

APPLICATION FORM
FINANCIAL ASSISTANCE UNDER MICRO CREDIT SCHEME IMPLEMENTED BY STATE
CHANNELISING AGENCY
 (For Non Government Organisation)

1. Name of NGO : _____
2. a) Registration no. & date : _____
- b) Renewal date of registration : _____
3. a) Registered Address : _____

- b) Present Function Address : _____

4. Composition of its managing committee (Name, Address, Occupation of each member) : _____

5. Details of activities undertaken during last three years for the disabled persons or weaker section of society : _____

6. Amount of grant-in-aid / loans received during the last three years (yearwise) : _____
 - a) From Union/ State Govt. Organisations : _____
 - b) From International Organisations : _____
 - c) Financial Institutions / Bank etc. : _____
7. Particulars of Proposed Borrowers - _____

Format for List of Beneficiaries

S. No.	Name & Address of the borrower	Age	M / F	Category (SC/ST/ OBC/Gen/ Minority)	Nature of Disability	% of Disability	Rural/ Urban	Annual Income of Borrower	Name & Address of the Activity	Amount proposed by the borrower

The antecedents of the NGO have been verified and having regards to information furnished on the infrastructure, financial statements, record of past performance/ activities, I am satisfied that the NGO has the requisite capabilities and capacity to implement the Micro Credit Scheme.

(For Office Use Only)

I _____ (full name) hereby declare that the facts and figures as stated above have been verified from the relevant documents and are true and correct to the best of my knowledge & belief.

Signature
 Name &

Date : _____
 Place : _____

of M.D. of SCA with Office Stamp



Maharashtra State Handicapped Finance & Development Corporation, Mumbai.

(A Government of Maharashtra Undertaking)

MICRO CREDIT SCHEME IMPLEMENTED THROUGH STATE CHANNELISING AGENCIES (SCAs)

INTRODUCTION

Maharashtra State Handicapped Finance and Development Corporation (MSHFDC) has been set up to promote economic and development activities undertaken by Persons with Disabilities. The Corporation assists them by providing loans for self-employment and other economic ventures. The majority of disabled population is constantly in need of small loans for sustaining their existing employment, for generation of further employment as also for meeting varied personal and social needs. The poorest among the poor need loans of very small amount but their requirement is quick delivery of loan at their doorsteps. Traditionally, private money lenders have been playing this role but their intention has been to exploit the poor instead of helping them and this rather worsened plight of the poor. Over a period of time the significance of provision of credit as an instrument of socio-economic change and development is being realised and many international and national organisations including the nationalised banks have come up to provide soft loans to the poor in order to free them from the clutches of private money lenders. However, the task is gigantic and a wide gap persists in meeting the credit needs of the poor. With this in mind, the MSHFDC has decided to implement the **Micro Credit Scheme** as per details given in the following paras.

NAIN FEATURES OF THE SCHEME

1. Purpose of Loan

Purpose of the loan is to provide financial assistance to weaker section of the disabled for starting or augmenting income generation activities. The illustrative nature of income generating activities is given below :

- i) Small business / trade
- ii) Tiny / cottage industry or service activity
- iii) Artisan activities.
- iv) Agricultural and allied activities
- v) Transport sector activities.

2. Quantum of Loan

Under the Micro Credit Scheme, loan is given to the SCAs for further disbursement to individual beneficiary or to self-help groups of disabled persons either directly or through Non Government Organisations.

The maximum amount of loan to an NGO will be limited to Rs. 5.0 lakh (Rupees Five Lakh only). However, the NGO may be sanctioned repeated loan considering its previous performance, repayment record, utilization of loans etc. However, at any given time, the principal amount outstanding against the NGO will not exceed Rs. 5.0 lakh. MSHFDC would provide 100% funding of the sanctioned projects.

3. Interest & Rebate

- i) Interest payable by the beneficiaries shall not exceed 5% per annum.
- ii) A rebate of 1% per annum on interest will be admissible to women beneficiaries.

4. Eligibility Criteria of Beneficiaries

- i) Any Indian Citizen with 40% or more disability
- ii) Income below Rs. 5,00,000/- p.a. for urban areas and Rs. 3,00,000/- p.a. for rural areas.
- iii) Age between 18 and 60 years.
- iv) The borrowers already covered under any other scheme of financing sponsored by Central or State Government or financing institutions and having outstanding loans against their names shall not be eligible.
- v) The borrowers should preferably be regular member of Thrift and Credit Group (Self-Help Group).
- vi) Preference will be given to women beneficiaries.
- vii) Relevant educational / technical / vocational qualification, experience and background

5. Eligibility Requirement of NGO

- i) The applicant NGO should have been registered for at least three years and it should have good reputation.
- ii) An NGO intending to implement Micro Credit Scheme should have the objective of serving the social and economic needs of the weaker sections or the persons with Disabilities.
- iii) It should have the necessary flexibility, professional competence and basic financial management capability and organisation skills to implement the lending programme. It must have outreach services in the operational areas.
- iv) Its office bearers should not be elected members of any political party.
- v) It should have a proper system of maintaining accounts. Accounts should have been audited. There should not have been any serious irregularities observed in the audit, and its accounts should be published.
- vi) It should be running on sound lines and preferably have experience of Thrift and Credit administration of at least three years and its recovery performance during the last three years should be approximately 90% or more.

6. Security

- i) Fund under Micro Credit Scheme will be released only to those SCAs who have executed the General Loan Agreement and provided adequate Block Government Guarantee.
- ii) The SCA will be free to decide on the security. However, it should obtain a minimum guarantee of at least 25% of the total sanctioned amount pledged as FDR or 40% of the sanctioned amount as collateral security from the NGO.

7. Financing Patterns

MSHFDC would provide 100% of the project cost to the SCAs for disbursement to the NGOs / Individuals / SHGs.

8. Utilisation of Loan and Refund of Un-utilised Loan

- i) The SCAs to which funds have been sanctioned can make the drawal of funds as per requirement within the credit limit sanctioned, which generally will be for one year.
- ii) The first drawal will be made not later than one month from the date of sanction unless the limit is extended by the MSHFDC. If the lending operations are not so commenced, the MSHFDC will be at liberty to cancel the sanction or vary any of the terms and conditions.
- iii) The funds made available to an SCA are to be utilised within a period of 90 days from the date of release of funds. The SCAs will be required to submit the utilisation of funds in the prescribed format. The funds remaining unutilised due to any reason, will be required to be refunded within a fortnight on expiry of utilisation period indicated in the sanction letter.
- iv) Unutilised funds, if not refunded to MSHFDC within due date, the same shall be charged with penal interest @ 3% p.a. over and above the normal rate of interest for next 90 days from the expiry of last date of utilisation period. Thereafter, the unutilised amount shall carry additional penal interest @ 2% per annum till the date of refund.

9. Repayment

Term loans drawn from MSHFDC will be required to be repaid within a period of 36 months in quarterly installments. The installments of term loan and interest shall be repayable to MSHFDC on 30th June, 30th September, 31st December and 31st March every year or on such other dates as agreed to by MSHFDC. Six days grace period will be admissible for payment of any installment to MSHFDC.

10. Liquidated Damages

Defaults in the repayment of MSHFDC dues (principal as well as interest) shall attract liquidated damages @ 2% p.a. over and above the normal rates of interest.

11. Grant for promotion / training

A grant of Rs. 2,000/- for every block of loan amount of Rs. 1.0 lakh, will also be provided by MSHFDC to the NGO for training, orientation / motivation of the beneficiaries, capacity building and organizing SHGs, awareness creation and administrative expenses. There will be no ceiling of the amount of grant to an NGO.

12. Books of Accounts / Inspections

The SCAs shall maintain separate accounts in respect of the funds provided by MSHFDC. The SCAs should also inspect the beneficiaries of the NHFDC under Micro Credit Scheme and submit the quarterly progress report. Any other information required will also be submitted as and when requested.

13. Procedure for Obtaining Loan

Under the Micro Credit Scheme, loan is given to the SCAs for further disbursement to individual beneficiaries, self-help groups of disabled persons either directly or through Non Government Organisations.

The SCAs desirous of implementing the Micro Credit Scheme (MSC) to further provide loan to individual, Self Help Group through Non Government Organisations.

- i) Under the scheme, the NGOs will apply to the respective SCA (State Channelising Agency).
- ii) The NGOs will submit their application for loan under Micro Credit Scheme to the SCA in the prescribed application form along with all relevant details & documents.
- iii) The SCA will scrutinise and verify the credential of NGO and satisfy itself regarding the suitability of the NGO for implementation of Micro Credit Scheme and its capacity to handle number of beneficiary vis-a-vis the amount of fund.
- iv) The SCA may sanction loan upto Rs. 2.0 lakh to an NGO for further financing to Self-Help Group (SHGs) of disabled persons or beneficiaries.
- v) The application of an NGO for a loan amounting to more than Rs. 2.0 lakh (Rupees Two Lakh only) will be scrutinized by the SCA and forwarded to MSHFDC for sanction with due recommendation and credential verification report of the NGO.

(SCA : State Channelising Agency i.e. MSHFDC in Maharashtra)