

RAJASTHAN FINANCIAL CORPORATION  
(ARRC SECTION)

Circular No. ARRC-176

Ref.No.RFC/ARRC/2243

Dated: 26.7.2010

## CIRCULAR

Sub: Package of Relief for the Woolen Industry of Bikaner

The woolen industry of Bikaner which had assumed the significant importance in the economy of the State on account of its high employment generation & earning of revenue in the form of Tax, Export Income etc. has been experiencing retardation in growth from last 2-3 years because of the reasons like worldwide recession, tough competition with other countries, working capital crisis etc.

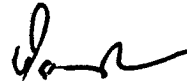
The industry provides employment to nearly 2 lac people, thus in order to make such units capable of overcoming the danger of closure, to make them competitive and to take up the profitable venture the matter was placed before the Board in its meeting held on 30.6.2010, wherein the following relief package was approved for revival of woolen units located at Bikaner :-

- a. Rescheduling of individual units may be granted in such a manner so that their TUF benefits are not adversely effected, and if need be, the LDR may be extended upto 10 years since beginning.
- b. All the squared up accounts and the existing eligible units of woollen industry may be considered for replenishment of loan under Fast Track Loan Scheme on 1% lower interest rate than the rate being charged from other industries.
- c. The units which want to undertake expansion/ diversification/ quality improvement programmes may be considered for financing of additional fixed assets on 1% lower interest rate than the rate being charged from other industries, for a period of 10 years.
- d. Presently, the woollen processing units which have been granted rescheduling are not eligible for financing under any scheme of the Corporation. It has been decided that this rider of rescheduling may be removed and these units may be considered for financing under Saral/ FAAS by further allowing a timely payment rebate of 1%.

- e. For consideration of loan under Good Borrowers Schemes, the account of the loanee should remain in standard category for the last 3 years and balance sheet of the unit should depict increase in turn over and cash / net profits in the working of the unit. It has been decided that those woolen units which are maintaining standard accounts for the last 3 years but their balance sheets reflect erosion in net-worth of the promoters, decrease in sales turn over and net/ cash loss may also be considered eligible by relaxing the criteria for providing same benefits which are given to good borrowers.
- f. The need based working capital requirement of these units may be arranged through PNB/ SBBJ/other banks by the loanee himself for which Branch Manager,RFC would help to the loanee .

The package for reliefs to woolen industry shall be applicable till 31<sup>st</sup> March, 2013 and a special BP Camp shall be organized in the month of July, 2010 in order to extend the benefits to the maximum number of entrepreneurs.

All concerned are advised to take a note of above and make wide publicity of the package in order to fetch maximum business from this sector.



(G.S.Sandhu)

Chairman & Managing Director

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1. Branch Managers/Sub Offices
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3. General Manager(A&I)Ajmer/Jodhpur.