

GOVERNMENT OF TAMIL NADU

ABSTRACT

Welfare of Backward Classes, Most Backward Classes and Denotified Communities - Tamil Nadu Backward Classes Economic Development Corporation - Implementation of Micro Credit Scheme benefitting One Lakh Women for availing loan of Rs.18.00 Crores from National Backward Classes Finance and Development Corporation - Provision of Government Guarantee - Orders issued.

BACKWARD CLASSES, MOST BACKWARD CLASSES AND MINORITIES WELFARE DEPARTMENT

G.O.Ms.NO.52

Date:18/11/2002

Read:

From Managing Director, Tamil Nadu Backward Classes Economic Development Corporation Letter No.A1/859/2002, dated 26.3.2002.

From the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation Letter No.A1/760/2002, dated 29.4.2002 addressed to the Managing Director, National Backward Classes Finance and Development Corporation, New Delhi.

From the Senior Manager (P), National Backward Classes Finance and Development Corporation Letter No.NBCFDC/PROJ / TN/2002/819, dated 28.5.2002 and 841, dated 28.5.2002.

From the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation Letter No.RC.A1/1174/99, dated 13.6.2002.

From the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation Letter No.A1/760/2002, dated 10.7.2002.

From the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation Letter No.B1/859/2002, dated 23.7.2002.

From the Senior Manager (P), National Backward Classes Finance and Development Corporation Letter No.NBCFDC/PROJ / TN/2002/1564, dated 12.7.2002.

From the Senior Manager (P), National Backward Classes Finance and Development Corporation Letter No.NBCFDC/PROJ / TN/2002/1630, dated 18.7.2002.

ORDER:

Based on the announcement made by the Honourable Minister (Backward Classes) in the Assembly on implementation of Micro Credit Scheme at a cost of Rs.20.00 Crores to benefit One Lakh women at the rate of Rs.2000/- per person below poverty line to carry out Petty Trade, the Tamil Nadu Backward Classes Economic Development Corporation has prepared Annual Action Plan for the year 2002-2003 for the implementation of Micro Credit Scheme and other 5 schemes and has forwarded it to the National Backward Classes Finance and Development Corporation in the letter second read above for financial assistance. The National Backward Classes Finance and Development Corporation in the letters third, seventh and eighth read above has agreed to allocate Rs.30.15 Crores to the six schemes proposed by the Tamil Nadu Backward Classes Economic Development Corporation in the Annual Action Plan for 2002-2003 subject to the execution of State Government guarantee for the above amount as per the pattern of finance noted below:-

National Backward Classes Finance And Development Corporation	- 90%
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Tamil Nadu Backward Classes Economic Development Corporation	- 10%
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2) In the letters fourth, fifth and sixth read above, the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation has requested orders for the implementation of Micro Credit Scheme and to provide Government Guarantee for a sum of Rs.18.00 Crores for availing a loan of Rs.18.00 Crores from National Backward Classes Finance and Development Corporation. As the National Backward Classes Finance and Development Corporation will bear only 90% of the total capital and the Tamil Nadu Backward Classes Economic Development Corporation has to bear the remaining 10% of the capital, the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation has requested the Government to sanction a sum of Rs.2.00 crores as additional share capital to Tamil Nadu Backward Classes Economic Development Corporation

3) The Government have carefully examined the proposal of the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation and permit the Managing Director, Tamil Nadu Backward Classes Economic Development Corporation to implement the Micro Credit Scheme by obtaining a term loan of Rs.18.00 Crores (Rupees Eighteen Crores only) from National Backward Classes Finance and Development Corporation. The terms and conditions for implementation of the scheme are given in the Annexure to this order. Regarding the request for the sanction of a sum of Rs.2.00 crores as additional share capital, the Government direct the Tamil Nadu Backward Classes Economic Development Corporation to utilise its own funds.

4) Orders with regard to Government Guarantee will be issued from Finance Department separately.

5) The Managing Director, Tamil Nadu Backward Classes Economic Development Corporation is requested to implement the Micro Credit Scheme through the Sub-

Channelising Agencies and take effective steps to recover the loan and interest amount from the beneficiaries as the Government Guarantee is involved.

6) This order issues with the concurrence of Finance Department vide its U.O. No.791/DS(TK)/2002, dated 18.11.2002.

(By order of the Governor)

K.S.Sripathi,

Secretary to Government.

To
The Managing Director,
Tamil Nadu Backward Classes Economic
Development Corporation,
Chennai-2.
XXXXX XXXXX

ANNEXURE TO G.O. MS.NO.52, BACKWARD CLASSES, MOST BACKWARD
CLASSES AND MINORITIES WELFARE DEPARTMENT, DATED 18.11.2002

MICRO CREDIT SCHEME

Terms and Conditions:

i) Beneficiaries:

Women belonging to Backward Classes, Most Backward Classes & Denotified Communities who are members of Self Help Groups shall be eligible to get this loan.

ii) Income Eligibility Criteria:

Annual Family Income - Less than Rs.31,952/-
in Rural Areas and
Less than Rs.42,412/-
in Urban Areas.

iii) Purpose of Loan:

Any Petty trade to be undertaken by the women in rural/urban area for income generation for their livelihood for example, Vegetable Shop, Tailoring Shop, Idli Shop, Flower Shop, Fruit Stall and so on.

iv) Maximum Loan:

Rs.2000/- (for deserving cases and group activities loan upto Rs.20,000/-)

v) Repayment Period:
12 months (with 2 months Moratorium Period)

vi) Interest Rate:

(for the entire loan amount)

From National Backward Classes
Finance & Development Corporation
to Tamil Nadu Backward Classes
Economic Development Corporation - 1%

Tamil Nadu Backward Classes
Economic Development Corporation
to Cooperative Banks - 3%

From Cooperative Banks to
Self Help Groups - 6% (Margin 3%)

From Self Help Groups to
Beneficiaries - Not exceeding 10% (Margin 4%)

Penal Interest - 5%
in addition to
normal rate of
interest for the
defaulted period.

vii) Selection of Beneficiaries:

The District Screening Committee shall recommend for sanction of loan to the members of Self Help Group / Panchayat Level Federation.

viii) Tamil Nadu Backward Classes Economic Development Corporation shall release funds to the Cooperative Banks only. In turn, the Cooperative Banks shall disburse the loan to the Self Help Groups. Preference shall be given to Self Help Group members who had not availed any loan previously from Cooperative Banks.

Cooperative Banks / Primary Cooperative Societies should enter into an agreement with Tamil Nadu Backward Classes Economic Development Corporation for disbursement and repayment of loan on due dates as being followed now.

The Self Help Groups are responsible for effecting recovery from the members and proper remittance to the Cooperative Banks / Primary Cooperative Societies. The Self Help Groups should enter into an agreement with the Cooperative Banks for disbursement and repayment of the amount. The Self Help Groups should be made responsible for repayment of the loan dues on due dates irrespective of whether the beneficiaries paid them the dues or not.

K.S.Sripathi,

Secretary to Government.