

RFC/P&G/1542

RAJASTHAN FINANCIAL CORPORATION

(F&A – Finance Section)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005

Ref. No. RFC/Fin./OC/19-20/614

Dated: 05.03.2020

06

CIRCULAR

Reg. : Simplification in disbursement procedure.

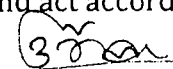
As per prevailing policy of the Corporation in project loan cases, the first disbursement shall be made only after investing 50% promoters' contribution as envisaged in the project in terms of Circular No.RFC/PG-1522 dated 28.02.2018.

It has been observed from the feed back of BOs on the basis of discussions held with office bearers of various Industrial Associations during Business Promotion Camps held at BOs that due to non-availability of liquidity in present recessionary market conditions, the arrangement of funds for promoters' contribution is taking time, resulted delay in implementation of the project.

Considering the above, the matter was placed before the PC&CC in its meeting held on 04.02.2020 and after detailed discussions, the Committee recommended to simplify the procedure of disbursement in project loan cases. Thereafter, the matter was placed before the Board in its meeting held on 02nd March, 2020 for consideration and after discussion, the Board decided to simplify the disbursement procedure in project loan cases as under :-

- (I) As soon as the documents executed, the first disbursement shall be made to the extent of loan sanctioned against the cost of land (keeping proportionate margin) immediately.
- (II) The condition of investing promoters' contribution as per terms of sanction shall be complied with strictly before making IInd disbursement. At the time of IInd disbursement, the investment in the project shall not be less than the required promoters' contribution **plus** the amount of first disbursement.
- (III) The above norms are also applicable to those project loan cases in which loan documents have been executed and only token disbursement is made.

All concerned are advised to take a note of the above and act accordingly.


(Urmila Rajoria)
Managing Director

Copy to :-

- (1) Standard Circulation at HO
- (2) All Branches
- (3) DGM (MS), RFC, HO, for hoisting the circular on website of the Corporation.