

iii. Micro Financing Scheme

Under the Micro Financing Scheme, micro-credit is extended to the members of the Self Help Groups (SHGs), especially the Minority women scattered in remote villages and urban slums, who are not able to take advantage of the formal banking credit. The scheme requires that the beneficiaries are organized into Self Help Groups (SHGs) and get into the habit of thrift & credit, however small.

The scheme envisages micro-credit to the poorest among the poor mainly through SCAs and also through NGOs of proven track-record and their network of Self Help Groups (SHGs). It is a loan scheme with minimal documentation which ensures quick delivery of loan at the door steps of the beneficiaries. Under this scheme, small loans up to a maximum of Rs.1.50 lakh per member of SHG are provided through the network of SHGs. Interest @7% p.a. is charged under Credit Line-1 & 10% p.a. under Credit Line-2 with 2% p.a. rebate for females under Credit line-2. The maximum repayment period under the scheme is 36 months.



S. No.	Parameters	Under Credit Line-1	Under Credit Line-2
1.	Loan Amount	Up to Rs.1.00 lakh per member of SHG and up to Rs.20.00 lakh for a group of 20 members in one SHG	Up to Rs.1.50 lakh per member of SHG and up to Rs.30.00 lakh for a group of 20 members in one SHG
2.	Rate of Interest for Beneficiaries/SHGs	7% p.a.	10% p.a. for male beneficiaries 8% p.a. for women beneficiaries
3.	Moratorium Period	3 months	3 months
4.	Repayment period for the Beneficiaries	3 years	3 years
5.	Pattern of Financing NMDFC : SCA : Beneficiary contribution	90 : 5 : 5	90 : 5 : 5