



FINANCIAL ASSISTANCE TO MINORITIES UNDER SMALL LOAN SCHEME

At Present, Corporation is assisting Minorities for their Economic Development by the way of providing subsidy with state Government funds along with Bank loan where in special attention absent towards Minority Beneficiaries who require small financial assistance to start a small self employment activity for their livelihood.

In the existing pattern, majority of loan portion has to be financed by banker. This is common procedure in case of petty loans too. Even after brisk efforts the petty loan is not assured as the Banks always prefer big Loans. Hence, the poor minority beneficiaries are disappointed.

As result, it has become necessary to give a thought to find out various avenues to explore the possibilities to assist minorities who approach for small loans with minimum Bank credit. However keeping in view the policy of government and the problems to be encountered at the time of grounding, it is proposed to implement the scheme with bank linkage but with higher subsidy component i.e. 75% subsidy (subject to maximum of Rs. 15000/-), Bank loan, 20% and Beneficiary contribution 5%.

INTRODUCTION:

To help poor Minorities who is in need of petty loans, Corporation proposed this scheme under which assistance up to Rs.20,000/- will be extended to an individual. The object of this scheme is to overcome the hurdles in the ongoing schemes by focussed attention on target group in need of small loans.

NO OF BENEFICIRIES TO BE ASSITED:

Under Small Loan scheme 6000 needy Minorities will be benefited with State Government Subsidy amounting to Rs. 900.00 lakhs during the year 2015-16.

PATTERN OF FINANCE:

Maximum Unit Cost Rs. 20,000/-

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|------------------------|----|----------------------------|
| 1. Corporation subsidy | :: | 75% (Max upto Rs.15,000/-) |
| 2. Bank Loan | :: | 20% (Max upto Rs.4,000/-) |
| 3. Beneficiary share | :: | 5% (Max upto Rs.1,000/-) |

ELIGIBILITY FOR ASSISTANCE:

- Beneficiary should belongs to Minority Community in the age group between 21-55 years.
- The Annual income of the parent / Applicant should not exceed Rs.2,00,000/- in Urban areas and Rs. 1,50,000/- in Rural Areas.
- A minimum of 33 1/3% women coverage be ensured of the total target for the District and Mandal level.

Preference shall be given to:

- i) Candidates who were trained under any skill improvement Programme of the government or welfare corporations either in the current year or earlier.
 - ii) Beneficiaries who are availing the economic support schemes for the first time.
- e) Only one economic support scheme shall be granted per family (as defined in the ration card.)
- f) Beneficiaries availed financial support under any economic support scheme 3 years prior to the year 2014-15 shall not be eligible under this scheme.

HOW TO APPLY:

- a) All the Minority applicants desired to avail financial assistance shall apply through online beneficiary monitoring system (OBMMS) only to ensure transparency and accountability.
- b) After registration of application through (OBMMS) the online registered application Hard copy shall be obtained.
- c) The Hard copy of application shall be submitted to the MPDO/ Municipal Commissioner (Municipality) /Zonal Commissioner (in case of Municipal Corporation) along with the following Enclosures.
 - i) Income Certificate issued by Tahasildar.
 - ii) Photostat copy of Ration Card.
 - iii) Photostat copy of Aadhar Card.
 - iv) One Pass port size photo.

SELECTION:

- a) The total targeted beneficiaries for the districts shall be sub-divided among Mandals/ municipalities wise in proportion to the Minorities population of the respective Mandals/ Municipalities of the districts.
- b) The selection of beneficiaries shall be done at the Mandal/ municipalities level by a screening-cum-selection committee.
- c) The composition of the screening-cum-selection committee shall be as follows:
 - I. Nodal Officer from the Welfare Finance Corporations nominated by the District Collector.
 - II. Managers of all participating Banks in the Scheme of the Mandal.
 - III. Representative of DRDA/ DOWUA
 - IV. MPDO/ Municipal Commissioner (Municipality) /Zonal
 - V. Commissioner (in case of Municipal Corporation) – Convener.

DOCUMENTATION:

- a) On receipt of sanction lists from all mandals the E.D, APSMFC will place before the District level committee for approval.
- b) The Executive Director should complete Loan Agreement Bond duly affixing Rs.10/- special adhesive stamp before forwarding the proceedings to Head Office for release of Subsidy through Online.
- c) Subsidy for the beneficiaries shall be administered through the online system.

GROUNDING & FOLLOWUP ACCTIONS:

- a) After the unit is grounded by the Bank, the Executive Director of the AP Minorities Finance Corp., within 15 days shall visit and ensure loan is properly utilised by the beneficiary for the purpose for which it is actually released.
- b) After verification, obtain a photograph of the unit along with beneficiary & ED, file the photograph in the file of respective beneficiary and upload the photograph in (OBMMS) website through ED Login.

Implementation & Monitoring Mechanism:

A District Monitoring Committee chaired by the District Collector, shall monitor the implementation of the scheme. The composition of the District Monitoring Team shall be as follows:

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|-------------------------|-------------|
| District Collector | - Chairman |
| PD, DRDA | - Member, |
| PD,MEPMA | - Member |
| ED Minority Corporation | - Convenor, |
| LDM | - Member |

The District monitoring Committee shall perform the following functions:

- a) Preparation of the District Action Plan of the Scheme.
- b) The District Collector shall convene special DLBC's in order to expedite the process of the sanction of Small Loan Scheme.
- c) Ensure the Constitution of selection Committees at the Mandal level & ensure that the selection of beneficiaries is done within the time frame.
- d) District Level Committee shall examine any complaints in the process of selection of beneficiaries and grounding of schemes.
- e) Review the progress of the scheme at frequent intervals.
- f) Any other intervention that may be needed for the successful implementation of the scheme.

Other issues:

- a) Selection of beneficiaries shall be completed during joint identification camps/exclusive identification camps for Minorities.
- b) All applications shall be registered through the online beneficiary monitoring system (OBMMS) only.

The above guidelines for implementing Small loan Scheme shall be adhered without any deviation within the budget provision allocated to the District.