

RAJASTHAN FINANCIAL CORPORATION
(Credit Appraisal Section)

Udyog Bhawan
Tilak Marg
Jaipur-302 005

Ref. RFC/LA-12 (39)/1237

Dated: 10.11.2010

P&G CIRCULAR
(LA No. 558)

Reg. : Scheme for financial assistance to Women
Entrepreneurs.

The Government of Rajasthan has made an announcement in the "Rajasthan Industrial and Investment Promotion Policy-2010" for introducing a special scheme for providing loan at subsidized rates to encourage Women Entrepreneurs in Micro and Cottage Industries by the Rajasthan Financial Corporation.

Accordingly, the PC&CC in its meeting held on 22.09.2010 has decided to introduce a new loan scheme for financial assistance to Women Entrepreneurs.

The loan scheme is enclosed herewith and marked at Annexure A".

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

Encl. As above.

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

Copy to :

1. Standard circulation at HO.
2. All Branches/SOs
3. DGM(A&I), Eastern & Western Zones.

RAJASTHAN FINANCIAL CORPORATION
(CREDIT APPRAISAL SECTION)

Special Scheme for financial assistance to Women
Entrepreneurs.

In pursuance of a new policy announced by the Government of Rajasthan namely "Rajasthan Industrial and Investment Promotion Policy - 2010 the Corporation has launched a special scheme to encourage women entrepreneurs for providing loan to set up Micro and cottage industry.

1. Eligibility Criteria : -

All projects mentioned hereunder set up by Women Entrepreneur(s) having 100% promoter share would be eligible for financial assistance under the scheme:

- a) New projects of Micro & Small Scale Enterprises including service industries (except Road transport operators).
- b) Existing Micro and Small Scale Industrial and Service Enterprises undertaking expansion, modernization, technology up gradation and diversification.

2. Amount of Loan : Loan upto Rs.5.00 lac.

3. Purpose of Loan:- Assistance may be granted to the eligible borrower for :-

- a) Purchase of land
- b) Construction of building
- c) Acquisition of required P&M, Furniture & Fixtures, Misc. Fixed Assets etc.

4. Security :- The loan shall be secured by :-

- a) Mortgage/hypothecation of land, building, P&M, Furniture & Fixture, Misc. Fixed Assets etc.
- b) Personal Guarantee of the promoter and her husband
- c) Need based collateral security
- d) Any other type of security, if required by the sanctioning Authority.

5. Financial Parameters :-

- a) Promoter's Contribution : Minimum 33% of cost of project.
- b) Debt Equity Ratio : 2:1
- c) Margin of security On
 - On land & building ,P&M,MFA : 30%
 - On Furniture & Fixture : 50%

Other norms/parameters of appraisal shall be applicable as contained in PG and amended from time to time.

6. Rate of interest :

1% lower to prevailing rate of interest as applicable from time to time for SME Sector.

7. Period of repayment : The loan will be repayable over a period not exceeding 10 years including moratorium of 3 years.

8. Application Fee : Loan application fee shall be charged 50% under this scheme.

9. Processing charges : Processing charge will be charged as per prevailing norms.

10. Sanctioning authority:

The loan would be sanctioned by the existing sanctioning authorities within their respective sanctioning powers.