b) Recommendations

As per the scheme for financing against assets the borrower is fulfilling all eligible criteria of the scheme. Therefore it is recommended that a loan of RS. _____ (Rupees _____ only) in favour of M/s. _____ City _____ on the terms and conditions mentioned herein by sanctioned.

Terms & conditions for the term loan

Before conveying sanction

a) Processing Charges

The processing charges @ 1% shall be deposited before convey of sanction i.e Rs. _____.

At the time of documentation

2. Amount of loan against fixed assets : Rs. _____

a. Purpose

The loan shall be utilized for meeting working capital requirement or for creation of fixed assets to be used for industrial/service/commercial purpose.

4. The loan amount can be availed within six months from the date of sanction. Beyond six months upfront fee @ 0.1% is to be deposited after taking written prior approval of the Appropriate Authority.

15) Repayment Period

a) The total repayment period shall be six years including six months moratorium period.

b) Borrower shall submit 23 post dated cheques towards equated quarterly installments for principal and interest dues. In case of any balance payment outstanding in the loan account shall be recoverable/adjustable in the last equated quarter installment

16) Rate of Interest

Prevailing rate of interest as on date of first disbursement of loan shall be charged. presently the prevailing rate applicable is ____%.

17) Liquidated Damages

The liquidated damages @ 3.25% or 5.25% shall be charged on the amount in default for the period of default.

18) Undertaking and Declaration :

a. The unit shall furnish undertaking that loan shall be utilized for meeting working capital requirement or for creation of fixed assets to be used for industrial/service/commercial purpose.

16. It will comply all legal requirements to run the unit i.e obtaining NOC from Local Authority, RPCB and other Departments, if so required.

17. That the property is owned by promoters and presently not let out/leased and shall obtained prior approval from the Corporation for renting/leasing out in future
18. No personal guarantee was given earlier to any bank/FI etc. for the fixed assets proposed to be mortgaged.
9. The borrower shall keep insured the fixed assets i.e building considered for financial assistance, every year till the entire loan is repaid and copy of insurance policy be furnished with the Corporation.

Information/documents required

1. Bio-data of Proprietor /Partners/Directors in prescribed form.
2. Copy of Voters ID Card/Ration Card/PAN Number/pass port as proof of residence
3. Two copies for latest pass portsize photographs Proprietor /Partners/Directors
4. Statement of networthof Proprietor / Partners /Directors
5. Details of immovable property of Proprietor /Partners/Directors
6. Affidavit regarding financial assistance availed in prescribed format with Annexure "A" by Proprietor /Partners/Directors
7. Copy of income tax return for the preceding three years of Proprietor /Partners/Directors
8. Documents regarding land alongwith site plan and building map
 - a) For lease hold land,lease deed in original.
 - b) For converted land :
Sale deed/Mutation entry in revenue record,conversion order /lease deed in original
 - c) For free hold land,Patta/sale deed with chain title documents
- 19) Additional documents in case of partnership firm
 - i. Partnership deed and/or supplementary partnership
 - ii. Copy of firm registration alongwith Form no. 67
- 20) Additional documents in case of company
 - i. Certificate of Incorporation & Memorandum & Article of association
 - ii. Share holding pattern
 - iii. Form No. 32 for incoming & outgoing directors
 - iv. Certificate for commencement of business
 - v. Copies of resolution in terms of section 293(1)(a) and 239 (1)(d) of the companies Act,1956 duly certified by the Chairman and General Meeting in which the said resolution was passed alongwith certificate of present borrowing from a Chartered Accountant/Chief Executive of the Company (in case of public limited company and private limited company which is a subsidiary of a public limited company.)

(LOANS SECTION)

Reg: SCHEME FOR FINANCING AGAINST ASSETS

1. INTRODUCTION:

The Corporation is a leading financial institution for providing financial assistance to the industrial units and service sectors in the State of Rajasthan. The increased competition in the financial sector has tempted the Corporation to identify new sector wherein the Corporation can provide Financial Assistance and accelerate the growth of industrial pace. Keeping in mind this aspect, Corporation has introduced a new scheme named "Mortgaged Loan Scheme". In this scheme, the Corporation shall provide financial assistance to prospective borrower for meeting their industrial financial requirements provided the prime security is mortgaged to the Corporation under first charge free from all encumbrances. The salient features of the scheme are as under:

2. ELIGIBILITY CRITERIA:

The following marketable & mortgageable fixed assets are eligible for availing financial assistance under this scheme:

- i) Existing industrial units situated in industrial area saturated & having potential as per Annex-A ready to mortgage their prime security with the Corporation under first charge.
- ii) Existing commercial complexes, hotels, nursing homes and other service sector situated in Municipal limit of district Head Quarters ready to mortgage their mortgageable security with the Corporation.
- iii) Any other borrowers ready to mortgage their marketable immovable property situated in Municipal limit of district Head Quarters.

NOTE :

Prima facie there should not be adverse reporting against the borrower by any financial institution / bank in past and their dealing with the bank / financial institution is satisfactory, if any financial assistance availed.

3. COVERAGE :

- i) Property situated in Municipal limit of each district Head quarter.
- ii) Immoveable property (Land & Building) situated in industrial area as per annexure "A" shall also be considered eligible for mortgage finance.

4. MORTGAGEABLE FIXED ASSETS- Land and Building only falling with the definition as per Point No.3 i.e. Coverage.

NOTE : The property proposed to be mortgaged should not be leased out/rented out presently. In future also the borrower has to obtain prior permission for lease/rent. The Corporation shall examine such proposal on merit of individual cases.

5. SECURITY:

i) The security i.e. land and building shall be under 1st charge of the Corporation by way of equitable mortgage.

ii) Personal guarantee of proprietor/ partners/ directors for securing repayment of loan and interest thereon.

6. SECURITY DEBT RATIO:

The minimum security debt ratio of 2:1 shall be maintained. For the purpose of calculation of security, the acceptable value shall be considered:

The scheme is mainly security based, therefore, for calculation of acceptable value, the MRV of land & building shall be considered. The MRV of land and building will be calculated by our Technical Officer posted at the respective Branch offices as per the guidelines already in existence.

7.AMOUNT OF ASSISTANCE:

From loan exceeding Rs.2.00 lac to Rs.200.00 lacs only.

8.MORATORIUM PERIOD:

The moratorium period shall be 6 months from the date of first disbursement.

9.REPAYMENT PERIOD:

The total loan shall be repayable in six years including 6 months moratorium period.

10.RATE OF INTEREST:

The Corporation shall charge interest rate as under:

Rate of interest : Prevailing rate of interest to SSI unit as on date of 1st disbursement of loan as per prevailing interest slab i.e. upto Rs.25.00 Lacs and above Rs.25.00 Lacs only.

11.REBATE:

The Corporation shall provide rebate @1% for timely payment.

12.LIQUIDATED DAMAGES:

Liquidated damages shall be charged on the amount of default for the period of default as per prescribed slabs under general term loan scheme.

13.MODE OF PAYMENT:

The Corporation shall recover the payment of interest and principal by way of Equated Quarterly instalment for which Corporation shall collect 23 PDCs for payment of principal & interest dues. In case of any payment recoverable from or payable to borrower shall be adjusted in the last E.Q.I.

14.APPLICATION FEE:

- 1 Application form fee : Rs.100/- per application form as per norms.
- 2 Application fee @ 0.1% on the amount of loan application

a. PROCESSING CHARGES:

Processing charges @ 1% shall be deposited before convey of sanction.

16.SANCTIONING AUTHORITY :

- 1.As per existing delegation of powers under general term loan scheme.
- 2.The principal clearance shall be finalized within seven days from the date of registration of loan application and sanction within 15 days positively.

17.UNDERTAKINGS:

1. The unit shall furnish undertaking to utilize the loan amount for meeting working requirement or for creation of fixed assets to be used for industrial purpose.
2. The unit shall furnish undertaking that it will comply all legal requirement to run the unit i.e.obtaining NOC from RPCB, NOC from local authority and other departments, if required so.
3. The borrower shall furnish undertaking that the property is owned by him and not let out/leased. He will further undertake to obtain prior approval from Corporation for rent / lease.

c) DISBURSEMENT:

i)The disbursement shall be made in one instalment or such higher number of instalments as the disbursing authority feels appropriate after satisfying the compliance of terms and conditions of sanction letter.

ii)The disbursement can be made within 6 months from the date of sanction. However, disbursement beyond 6 month can be considered by DGM® after charging up-front fee @ 0.1% of amount to be disbursed.

Encl : Annex-A

**LIST OF INDUSTRIAL AREA ELIGIBLE FOR FINANCING
AGAINST ASSETS SCHEME**

- | | | |
|----|-------------|--|
| 1. | Ajmer | Ajmer - Parbatpura, Mukhopura Ext.
Kishangarh I, II & III Phase
Beawar - I & II Phase. |
| 2. | Balotra | Balotra I, II & III Phase |
| 3. | Bharatpur | Brij I Phase |
| 4. | Bhilwara | Bhilwara I, II & III Phase
Bhilwara (T.A.) |
| 5. | Chittorgarh | 1. Ajolia Ka Kheda Phase I & II
2. Chittorgarh Ext. & TA
3. Chittorgarh (Chandaria) |
| 6. | Bhiwadi | Bhiwadi Industrial Area |
| 7. | Bikaner | Bichwal - I, II & III Phase
Rani Bazar (TA) |
| 8. | Jodhpur | Mandore
Marudhar, Light Industrial Area.
Mini Growth Centre(Sangaria)
Heavy Industrial Area
Electronic Complex. (T.A.)
BNPH Heavy (TA)
B.K.K. |
| 9. | Jaipur | Bassi I Phase
MIA
VKIA
Jetpura
Jotwara
Bagru(Old)
Kartarpura
Sudarshanpura
Bais Godam
Sitapura
Mansarovar |

- | | | |
|-----|-----------|--|
| 10. | Pali | Mandia Road
Pali I & II Phase
Industrial Estate Pali |
| 11. | Udaipur | Mewar
Sukher |
| 12. | Rajsamand | Rajnagar |
| 13. | Kota | Indraprastha
Electronic Complex
Ramganj Mandi |

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

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

Dated : 27.09.03

CIRCULAR
(LA-370

Sub : Scheme for financing against Assets.

The Scheme for Financing against Assets was circulated vide PG Circular No. 1007 dated 27.5.03 to provide financial assistance to prospective borrowers for meeting their requirements of industrial/Service/Commercial purpose by mortgaging fixed immovable assets free from all encumbrances. As per the eligible criteria, the following marketable and mortgageable fixed assets are eligible for availing financial assistance under this scheme.

a) Existing industrial units stipulated in industrial area saturated & having potential as per Annexure-A ready to mortgage their prime security with the Corporation under first charge.

b) Existing Commercial complexes,hotels,nursing homes and other service sector situated in Municipal limit of district Head Quarters ready to mortgage their mortgageable security with the Corporation.

C) Any other borrowers ready to mortgage their marketable immovable property situated in Municipal limit of district Head Quarters.

While financing such cases it has been observed that through borrowers are ready to mortgage their marketable immovable property yet they are not sole owner of the industrial/commercial /service sector units and thus it becomes difficult for the Corporation to finance such cases.

Considering this matter, the Board of Directors in its meeting held on 19.9.03 has decided to amend the clause © of the above eligibility criteria of the scheme and approved the following amendments.

"Any other borrower ready to mortgage their marketable immovable property situated in Municipal limit of Distt. Head quarter who are interested as proprietor/partner/director Karta of HUF etc. in any of Industrial/Commercial/Service Sector units allowed under 2© of SFCs Act.

The Board also decided that in case the property is in joint name the other person(s) who is/are not partner/director to the said concern shall stand guarantor (mortgage guarantor)

Sd/-
(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
Branch Office/Head Office

Ref. Bo.RFC/_____

Dated_____2003

Sub:Proposal for sanction of loan under Scheme for financing against assets for Rs._____lacs.

Date of Registration at BO_____

At HO_____

Loan Amount applied : Rs._____

PARA-A

1. Bame of the Unit _____
2. Address
A(Correspondence Address
B) Works.Address if any
3. Date of incorporation
4. Constitution
5. Name of Proprietor/Partners
Directors
6. Line of product
7. Name of Banker with A/c No.
8. Security Debt Ratio

9. RFC/P&G/1018

PART-B

1. Introduction:
2. Eligibility Criteria

2- ELIGIBILITY CRITERIA :

- | | | |
|-----|--|-----|
| i) | Whether existing marketable :
and Mortgageable fixed
assets of industrial unit
situated as per Annexure-A. | YES |
| ii) | Whether existing marketable :
and Mortgageable fixed
assets of Commercial
Complex/ Residential
Complex, Hotels, Nursing
Homes & Other service | NA |

unit(cinema) situated within
Municipal limits of District
Headquarter.

- iii) Whether other marketable and : NA
Mortgageable immovable
property situated within
Municipal Limits of
District Headquarter.
- iv) Whether past dealing of the : Report awaited and
promoter with Bank/FIs, if condition
any, is satisfactory. stipulated.
- v) Whether past dealing of : Report awaited and
sister / Associate company condition
with Bank/ FIs is stipulated.
satisfactory, if any.

2. Comments of Branch for promoters :

- a) Reputation within society
b) Integrity
c) Means of promoters
d) Whether any legal proceedings
Have been initiated

3. Repayment Behaviour

)If the loanee is existing borrower of the
Corporation)

The Corporation has considered following loans to the
unit

(Rs. In lacs)

S.No.	Date of sanction	Loan sanctioned	Amount Disb.	Amount Overdue	Amount O/S
1.					
2.					
3.					
Total					

The unit has availed total(Nos.)____loan of \rs._____from the corporation and has squared up_____term loan account and has repaid Rs._____in all the loan accounts and past dealings with the Corporation was satisfactory.

5 Details about promoters

1. Net worth as per statement of Networth as on _____
2. Income assessed and tax paid for preceding three years

S.No.	Assessment Year	Income Assessed	Tax Paid
1.			
2.			
3.			

3. Details of concern/unit for preceding three years in which the borrower is interested as Proprietor/Partner /Director

S.No.	Name of Unit	Nature of Activity	Income/Sale	Net Profit	Cash Profit
1					
2					
3					
4					

6. The calculation of security by Branch Office as per norms is as under (Amount in lacs)

Description	MRV	Acceptable Value
-------------	-----	------------------

Land(Area)

Building(Built up)

Plant and machinery

Total

Nil

7. Security Debt Ratio

a) Total acceptable value of security

b) Debt

i) Existing _____

ii) Proposed _____

Total

c) Security debt ratio(a/b)

The loan shall be secured as under:

- i) The loan shall be secured by way of first charge after creation of equitable mortgage on land & building situated at_____.
- ii) Personal guarantee of the proprietor/Partners/Directors for repayment of loan & interest thereon

8. Calculation of eligible loan amount

a. On the basis of Security Debt Ratio 2:1

_____ (i.e 50% of acceptable value)

Less loan outstanding if any _____

_____ b. Loan amount required by the party

c. Loan admissible (minimum of above)

9. Recommendations

As per the scheme for financing against assets the borrower is fulfilling all eligible criteria of the scheme. Therefore it is recommended that a loan of RS. _____ (Rupees _____ only) in favour of M/s. _____ City _____ on the terms and conditions mentioned herein by sanctioned.

Terms & conditions for the term loan

Before conveying sanction

1. Processing Charges

The processing charges @ 1% shall be deposited before convey of sanction i.e Rs. _____.
At the time of documentation

2. Amount of loan against fixed assets :
Rs. _____

3 Purpose

The loan shall be utilized for meeting working capital requirement or for creation of fixed assets to be used for industrial/service/commercial purpose.

4. The loan amount can be availed within six months from the date of sanction. Beyond six months upfront fee @ 0.1% is to be deposited after taking written prior approval of the Appropriate Authority.

5. Repayment Period

- i) The total repayment period shall be six years including six months moratorium period.
- ii) Borrower shall submit 23 post dated cheques towards equated quarterly installments for principal and interest dues. In case of any balance payment outstanding in the loan account shall be recoverable/adjustable in the last equated quarter installment

6. Rate of Interest

Prevailing rate of interest as on date of first disbursement of loan shall be charged. presently the prevailing rate applicable is____%.

7. Liquidated Damages

The liquidated damages @ 3.25% or 5.25% shall be charged on the amount in default for the period of default.

8. Undertaking and Declaration :

- A. The unit shall furnish undertaking that loan shall be utilized for meeting working capital requirement or for creation of fixed assets to be used for industrial/service/commercial purpose.
 - B. It will comply all legal requirements to run the unit i.e obtaining NOC from Local Authority, RPCB and other Departments, if so required.
 - C. That the property is owned by promoters and presently not let out/leased and shall obtained prior approval from the Corporation for renting/leasing out in future
 - D. No personal guarantee was given earlier to any bank/FI etc. for the fixed assets proposed to be mortgaged.
9. The borrower shall keep insured the fixed assets i.e building considered for financial assistance, every year till the entire loan is repaid and copy of insurance policy be furnished with the Corporation

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No.RFC/GBD/Gen/125/741

Dated : 30.08.03

CIRCULAR
(LA-370

Sub : Scheme for Financing Against Assets

The Board of Directors of the Corporation in their 471st Meeting held on 30.6.03 had approved sp,e amendments in the aforesaid scheme issued vide p&G Circular No. 1007 dated 22.5.03..The amendments approved by the Board in the scheme are as under:-

1. The Branch Managers have been delegated FULL POWERS FOR TAKING LEGAL ACTION UNDER SECTION 30/29 OF THE sfcS Act in respect of the cases financed under the scheme so as to effect recovery without delay together with action u/s 138(b) of the negotiable Instruments Act for dishonour of cheque.
2. Undertaking need not be obtained from the borrower to the effect that no personal guarantee was given earlier to any Bank/FI etc. keeping in view that the original title of the land is being mortgaged to the corporation
3. A specific condition may be stipulated while sanction of loan that no settlement of the account under the scheme shall be considered as no sacrifice should normally be made by the Corporation in respect of amount of principal and interest thereon.

4. As per Clause 17(i) of the scheme while obtaining undertaking the words "Commercial/Service" ter industrial purpose.

Clarifications have been sought by the field offices regarding the repayment period. Accordingly, it has been decided to modify the Point no. 9 to 13 of the scheme i.e Repayment Period" and "mode of payment" as under:-

Repayment Period:

"The total loan shall be repayable in six years including the moratorium period not exceeding six months.

Mode of payment

"The concern shall repay loan in 23 equated quarterly installments against principal and interest through post dated cheques. The first installment)including principal and interest) shall fall due on first day of the quarter i.e January, April, July and October falling immediately after three months from the date of first disbursement. In case any balance is payable/receivable as the case may be shall be recovered/adjusted in the last equated quarterly installment.

The Branch shall recover interest for the moratorium period exceeding three months by calculating the interest annually and same shall be recovered along with first equated quarterly installment through a separate cheque.

Now since full powers for taking legal action have been delegated to the Branch Managers, personal responsibility shall be fixed if delay takes place in taking action u/s 30/29 of the SFCs Act and lodging application u/s 138-B of the Negotiable Instrument Act for dishonor of the cheque.

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

Sd/-
(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No. RFC/GBD/Gen/125/741

Dated : 30.08.03

CIRCULAR
(LA-370)

Reg: Scheme for Financing Against Assets

The Board of Directors of the Corporation in their 471st Meeting held on 30.6.03 had approved some amendments in the aforesaid scheme issued vide p&G Circular No. 1007 dated 22.5.03..The amendments approved by the Board in the scheme are as under:-

1. The Branch Managers have been delegated full powers for taking legal action U/s 30/29 OF THE SFCs Act in respect of the cases financed under the scheme so as to effect recovery without delay together with action u/s 138(b) of the negotiable Instruments Act for dishonour of cheque.
2. Undertaking need not be obtained from the borrower to the effect that no personal guarantee was given earlier to any Bank/FI etc. keeping in view that the original title of the land is being mortgaged to the corporation
3. A specific condition may be stipulated while sanction of loan that no settlement of the account under the scheme shall be considered as no sacrifice should normally be made by the Corporation in respect of amount of principal and interest thereon.
4. As per Clause 17(i) of the scheme while obtaining undertaking the words "Commercial/Service" may also be added after

industrial purpose.

Clarifications have been sought by the field offices regarding the repayment period. Accordingly, it has been decided to modify the Point no. 9 to 13 of the scheme i.e Repayment Period" and "mode of payment" as under:-

Repayment Period:

"The total loan shall be repayable in six years including the moratorium period not exceeding six months.

Mode of payment

"The concern shall repay loan in 23 equated quarterly installments against principal and interest through post dated cheques. The first installment (including principal and interest) shall fall due on first day of the quarter i.e January, April, July and October falling immediately after three months from the date of first disbursement. In case any balance is payable/receivable as the case may be shall be recovered/adjusted in the last equated quarterly installment.

The Branch shall recover interest for the moratorium period exceeding three months by calculating the interest annually and same shall be recovered along with first equated quarterly installment through a separate cheque.

Now since full powers for taking legal action have been delegated to the Branch Managers, personal responsibility shall be fixed if delay takes place in taking action u/s 30/29 of the SFCs Act and lodging application u/s 138-B of the Negotiable Instrument Act for dishonor of the cheque.

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

(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No.RFC/GBD/Gen/125/860

Dated : 25/30.9.03

CIRCULAR
(LA-372)

Sub : Scheme for financing against Assets.

The Scheme for Financing against Assets was circulated vide PG Circular No. 1007 dated 22.5.03 to provide financial assistance to prospective borrowers for meeting their requirements of industrial/Service/Commercial purpose by mortgaging fixed immovable assets free from all encumbrances. As per the eligible criteria, the following marketable and mortgageable fixed assets are eligible for availing financial assistance under this scheme.

a) Existing industrial units situated in industrial area saturated & having potential as per Annexure-A ready to mortgage their prime security with the Corporation under first charge.

b) Existing Commercial complexes,hotels,nursing homes and other service sector situated in Municipal limit of district Head Quarters ready to mortgage their mortgageable security with the Corporation.

C) Any other borrowers ready to mortgage their marketable immovable property situated in Municipal limit of district Head Quarters.

While financing such cases it has been observed that though the borrowers are ready to mortgage their marketable immovable property yet they are not sole owner of the industrial/commercial /service sector units and thus it becomes difficult for the Corporation to finance such cases.

Considering this matter, the Board of Directors in its meeting held on 19.9.03 has decided to amend the clause ©

of the above eligibility criteria of the scheme and approved the following amendments.

"Any other borrower ready to mortgage their marketable immovable property situated in Municipal limit of Distt. Head quarter who are interested as proprietor/partner/director/ Karta of HUF etc. in any of Industrial/Commercial/Service Sector units allowed under 2© of SFCs Act.

The Board also decided that in case the property is in joint name the other person(s) who is/are not partner/director in the said concern shall stand guarantor (mortgage guarantor)

It has also been decided that utilization certificate signed by CA may be obtained within 6 months of availing the loan and a condition to this effect may be stipulated while sanctioning the loan under the Scheme.

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

(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/GBD/Gen.-125/1059

Dated : 18.11.2003

**CIRCULAR
LA-374**

Reg : Scheme for Financing against Assets.

The Scheme for Financing against assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 and some amendments were also issued vide P&G Circular No. 1018 dated : 30.08.2003 and P&G Circular No. 1020 dated : 30.09.2003 under the Scheme.

References have been received from field offices for inclusion of other potential industrial areas including units set up on the converted land in Annexure-A of the Scheme and other Municipal areas other than Distt. Headquarters. The matter was placed before the PCC in its Meeting held on 5th Nov., 2003 and the Committee has decided to include some more areas for financing marketable and mortgageable immovable property in the clause 2(a) (b) and (c) of the Scheme under eligibility criteria as mentioned below :-

- 2(a) Udaipur :
- Pratap Nagar Industrial Area,
 - Units set up on converted land along National Highway No. 8 in Amberi & Sukher, Distt. Udaipur

: 2 :

having opening at N. H. No. 8.

- KISHANGARH :
- 4th Phase, RIICO Industrial Area.
 - Units set up on converted land in and around 3rd and 4th phase, RIICO Industrial Area, Kishangarh.
 - Units set up on prominent roads namely Harmara Road, Tunkara Road and Makrana Road of Kishangarh within the vicinity of 3 KMs from Kishangarh N. H.No.8.

2(b)
& (c)

The mortgageable and marketable commercial and residential immovable properties located in the Municipal Limits of Mount Abu.

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

Sd/-
(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No. RFC/GBD/Gen.-125/1159

Dated : 19.12.2003

CIRCULAR
(LA-378)

SUB : SCHEME FOR FINANCING AGAINST ASSETS.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 dated : 22.05.2003 and some amendments were also issued vide P&G Circular No. 1018 dated : 30.08.2003, P&G Circular No. 1020 dated : 30.09.2003 and P&G Circular No. 1028 dated : 18.11.2003, under the Scheme.

References have been received from field offices for providing financial assistance against the immovable properties (Land & Building) which is leased /rented out, as under the Scheme the rented /leased out immovable properties were not eligible for financing under the Scheme. The matter was considered and the Board of Directors' in its Meeting held on 03.12.2003 has approved the modification in the Scheme for providing financial assistance against immovable properties which is rented /leased out to Corporate bodies /Banks/ Financial Institutions/ Insurance Companies on following conditions:-

- 1- In case of entire rented /leased out immovable properties, the MRV of the immovable properties (Land & Building) shall be discounted by 40% for residential building and by 50% in case of building used for commercial and service purposes (except for commercial complexes) from the total MRV.
- 2- In case of partly rented /leased out immovable properties, the MRV of the total property shall be worked out and the MRV of the part property shall be worked out and the MRV of the party property which is rented /leased out shall deducted from the total MRV of the entire immovable property.

Financial Assistance to the extent of 50% of the net MRV so worked out in respect of the leased /rented out immovable properties shall be admissible.

While considering such cases a tripartite agreement will have to be entered into amongst the owner of the premises (beneficiary), tenant and RFC to the effect that in case of default, the tenant has to deposit entire rent directly to the Corporation, if demanded by the Corporation.

Necessary modifications proposed above may be inserted in the Scheme. Other terms & conditions shall remain unchanged.

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

Sd/-
(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No. RFC/GBD/Gen.-125/1259

Dated : 15.01.2004

CIRCULAR
(LA-380)

SUB : SCHEME FOR FINANCING AGAINST ASSETS.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 dated : 22.05.2003 and some amendments were also made vide P&G Circular No. 1018 dated : 30.08.2003, P&G Circular No. 1020 dated : 30.09.2003, P&G Circular No. 1028 dated : 18.11.2003 and P&G circular No. 1033 dated : 19.12.2003 under the Scheme.

A references was received from DGM (R), Udaipur for inclusion of the converted land areas of National Highway No. 8, between Nathdwara and Kelwa in Annexure-A of the Scheme for financing. The matter was placed before the PCC in its Meeting held on 10th December, 2003 and the committee has decided to include following more areas for financing marketable and mortgageable immovable property (land and building) in Annexure-A under Clause 2 (a) of the eligibility criteria of the Scheme :-

2 (a) RAJSAMAND Units set up on converted land at N. H. 8 from Nathdwara to Rajsamand and 2 KMs from Rajsamand towards Kelwa having opening at National Highway No. 8.

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

Sd/-
(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref. No. RFC/LA-12(62)/1331

Dated : 31.01.2004

CIRCULAR
(LA-381)

SUB : SCHEME for Assets Financing.

The Scheme Assets Financing was circulated vide P&G Circular No. 925 Dated : 21.07.2001 for providing financial assistance for purchase of the fixed assets of an existing unit from the prospective seller who is no more interested to run the unit and also to the entrepreneurs who are willing to purchase a closed /sick unit under the possession of the Corporation approved by the Board of Directors in its Meeting held on 29.06.2001. As per the Scheme the Sanctioning Authority was as under :-

- 1- CMD For loans upto Rs. 200.00 Lacs.
- 2- EC For loans above Rs. 200 lacs.

Now the Board in its Meeting held on 16.01.2004 has delegated the powers of Sanction under this Scheme to field offices upto the existing sanctioning powers.

In view of the above, the Para No. 12 of the P&G LA (S) 1/16F at Page No. 233 would stands amended as under :-

"All cases would be processed /sanctioned as per the existing delegation of powers for sanction of loans."

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

Sd/-
(J. P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION

RFC/P&G/1052

HEAD OFFICE,
TILAK MARG,
JAIPUR.

Ref. No. RFC/LA-Gen.(125)338

Dated : 27.05.2004

: P&G CIRCULAR :
(LA No. 388)

Reg : Scheme for Financing Against Assets.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 and some amendments were also made vide P&G Circular No. 1018 Dated : 30.08.2003, P&G Circular No. 1020 Dated : 30.09.2003, P&G Circular No. 1028 Dated : 28.11.2003, P&G Circular No. 1033 Dated : 19.12.2003 and P&G Circular No. 1037 Dated : 15.01.2004 under the Scheme.

The Board of Directors in its Meeting held on 17.05.2004 has approved the following proposals under the Scheme :-

- 1- CMD is authorised to consider term loan against the immovable property i.e. land and building only (marketable & mortgageable) situated at Municipal limits of the district head quarters of the State other than Rajasthan in deserving cases with the proviso that the fixed assets of unit located in Rajasthan in which such assistance will be utilised shall also be mortgaged /pledged with the Corporation.
- 2- CMD is authorised to consider and sanction term loan

: 2 :

beyond the limit of Rs. 2.00 Crores but not exceeding Rs. 5.00 Crores in deserving cases of companies /registered co-operative societies under the Scheme.

- 3- Switch over cases financed by banks /FIs shall also be considered for financial assistance under the Scheme after repayment of outstanding loan of banks /FIs simultaneously on transfer of title documents to the Corporation.

The above changes /modifications may be made in P&G Circular No. 1007 Dated : 22.05.2003.

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

Sd/-
(J. P. Vimal)
Executive Director

ENCL : As Above.

RAJASTHAN FINANCIAL CORPORATION

RFC/P&G/1068

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

Ref. No. RFC/LA-Gen.(125)/902

Dated : 11.08.2004

**: P&G CIRCULAR :
(LA No. 398)**

Reg : Scheme for Financing Against Assets

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 and some amendments were also made vide P&G Circular No. 1018 Dated : 30.08.2003, P&G Circular No. 1020 Dated : 30.09.2003, P&G Circular No. 1028 Dated : 28.11.2003, P&G Circular No. 1033 Dated : 19.12.2003, P&G Circular No. 1037 Dated : 15.01.2004 and P&G Circular No. 1052 Dated : 27.05.2004 under the Scheme.

The proposal to increase in moratorium period and in repayment period alongwith considering further term loan under the Scheme to the existing assisted running units of the Corporation having balance outstanding term loan amount was placed in the Meeting of the Board of Directors held on 21.06.2004. The Board has authorized the CMD to increase the moratorium period from six months to twelve months and increase the repayment period from six years to nine years on very selective basis. The Board has also decided that further assistance may be considered on the difference of the amount admissible under this Scheme and the term loan outstanding in existing assisted running units of the Corporation having outstanding term loan amount.

While considering further assistance, the present MRV of land & building (which is marketable & mortgageable as per clause "A" & "B" of the Eligible Criteria of the Scheme) as per the norms prescribed by the Corporation shall be worked out. The admissible loan amount will be calculated @ 50% of the MRV of such land & building. Thereafter, after deducting the balance outstanding term loan amount from the admissible term loan amount, the balance amount shall be considered for further financial assistance under the Scheme.

The proposal to increase in the moratorium period and repayment period shall be considered in exceptional cases only.

The above changes /modifications may be made in P&G Circular No. 1007 Dated : 22.05.2003.

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

Sd/-
(NAVEEN MAHAJAN)
Executive Director

RFC/P&G/1075

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Head Office,
Udyog Bhawan, Tilak Marg,
Jaipur-302005**

Ref. No. RFC/LA-GBD/Gen./125/1154

Dated : 20.09.2004

**: P&G CIRCULAR :
(LA-401)**

Reg : Scheme for Financing against Assets

The Scheme for Financing Against Assets was introduced vide P&G Circular No. 1007 Dated : 22.05.03. The Scheme has subsequently been amended vide P&G Circular No. 1018 dt. 30.8.03, 1020 dt. 30.9.03, 1028 dt. 28.11.03, 1033 dt. 19.12.2003, 1037 dt. 15.1.04, 1052 dt. 27.5.04, 1068 dt. 11.8.04.

As per the existing provisions of the scheme, minimum limit of assistance was Rs. 2.00 lacs which has been increased to Rs. 15.00 lacs by the Board of Directors in its Meeting held on 13.9.04. Accordingly no loan application below Rs. 15.00 lacs shall be accepted and sanctioned under scheme for Financing against Assets and minimum limit of sanction of loan under the Scheme shall be Rs. 15.00 lacs with immediately effect.

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

**Sd/-
Executive Director**

RFC/P&G/1076

RAJASTHAN FINANCIAL CORPORATION

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

Ref. No. RFC/LA-GBD/Gen./125/1158

Dated : 21.09.2004

**: P&G CIRCULAR :
(LA-402)**

**Reg : Scheme for Financing Against Assets
(Short Term Loan Scheme).**

The Scheme for Financing Against Assets was introduced vide P&G Circular No. 1007 Dated : 22.05.2003. The Scheme was devised to provide financial assistance to meet the long term requirements of the entrepreneurs for industrial /service /commercial purpose by mortgaging the immovable fixed assets situated within the Municipal limits of district head quarter and industrial units situated in saturated and fast moving industrial areas as per Annexure "A" of the Scheme.

The need is felt for meeting out the Short Term financial requirement of the entrepreneurs for industrial /commercial /service purpose in their units which are engaged in the activities allowed under section 2 (C) of SFCs Act as for some of the business activities such as construction of commercial complex, residential complex etc. the project can be implemented and sold out within 3 years. Keeping this in view and short term requirement of the entrepreneurs for industrial /commercial /service purpose, a proposal to provide financial assistance for short term loan under Financing against Assets Scheme was

placed in the Board of Directors Meeting held on 13.9.04. The Board considered and approved the proposal to provide assistance for short term loan scheme under financing against assets to meet out the short term requirements of the Borrower. This scheme will therefore, facilitate those borrowers who are having short term requirements for their industrial /commercial /service purpose. The scheme is enclosed and marked as Annexure "1" :-

Methodology of Appraisal

The scheme does not required detailed appraisal. However, prime-facie there should not be adverse reporting against the borrower by any financial institution/ bank in past and their dealing with the bank/financial institution should be satisfactory, if any financial assistance availed. To enable this, a format of Appraisal Note alongwith information /documents required as annexed as per PG circular No. 1007 dt. 22.5.03 shall also be applicable except the repayment period, rate of interest and undertakings which shall be applicable as mentioned in the annexed short term loan scheme.

Focus Area

The Scheme is only a mortgage scheme, wherein immovable marketable fixed assets (Land and Building) are to be mortgaged therefore, utmost care has to be taken while examination of title documents and also assessment of acceptable value of property to be mortgaged and its marketability. The existing guidelines issued from time to time in this regard shall have to be followed strictly.

Follow-up and Monitoring

Since it is a purely financing against assets scheme, a close follow up and monitoring of timely payment has to be ensured. The Branch Managers have been delegated full powers for taking legal action U/s 30/29 of the SFCs Act in respect of the cases financed under the Scheme so as to effect recovery without delay together with action U/s 138 (b) of the Negotiable Instruments Act for dishonour of cheque. The concerned Branch Manager shall take immediate recovery action including legal actions under section 30/29 of the SFCs Act in case two consecutive defaults of principal and or interest are committed besides action U/s 138 (b) of Negotiable Instruments Act on bouncing of cheque.

Since full powers for taking legal action have been delegated to the Branch Managers, personal responsibility shall be fixed if delay takes place in taking action U/s 30/29 of the SFCs Act and lodging application U/s 138 (b) of the Negotiable Instruments Act for dishonour of the cheque.

All concerned are advised to take note of above and ensure compliance of the same and maximise business under the Scheme.

Sd/-
Executive Director

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Reg : Scheme for Financing Against Assets Scheme
(Short Term Loan Scheme).**

The Corporation has introduced a scheme for Financing Against Assets vide P&G Circular number 1007 dated : 22.05.2003. The Scheme was devised to meet the long term requirements of the entrepreneurs for industrial /service /commercial purpose by mortgaging the fixed immovable assets wherein total repayment period was allowed six years including the moratorium period of six months.

The need is being felt for meeting out the Short Term Financial requirement by the entrepreneurs for industrial /service /commercial purpose in their units which are engaged in the activities allowed under section 2 (C) of SFCs Act as for some of the business activities such as construction of commercial complex, residential complex etc. the project can be implemented and sold out within 3 years. It is felt that to cater the short term requirement of the entrepreneurs for industrial /service /commercial purpose a short term loan scheme may be introduced. The salient features of the proposed scheme are as under :-

I) ELIGIBILITY CRITERIA :

The following marketable and mortgageable fixed assets (land & building) is free from all encumbrances are eligible for availing financial assistance under the Scheme:-

- a) Existing industrial units situated in industrial areas saturated and having potential as per Annexure "A" of the existing scheme ready to mortgage their prime security with the Corporation under first charge.
- b) Existing commercial complex, hotels, Nursing Homes and other service sector units situated in Municipal limits of district head quarter ready to mortgage their mortgageable immovable properties with the Corporation.
- c) Assistance against the land cost allotted by the Govt. Authority like JDA, UIT, Municipalities located at prime location of the municipal areas of the cities at Jaipur, Bikaner, Jodhpur, Kota, Ajmer and Udaipur for construction of commercial /residential purpose on commercial basis. While considering assistance against land cost allotted by Govt. Authorities for construction of commercial /residential complexes /flat under the Scheme, the following conditions shall also be stipulated :-
 - 1) The borrower shall submit the following undertakings :-
 - i) THAT NOC from RPCB shall be obtained, if it is so required under the law.
 - ii) THAT the borrower shall get the approved site plan /approved plan for construction of commercial complex/ residential complexes/ flats from the competent authority and the construction of building shall be made as per the approved building plan /site plan and FAR allowed by competent authority. In case, there is any deviation, the same shall be got approved from the competent authority.
 - iii) THAT no part of the land /complex will be leased out /rent out without written prior permission of the Corporation.
 - 2) The borrower shall display a board at site

mentioning that the project has been financed by RFC and the purchaser shall have to obtain NO DUES CERTIFICATE from RFC before purchasing the area by them.

3) The borrower shall not sale any part of the land /complex /area without obtaining the NOC from the Corporation during the currency of the Corporation loan and in case of sale any part of complex /area the borrower shall deposit with the Corporation entire sale proceeds of any part of the complex upto the clearance of total term loan.

d) Further financial assistance to existing assisted running units of the Corporation :-

Further financial assistance may be considered on the difference of the amount admissible under this scheme and the term loan outstanding in existing assisted running units of the Corporation having outstanding term loan amount.

While considering further assistance the present MRV of land & building (which is marketable and mortgageable) as per Clause "A" and "B" of the elibigility Criteria of the Scheme as per the norms prescribed by the Corporation shall be worked out. The admissible loan amount will be calculated @ 50% of the MRV of such land & building. Thereafter deducting the balance outstanding term loan amount from the admissible term loan amount, the balance amount shall be considered for further financial assistance under the Scheme.

e) **Switch Over Cases :**

Switch over cases financed by banks /FIs shall also be considered for financial assistance under the Scheme as per Clause "A" and "B" of the Eligibility Criteria after repayment of outstanding loan of banks/ FIs simultaneously on transfer of title documents to the Corporation.

II) COVERAGE :

Immovable property (land & building only) mentioned at (a) to (e) of Eligibility Criteria.

III) DEALINGS WITH THE FINANCIAL INSTITUTIONS /BANKS :

Prime facie there should not be adverse reporting against the borrower by any financial institution /bank in the past and their dealings with the financial institution /bank is satisfactory, if any financial assistance is availed.

IV) MORTGAGEABLE FIXED ASSETS :

Land & building only falling within the definition as per Eligibility Criteria mentioned at I.

NOTE : The property proposed to be mortgaged should not be leased out /rented out presently and shall not be leased out/rented out in future without prior written permission of the Corporation.

V) PURPOSE OF LOAN :

The loan shall be utilised for meeting out working capital requirement or for creation of fixed assets to be used for industrial /commercial /service purpose.

VI) UTILISATION OF AVAILED LOAN :

A certificate of CA regarding utilization of loan availed shall be submitted within six months of availing the loan.

VII) SECURITY :

- a) The security i.e. land & building shall be under 1st charge of the Corporation by way of equitable mortgage.

- b) Personal Guarantee of proprietor /partner /Directors for securing repayment of loan and interest thereon.
- c) In case of category (a) &(b) of Eligibility Criteria, the other assets like P&M, MFA, F&F etc. shall also be hypothecated to the Corporation, if not already hypothecated to banks /FIs. But the value of these assets shall not be considered for financing.

VIII)ADMISSIBILITY OF LOAN :

Term loan under the Scheme shall be considered @ 50% of the MRV of total land & building worked out as per norms of the Corporation.

IX) AMOUNT OF ASSISTANCE :

Loan from Rs. 50.00 lacs and upto Rs. 500.00 lacs.

X) REPAYMENT PERIOD AND MODE OF PAYMENT :

The total loan shall be repayable in three years including six months moratorium period.

The loan shall be repayable in eleven equated quarterly installments against principal and interest through post dated cheques. The first installment (including principal & interest) shall fall due on first day of the quarter i.e. January, April, July and October falling immediately after three months from the date of first disbursement. In case of any balance amount is payable /recoverable (as the case may be), shall be recovered /adjusted in last EQI.

The Branch shall recover interest for the moratorium period exceeding three months by calculating the interest manually and the same shall be recovered alongwith 1st EQI through a separate cheque.

XI) RATE OF INTEREST :

The Corporation shall charge interest rate as applicable to SSI Sector prevailing as on date of first disbursement of loan. Presently, the rate of interest is 12.75%. Timely payment rebate shall be as applicable in cases of Tourism Related activities, Hospital and Nursing Homes etc. which is presently 2.00%.

XII) MARKET REALISABLE VALUE :

The scheme is mainly security based and therefore, Market Realisable Value of the immovable properties (land & building) under the Scheme is very important factor. The MRV should be calculated by the field offices as per the detailed guidelines issued by the Corporation from time to time and Br. Manager shall ensure that property is mortgageable and marketable.

XIII) LIQUIDATED DAMAGES :

Liquidated damages shall be charged on the amount in default for the period of default as per the prescribed slabs under general loan Scheme from time to time.

XIV) APPLICATION FEE :

- a) Application Form fee Rs. 100/- per application form as per norms.
- b) Application fee @ 0.2% on the amount of loan application.

XV) PROCESSING FEE :

Processing charges @ 1.2% shall be deposited before convey of sanction.

XVI) SANCTIONING AUTHORITY :

- a) As per existing delegation of powers under General Loan Scheme.
- b) The principle clearance shall be finalized within seven days from the date of registration of loan application and sanction within fifteen days positively subject to submission of clear mortgageable and marketable titles and other required documents.

XVII) CONDITIONS :

A) PRE-DOCUMENTATION :

- i) The promoter /borrower shall keep insured the fixed assets i.e. building, P&M, F&F, every year till the currency of Corporation loan and the copy of the Insurance policy, shall invariably be furnished to the Corporation.
- ii) A specific condition may be stipulated while sanction of loan that no settlement of the account under the Scheme shall be considered as no sacrifice should normally be made by the Corporation in respect of amount of principal and interest thereon.

iii) UNDERTAKINGS :

- a) The unit shall furnish an undertaking to utilize the loan amount for meeting working capital requirement or for creation of fixed assets to be used for industrial /commercial /service purpose.
- b) The unit shall furnish undertaking that it will comply all legal

requirement to run the unit i.e. obtaining NOC from RPCB. NOC from Local Authority and other Department, if required.

c) The borrower shall furnish an undertaking that the property is owned by him and not let out/ leased out and shall not be leased out /let out in future without prior approval from the Corporation.

d) That no litigation in any court /tribunal /forum related to the property proposed to be mortgaged is pending.

B) PRE DISBURSEMENT :

a) The disbursement shall be made in one installment or such higher number of installments as the disbursing authority feel appropriate after satisfying the compliance of terms & conditions of sanction letter.

b) The disbursement can be made within six months from the date of sanction conveyed. Thereafter up-front fee @ 0.1% of amount to be disbursed shall be charged.

XVIII) POWERS REGARDING LEGAL ACTION :

Branch Manager shall have full powers for taking legal action under Section 30/29 of the SFC's Act in respect of the cases financed under the Scheme so as to effect recovery without delay together with action under Section 138 (b) of the Negotiable Instruments Act for dishonour of the cheque.

**RFC/P&G/1086
/RFC/LA/405**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/GBD/Gen/125/1261

Dated : 07.10.2004

P&G CIRCULAR

Reg : Scheme for Financing against Assets.

The Scheme for Financing against assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 and some amendments were also issued vide P&G Circular No. 1018 Dated : 30.08.2003 and P&G Circular No. 1020 Dated : 30.09.2003, P&G Circular No. 1028 dt. 28.11.2003, P&G Circular No. 1033 dt. 19.12.2003, P&G Circular No. 1037 dt. 15.01.2004, P&G Circular No. 1052 dt. 27.05.2004, P&G Circular No. 1068 dt. 11.8.2004 and P&G Circular No. 1975 dt. 20.09.2004 under the scheme. The Scheme was devised to provide financial assistance to meet the long term requirements of the entrepreneurs for industrial/service/commercial purposes engaged in the activities allowed under section 2© of the SFCs Act, by mortgaging the immovable fixed assets situated within the Municipal limites of district head quarter and industrial units situated in saturated and fast moving industrial areas as per Annexure-A of the Scheme.

In the BM Conference held on 16.5.2004, the BMs and DGM® have suggested to include more cities/towns and industrial areas (in Annexure-A) under the Scheme. The proposals of the field offices for inclusion of more new areas i.e. municipal areas and industrial areas were discussed in the PC&CC in its Meeting held on 9.9.2004 and 22.9.2004. The PC&CC approved inclusion of new industrial area (as per Annexure-1) for inclusion in Annexure-A of the Scheme

and inclusion of areas in clause-b of eligibility criteria of the Scheme i.e. commercial complex, hotels, nursing homes and other service sector units which are marketable and mortgageable located at prime location in Municipal limits of cities/towns other than district headquarter as per Annexure-2.

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

SD/-

Executive Director

**RFC/P&G/1098
/RFC/LA/412**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

Ref. No.RFC/GBD/Gen/125/2003

Dated : 29.01.2005

P&G CIRCULAR

Reg : Scheme for Financing against Assets.

The Scheme for Financing against Assets was circulated vide P&G Circular No. dt. 22.5.2003 and some amendments were also made vide P&G Circular No. 1018 dt. 30.8.2003, P&G Circular No. 1020 dt. 30.9.2003, P&G Circular No. 1028 dt. 28.11.2003, P&G Circular No. 1033 dt. 19.12.2003, P&G Circular No. 1037 dt. 15.1.2004, P&G Circular No. 1052 dt. 27.5.2004, P&G Circular No. 1068 dt. 11.8.2004, P&G Circular No. 1075 dt. 20.9.2004, P&G Circular No. 1086 dt. 7.10.2004 and General Circular dt. 22.11.2004 under the Scheme. The Scheme was devised to provide financial assistance to meet the long term requirements of the entrepreneurs for industrial/service/commercial purposes engaged in the activities allowed U/S 2 © of the SFCs Act, by mortgaging the marketable immovable fixed assets (Land & Building) situated within the Municipal limits of district head quarter, other areas allowed by the Corporation from time to time and industrial units situated in saturated and fast moving industrial areas as per Annexure-A of the Scheme.

A reference was received from BM, Jaipur Branch (Rural) for inclusion of the city areas of Chomu, Kotputli, Shahpura and Industrial areas of Bindayaka and Herawala in Annexure-A of the Scheme for Financing. The matter was placed before the PC&CC in its meeting held on 6.1.2005 and the Committee decided to

include the following new more areas under Financing against Assets Scheme under Clause (b) & (c) of the Eligibility Criteria of the Scheme :

a. Jaipur (Rural) :

A. The residential and commercial areas of Chomu Municipal Limits allowed under Clause (b) & (c) of the Eligibility Criteria of the Scheme, and

B. Commercial areas located at Kotputli Town NH-8, (Jaipur-Delhi Road) within Municipal Limits of Kotputli allowed under clause (b) of the Eligibility Criteria of the Scheme.

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

SD/-

Executive Director

**RFC/P&G/1105
/RFC/LA/415**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

**Ref. No.RFC/LA-GBD/Gen/125/151
25.04.2005**

Dated :

P&G CIRCULAR

Re : Scheme for Financing against Assets

The Scheme for Financing against Assets was circulated vide P&G Circular No. 1007 dt. 22.5.03 and some amendments were also made vide P&G Circular no. 1018 dt. 30.8.03, P&G Circular No. 1020 dt. 30.9.03, P&G Circular No. 1028 dt. 28.11.03, , P&G Circular No. 1033 dt. 19.12.03, , P&G Circular No. 1037 dt. 15.1.04, , P&G Circular No. 1052 dt. 27.5.04, , P&G Circular No. 1068 dt. 11.8.04, , P&G Circular No. 1075 dt. 20.9.04, , P&G Circular No. 1086 dt. 7.10.04 & , P&G Circular No. 1098 dt. 29.1.05.

The Board of Directors in its meeting held on 17.5.04 had authorized CMD to consider and sanction term loans beyond the limit of Rs. 2.00 crores and upto Rs. 5.00 crores in deserving cases of Companies/Registered Co-operative Societies under the Scheme.

Now the Board of Directors in its meeting held on 18.3.05 has increased the financing limits under the Scheme upto Rs. 10.00 crores in case of Companies/Corporations/Registered Cooperative Societies and Rs. 8.00 crores in other cases.

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

SD/-

Executive Director

Copy to

1. Standard circulation at HO.
2. All Branches/SOs/ROs.
3. DGM(A&I), Eastern & Western Zones.
4. GM(WZ), RFC, Jodhpur.

**RFC/P&G/1109
/RFC/LA/416**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

**Ref. No.RFC/LA-GBD/Gen/125/579
25.06.2005**

Dated :

P&G CIRCULAR

Re : Scheme for Financing against Assets

The Scheme for Financing against Assets was circulated vide P&G Circular No. 1007 dt. 22.5.03 and some amendments were also made vide P&G Circular no. 1018 dt. 30.8.03, P&G Circular No. 1020 dt. 30.9.03, P&G Circular No. 1028 dt.

28.11.03, , P&G Circular No. 1033 dt. 19.12.03, , P&G Circular No. 1037 dt. 15.1.04, , P&G Circular No. 1052 dt. 27.5.04, , P&G Circular No. 1068 dt. 11.8.04, , P&G Circular No. 1075 dt. 20.9.04, , P&G Circular No. 1086 dt. 7.10.04 & , P&G Circular No. 1098 dt. 29.1.05 and P&G Circular No. 1105 dt. 25.4.05..

References have been received from field office/entrepreneurs/Associations for inclusion of other potential industrial/municipal areas other than Districe Headquarters. The matter was placed before PC&CC in its Meeting held on 7.6.05 and the Committee decided to include some more areas for financing of marketable and mortgageable immovable properties in clause 2 (A) of theScheme under Eligibility Criteria, as mentioned below :

2(a)	Sriganganagar	:	Industrial Estate
	Jodhpur	:	Boranada Industrial Areas, Phase-I II & III and EPIP.

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

SD/-

(Karni Singh Rathore)
Chairman & Managing Director

**RFC/P&G/1101
/RFC/LA/417**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.**

**Ref. No.RFC/LA-GBD/Gen/125/580
25.06.2005**

Dated :

P&G CIRCULAR

Re : Scheme for Financing against Assets

The Scheme for Financing against Assets was circulated vide P&G Circular No. 1007 dt. 22.5.03 and some amendments were also made vide P&G Circular no. 1018 dt. 30.8.03, P&G Circular No. 1020 dt. 30.9.03, P&G Circular No. 1028 dt. 28.11.03, , P&G Circular No. 1033 dt. 19.12.03, , P&G Circular No. 1037 dt. 15.1.04, , P&G Circular No. 1052 dt. 27.5.04, , P&G Circular No. 1068 dt. 11.8.04, , P&G Circular No. 1075 dt. 20.9.04, , P&G Circular No. 1086 dt. 7.10.04 & , P&G Circular No. 1098 dt. 29.1.05 and P&G Circular No. 1105 dt. 25.4.05..

References have been received from field Industries Associations, Dausa for inclusion of industrial area Somnath Nagar, Dausa. The matter was placed before PC&CC in its Meeting held on 7.6.05 and the Committee decided to include Somnath Industrial Area, Dausa in clause 2 (A) of the Scheme under Eligibility Criteria for Financing against Assets Scheme on selective basis with the following conditions :

- a. All cases shall be got cleared from HO exceeding term loan of Rs. 5.00 lacs (as per existing rules, loans bellows Rs. 5.00 lacs are not be sanctioned).

b. The unit seeking financial assistance should be running and profit earning in last three years having good track record.

c. RIICO rate for the land shall be taken and not the market rate.

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

SD/-

(Karni Singh Rathore)

Chairman & Managing Director

**RFC/P&G/1147
LA-438**

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No.RFC/F.LA-GBD/Gen/125/177

Dated : 06.05.2006

**Reg : Financing against the security of Residential properties under
Financing Against Assets Scheme**

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 and some amendments were also issued vide P&G Circular No. 1018 Dated : 30.08.2003, P&G Circular No. 1020 Dated : 30.09.2003, P&G Circular No. 1028 Dated : 18.11.2003, P&G Circular No. 1033 Dated : 19.12.2003, P&G Circular No. 1037 Dated : 15.01.2004, P&G Circular No. 1052 Dated : 27.05.2004, P&G Circular No. 1068 Dated : 11.08.2004, P&G Circular No. 1075 Dated : 20.09.2004, P&G Circular No. 1086 Dated : 07.10.2004, P&G Circular No. 1098 Dated : 29.01.2005, P&G Circular No. 1105 Dated : 25.04.2005, P&G Circular No. 1109 Dated : 25.06.2005, P&G Circular No. 1110 Dated : 25.06.2005, P&G Circular No. 1132 Dated : 26.11.2005, P&G Circular No. 1137 Dated : 08.12.2005 and P&G Circular No. 1140 Dated : 09.01.2006.

As per the provisions of the Scheme the following marketable and mortgageable fixed assets are eligible for availing financial assistance under the Scheme:-

- A) Existing industrial units situated in industrial area saturated & having potential as per Annexure A ready to mortgage their prime security with the corporation under first charge.
- B) Existing commercial complexes, hotels, nursing homes and other service sector units situated in Municipal Limits situated in district headquarters ready to mortgage their mortgageable security with the corporation.

- C) Any other borrower ready to mortgage their marketable immovable property situated in Municipal limit of district headquarters.

Loan against the security of residential properties is considered under Financing Against assets Scheme under category “C” above. The position has been reviewed regarding financing against the securities of residential properties under FAA Scheme and it has been felt that a cautious approach is required to be adopted for financing in future in this category of FAAS. In this regard it has been decided that loan applications for loan amount below Rs. 50 lacs shall not be considered for financing against the security of residential properties under Financing Against assets Scheme and loan applications for the loan amount of Rs. 50 lacs and above shall be considered for selected cases on the merits of the case. Accordingly loan applications for loan amount below Rs. 50 lacs shall not be accepted under this category with immediate effect.

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

Sd/-

CHAIRMAN & MANAGING DIRECTOR

**RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)**

Ref. No. RFC/F.LA-GBD/Gen/125/_____

Dated : __.01.2007

**: P&G CIRCULAR :
(LA No. ____)**

Reg : Scheme for Financing Against Assets.

The Scheme for Financing Against Assets was circulated vide P&G Circular No. 1007 Dated : 22.05.2003 and some amendments were also issued vide P&G Circular No. 1018 Dated : 30.08.2003, P&G Circular No. 1020 Dated : 30.09.2003, P&G Circular No. 1028 Dated : 18.11.2003, P&G Circular No. 1033 Dated : 19.12.2003, P&G Circular No. 1037 Dated : 15.01.2004, P&G Circular No. 1052 Dated : 27.05.2004, P&G Circular No. 1068 Dated : 11.08.2004, P&G Circular No. 1075 Dated : 20.09.2004, P&G Circular No. 1086 Dated : 07.10.2004, P&G Circular No. 1098 Dated : 29.01.2005, P&G Circular No. 1105 Dated : 25.04.2005, P&G Circular No. 1109 Dated : 25.06.2005, P&G Circular No. 1110 Dated : 25.06.2005, P&G Circular No. 1132 Dated : 26.11.2005, P&G Circular No. 1137 Dated : 08.12.2005, P&G Circular No. 1140 Dated : 09.01.2006, P&G Circular No. 1147 Dated : 06.05.2006, P&G Circular No. 1160 Dated : 09.10.2006 and P&G Circular No. 1165 Dated : 09.11.2006.

The DGM (R), Jaipur has requested for inclusion of RIICO Industrial Area, Bagru Extension-II, District : Jaipur in Annexure "A" of the Scheme for Financing. The matter was placed before PC&CC in its Meeting held on 12.01.2007 and the

: 2 :

Committee decided to include the RIICO Industrial Area, Bagru Extension-II, District : Jaipur in Annexure "A" under clause 2(a) of the eligibility Criteria of the Scheme.

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

(S. K. AGARWAL)
EXECUTIVE DIRECTOR