

National Handicapped Finance and Development Corporation

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PRESS RELEASE

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The government of Gujarat through the Department of Social Justice facilitated the tie-up of NHFDC with all the three (3) RRBs of Gujarat, namely **Baroda Gujarat Gramin Bank (BGGB), Dena Gujarat Gramin Bank (DGGB) and Saurashtra Gramin Bank (SGB)**, to make available the facility of collateral free loan for self employment to Persons with Disabilities (PwDs) at concessional rate (4-8% p.a) under Credit Guarantee Scheme (GoI). These RRBs will also extend Education Loan (upto Rs 10.0 lakh for studies in India and upto Rs 20.00 for studies abroad) to PwDs separately with refinance from NHFDC at very low interest rates of 3.5% (female) and 4% (male). A moderate target of assisting 10 PwDs per branch was kept for financial year 2012-13. The three RRBs collectively have around 450 branches in Gujarat. The Gujarat Minorities Finance & Development Corporation (GMFDC) will coordinate the collaborative arrangement with RRBs.

This will be an additional channel without affecting the present arrangement of implementation of NHFDC schemes through Gujarat Minorities Finance & Development Corporation (GMFDC). The allocation of funds by NHFDC to GMFDC will not be affected at all.

The three agreements were signed by Sh Harsh Bhal, IIS, CMD, NHFDC and Sh H.S. Sidhu Chairman BGGB, Sh G.K.Paneri, Chairman DGGB and Sh H.K.Dabhi, Chairman SGB. The signing ceremony was presided over by Sh Sanjay Prasad, IAS, Principal Secretary, Social Justice, Gujarat. Sh Sanjay Nandan, State Commissioner for PwDs, Sh Pathan, Chairman, GMFDC, Sh Kadarbhai Salot, Deputy Chairman, GMFDC and Sh J.K Astik, Managing Director, GMFDC also graced the occasion. The signing ceremony was attended by senior officials of Department of Social Justice, Gujarat besides officials of GMFDC and NHFDC.

Under this collaborative arrangement, NHFDC do not insist on guarantee from the implementing agency or State Government. Also, the PSB/RRB will not take any collateral guarantee from the beneficiaries as stipulated in the Credit Guarantee Scheme.

The loan to eligible PwDs will be provided by Banks at the NHFDC interest rates. The applicant should have a certificate for 40% or more disability and the maximum loan shall be limited to Rs 25 lakhs. The Banks will be allowed to retain 3% interest margin and NHFDC will refinance all such loans given to eligible persons with disabilities by the Banks.

National Handicapped Finance and Development Corporation (NHFDC) functions as an apex institution for channelising funds for promoting economic development activities and self-employment ventures for the benefit of Persons with Disabilities (PwDs) through the State Channelising Agencies (SCAs) nominated by the respective State/UT Government(s).

Considering the large population (2.19 crore) of PwDs in the country and the fact that the above population is scattered/spread throughout the country, it is felt that in order to give benefit to large population of persons with disabilities, active cooperation and contribution of professionally managed entities like Banks would be required. Hence, discussions were made with Public Sector Banks and Regional Rural Banks for channelizing concessional credit under Credit Guarantee Scheme of Government of India, as an additional channel apart from the existing network of SCAs.
