

RAJASTHAN FINANCIAL CORPORATION  
(CREDIT APPRAISAL SECTION)

Ref. No. RFC/ LA-12(71)/

Dated : 29.09.2010

CIRCULAR  
(LA No.557)

Reg : Disbursement under SARAL Scheme for SME Sector  
(Existing Industrial Running Units)

Attention is invited to PG Circular No. 1316 dated 14/20-05-2010 vide which it was decided that at the time of sanction of loan following condition may be stipulated for disbursement of loan considered under the Saral Scheme for SME Sector.

"The disbursement shall be made in three installments. First disbursement of 50% of loan amount shall be made after satisfying the terms and conditions of sanction letter. The second and third disbursement i.e. 25% each of the loan amount shall be made only after verification on site by the RFC Officers that the earlier disbursed loan has been rightly utilized on the approved activities of the project".

Representations from Industrial Associations/ Entrepreneurs/BOs were received to consider disbursement in one go under Saral Scheme.

The matter was placed before the PC&CC in its meeting held on 22.07.2010 and after discussions the committee decided that 100% disbursement may be made in one go under the Saral Scheme. The borrower shall utilize the loan and submit C.A. certificate/ documents in proof of utilization of loan disbursed within six months from the date of disbursement as per provisions of the Scheme which shall be verified by the BO.

Accordingly, clause 14 (a) of PG circular No. 1211 dated 01.12.2007 may now be re-placed as under :

14 (a) - The disbursement may be made in one or more installments. The borrower shall utilize the loan and shall submit C.A. certificate/documents for utilization of loan disbursed within six months from the date of disbursement as per provisions of the Scheme which shall be verified by the BO.

Regarding switch over cases, it has been decided not to encourage such cases exclusively for payment of Bank loan under the SARAL Scheme. However, applications for new investment under viable and feasible projects as per the provisions of the scheme should be considered where switchover loan component is not more than 20% of the total loan.

Accordingly, the above clauses may also be incorporated at the appropriate place in the Scheme with immediate effect. Other provisions of the scheme shall remain unchanged.

Sd/-  
(G S Sandhu)  
Chairman & Managing Director

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