

## **SCHEME OF FINANCING NGOs WORKING IN THE AREA OF DISABILITIES IN ORDER TO MAKE SOCIAL ENTREPRENEURS**

### **Purpose –**

Purpose of the scheme is to provide financial assistance in the form of loan to the NGOs working in area of disabilities in order to make them social entrepreneurs by setting up/expansion of an income generating activity for the benefit of the disabled persons. The nature of income generating activity will be such that it involves the PwDs directly and income will be distributed among the PwDs. The income generating activity will be managed by concerned NGOs, which is expected to render its services voluntarily.

### **Objective-**

The main objective of the Scheme is to assist the NGOs working in area of disabilities in order to promote economic development activities and self-employment ventures in production/manufacturing sector for the benefit of Persons with Disabilities.

### **Eligibility Requirement of NGO**

- i) The applicant NGO should have been registered for at least three years and it should have good reputation and not a defaulter of funds of any Financial Institution/Govt. Agency or body.
- ii) An NGO intending to implement Scheme should have the objective of serving the social and economic needs of the Persons with Disabilities.
- iii) It should have be engaged in some production activities
- iv) 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.
- v) Its office bearers should not be elected members of any political party.
- vi) 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.
- vii) 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.
- viii) It should not be a financial defaulter of central government, state government, any financial institution in the public sector, banks etc

### **Amount of Loan -**

The maximum amount of loan to an NGO will be limited to Rs.5.00 lakh (Rupees Five Lakh only). However, the NGO may be sanctioned repeat loan considering its previous performance, repayment record, utilization of loans etc. However, at any given time, the principal amount outstanding against the NGO should not exceed Rs. 5.00 lakh.

The share of the NGO will be 10% of the project cost.

The loan will be used by the NGO to implement a single or multiple production activity on behalf of a group of disabled persons (the minimum group size should be of 5 disabled persons).

The NGO has to submit details of the PwDs in the group, as per prescribed beneficiary particulars sheet of NHFDC, to this effect.

**Rate of Interest -**

	Loan Amount	To be paid by SCAs to NHFDC	To be paid by NGO to SCAs
i)	Upto Rs. 50,000/-	2%	5%
ii)	Above Rs. 50,000/- and upto Rs. 5.0 lakh	3%	6%
iii)	Above Rs. 5.0 lakh	5%	8%

(Note: No interest rebate of any type will be available for the scheme)

**Eligibility Criteria of PwDs involved in the activity by NGO.**

As per NHFDC criteria for self-employment loan to PwDs

**Repayment of Loan -**

The loan is to be repaid within 5 years

**Procedure for Obtaining Loan -**

Application in the prescribed format is to be submitted by interested NGOs to the State Channelizing Agency or implementing agency as nominated by NHFDC for sanction of loan as per procedure laid down in the lending policy NHFDC

Other terms & conditions of loan under the scheme shall be as per the lending policy of NHFDC for self-employment loans to PwDs.

**RIGHTS OF NHFDC**

In case of any dispute, decision of the CMD, NHFDC will be final & binding

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