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.
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 :

   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.