

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhavan, Tilak Marg, Jaipur
(CREDIT APPRAISAL SECTION)

Ref.No. RFC/ LA-13(4)/377

Dated : 28.07.2011

: P&G CIRCULAR :
(LA No. 576)

Reg : Working capital assurance letter from banks

Attention is invited to provisions contained in P&G (Page No. 7-8 Chapter LA-2 & 22-23 Chapter LA-3) for carrying out simultaneous appraisal with banks for granting working capital limits.

Under the said provisions, for ensuring availability of the working capital limits to the entrepreneurs intending to avail financial assistance from the Corporation, an assurance letter from the bank for providing the same, is being asked for as per P&G Circular No. 1340 dated 28.07.2010.

It has been observed that entrepreneurs find it hard to arrange such assurance letters from their banks/ There have been instances where banks which are approached by entrepreneurs for such assurance letters are lured away by them. In either situation, RFC ends up losing business.

With a view to addressing the issue, it has been decided not to ask the applicant entrepreneurs for such assurance letter from banks in respect of working capital limits.

Instead, branches will, henceforth, obtain an undertaking only in the enclosed format from applicant-entrepreneurs to the effect that they will arrange for the required working capital from the banks / on their own.

It may be noted that the guidelines issued recently (P&G circular No. 1388 dated : 15.07.2011) also, the practice of asking for such assurance letters have been discontinued; this item does not figure in the 'Check List of Enclosures' with the Loan Application Form.

The above guidelines shall be applicable in supersession of all earlier guidelines, including those contained in P&G (Page No. 7-8 Chapter LA-2. & 22-23 Chapter LA-3), issued in this regard.

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

**Sd/-
(Pradeep Sen)
Chairman & Managing Director**

Copy to:

- 1. Standard Circulation at HO**
- 2. All Branches / Sub-Offices.**
- 3. DGM(A&I), Eastern & Western Zone**

Application for loan from the Rajasthan Financial Corporation

UNDERTAKING

(in respect of arranging working capital)

I s/o / w/o / d/o Shri
....., aged years,
residing at, as sole proprietor /
partner / director of M/s.
(name of applicant concern company) do hereby undertake as under :

<p>(1)</p>	<p>that I have applied to the Rajasthan Financial Corporation for sanction of loan of Rs.(Rupees Only) under the (name of scheme) of the Corporation and for a subsidy of Rs. (Rupees only) under the (name of scheme) for the establishment / development of my industry against fixed assets situated at (address of applicant company / concern).</p>
<p>(2)</p>	<p>that I / we will arrange the required working capital limit / facility for may / our said concern / company} from the banks and or from our own sources.</p>

For M/s. _____

Sole proprietor / Partner / Director

Place

Dated