

LENDING POLICY
AND
GUIDELINES FOR FUNDING



**NATIONAL HANDICAPPED FINANCE AND
DEVELOPMENT CORPORATION**
(Ministry of Social Justice and Empowerment, Govt. of India)

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LENDING POLICY & GUIDELINES FOR FUNDING

1. Implementing Agency -

National Handicapped Finance and Development Corporation (NHFDC) was set up by the Ministry of Social Justice & Empowerment, Government of India in 24th January 1997. The company is registered under section 25 of the Companies Act, 1956 as a company not for profit. It is wholly owned by Government of India and has an authorised capital of Rs. 400 crore. The company is managed by Board of Directors nominated by Government of India.

NHFDC functions as an apex institution for channelising the fund to the Persons with Disabilities (PWDs) through the State Channelising Agencies (SCAs) nominated by the State Government(s).

2. Objectives -

- a) Promote economic development activities and self-employment ventures for the benefit of Persons with Disabilities.
- b) Extend loan to the Persons with Disabilities for upgradation of their entrepreneurial skill for proper and efficient management of self-employment ventures.
- c) Extend loan to Persons with Disabilities for pursuing professional/technical education leading to vocational rehabilitation/self-employment.
- d) To assist self-employed Persons with Disabilities in marketing their finished goods.

3. Scope -

Scope of this lending policy is limited to -

- i) Financing income generating activities for the persons with 40% or more disability through the SCAs.
- ii) To provide micro credit finance to the target group through SCAs/Non Government Organisations (NGOs).
- iii) To provide grant to the SCAs/reputed training institutions for entrepreneurial and skill development programme.
- iv) To provide grant to the SCAs for publicity and awareness creation activities.

4. Eligibility Criteria -

Any disabled person who fulfills the following criteria is eligible to avail financial assistance –

- a) Any Indian Citizen with 40% or more disability.
- b) Age above 18 years.
- c) Relevant educational / technical / vocational qualification/ experience and background.

Note :

* In case of persons with mental retardation, age is relaxed to 14 years in place of usual 18 years for the persons with mental retardation.

** In case of scheme for disabled young professionals: an age criterion is 18-45 years.

*** In case of Education loan only (a) is applicable.

5. Rate of Interest -

i) In case of OH -

	<u>Loan Amount</u>	<u>To be paid by SCAs to NHFDC</u>	<u>To be paid by beneficiaries to SCA</u>
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 and upto Rs. 15.0 lakh	4%	7%
iv)	Above Rs. 15.0 lakh and upto Rs. 25.0 lakh	5%	8%
v)	For education loan	1%	4%

ii) In case of VH/HH/MR -

	<u>Loan Amount</u>	<u>To be paid by SCAs to NHFDC</u>	<u>To be paid by beneficiaries to SCAs</u>
i)	Upto Rs. 50,000/-	1.5%	4.5%
ii)	Above Rs. 50,000/- and upto Rs. 5.0 lakh	2.5%	5.5%
iii)	Above Rs. 5.0 lakh and upto Rs. 15.0 lakh	3.5%	6.5%
iv)	Above Rs. 15.0 lakh and upto Rs. 25.0 lakh	4.5%	7.5%
iv)	For education loan	1%	4%

6. Mahila Samridhi Yojana -

A special rebate of 1% on interest is given to women with disabilities in all the self-employment schemes of NHFDC under Mahila Samridhi Yojana. All the women beneficiaries are covered under this schemes and the applicable rate of interest for them is as follows:

i) In case of OH -

	<u>For Loan Amount</u>	<u>To be paid by SCAs</u>	<u>To be paid by Beneficiaries to SCAs</u>
i)	Upto Rs. 50,000/-	1%	4%
ii)	Above Rs. 50,000/- and upto Rs. 5.0 lakh	2%	5%
iii)	Above Rs. 5.0 lakh and upto Rs. 15.0 lakh	3%	6%
iv)	Above Rs. 15.0 lakh and upto Rs. 25.0 lakh	4%	7%
iv)	For education loan	0.5%	3.5%

ii) In case of VH/HH/MR -

	<u>For Loan Amount</u>	<u>To be paid by SCAs</u>	<u>To be paid by Beneficiaries to SCAs</u>
i)	Upto Rs. 50,000/-	0.5%	3.5%
ii)	Above Rs. 50,000/- and upto Rs. 5.0 lakh	1.5%	4.5%
iii)	Above Rs. 5.0 lakh and upto Rs. 15.0 lakh	2.5%	5.5%
iv)	Above Rs. 15.0 lakh and upto Rs. 25.0 lakh	3.5%	6.5%
iv)	For education loan	0.5%	3.5%

7. Schemes of NHFDC -

The corporation assists a wide range of income generating activities for disabled persons. These are -

a) **For setting up small business in Service/Trading sector : Loan up to Rs. 5.0 lakh for sales/trading activity and Rs. 7.50 lakh for service sector activity**

Loan assistance provided for self-employment of disabled persons in service sector or for trading activity. The small business, project or activity, for which financial assistance has been sought, will have to be operated by the disabled person himself and employing at least 15% disabled persons in his venture.

b) For agricultural/allied Activities : Loan upto Rs. 10 lakh.

Loan assistance is provided to disabled persons for agricultural production, irrigation, horticulture, sericulture, purchase of agricultural machinery/equipment for agricultural service, marketing of agriculture products etc.

c) For purchase of vehicle for commercial hiring – Loan upto Rs.10 lakh: (For purchase of special category vehicle like JCB, Truck, Roadroller etc. loan upto Rs.25.0 lakh) For purchase of vehicle for commercial hiring purpose

d) For self-employment amongst persons with Mental Retardation and Autism : Loan upto Rs.10 lakh.

Persons with mental retardation or autism may not be able to enter into a legal contract required to avail loan from a financial institution. In such cases following categories of persons are eligible for financial assistance from NHFDC on behalf of the mentally disabled persons for an income generating activity -

- i) Parents of dependant mentally disabled person
- ii) Spouse of dependant mentally disabled person
- iii) Legal guardian of mentally disabled person

e) For setting up small industries unit : Loan upto Rs.25 lakh.

Loan assistance is provided to disabled persons for manufacturing, fabrication and production activity. The disabled person will be the owner/chief executive of the company and will employ at least 15% disabled persons.

f) For technical education/training – Loan limit Rs.10.00 lakh for study in India and Rs.20.00 lakh for study at abroad.

To meet tuition and other fees/maintenance cost/books and equipment etc. for pursuing professional courses in a recognized educational institution in India and abroad.

Criteria, rate of interest, repayment period and norms for sanction of educational loan are given in *Annexure-I*.

g) Micro Credit Scheme - Loan upto Rs. 10.0 lakh to NGO, Rs.50,000/- per beneficiary @ 5% p.a. - The Scheme is implemented through State Channelizing Agencies (SCAs) wherein NGOs submit application for loan to the SCAs and also the NGO can submit application directly to NHFDC. Details of the scheme are given in *Annexure-II*.

h) Scheme for NGOs for their capacity expansion : Loan upto Rs. 5.0 lakh to NGOs working in the area of disability to implement single or multiple production activity on behalf of a group of PwDs. Details of scheme are given in *Annexure-III*

i) Scheme for Parents Association for the Mentally Retarded Persons – Loan upto Rs. 5.0 lakh : Financial assistance is provided to Parents Association for the Mentally Retarded Persons to set up an income generating activity for the benefit of mentally retarded persons. The nature of income generating activity will be such that it involves the mentally retarded persons directly and income will be distributed among the mentally retarded persons. Details of scheme are given in *Annexure-IV*.

- j) **Assistance for Skills and Entrepreneurial Development Programmes** - Financial assistant in the form of grant is provided to State Channelising Agencies/reputed institution for imparting training to the disabled persons to make them capable and self-dependent through proper technical training in the field of traditional and technical occupations and entrepreneurship. Details are given in Annexure-V.
- k) **Scheme for Pursuing Vocational Studies : Loan upto Rs.2.0 lakh** to Students with Disabilities for pursuing vocational/skill training courses. Details of scheme are given in Annexure-VI.
- l) **Scheme for Disabled Young Professionals: Loan upto Rs 25.00 lakhs** to professionally educated / trained disabled youths for self-employment. Details of scheme are given in Annexure-VII.
- m) **Scheme of Financing Assistive Devices to enhance the Employability or increased Opportunity of Self Employment of Persons with Disability** -
Loan upto Rs. 5 lakh to the target group for purchase of assistive devices like screen reader, motorized tricycle, scooty, hearing aid etc including cost of retrofitting, to enhance their employability or improve the prospects of self employment. Details of scheme are given in Annexure-VIII.
- n) **Scheme for Developing Business Premises : Loan upto Rs. 3.0 lakh** is available to PwDs desirous of developing business premises on their own land and starting self-employment activity. Details of scheme are given in Annexure-IX.
- o) **Hand holding support to registered institutions for PwDs** : The register institutions are eligible for hand holding grant of upto Rs.1,000/- per PwD extending information, support, guidance for procedural/documentation formalities to PwDs in obtaining loans or admission in training institutes. Details of scheme are given in Annexure-X and XI

8. Procedure of Sanction and Disbursement –

- i) Beneficiaries would submit the loan applications in the prescribed format to SCA.
- ii) The authority to sanction loan to the beneficiary is delegated to SCA for a project cost of **upto Rs.10.00 lakh**. However, the SCA will ensure that beneficiary fulfills the condition as prescribed before sanctioning the project.
- iii) The SCA would scrutinise and recommend/sanction loan in accordance with the guidelines for sanction of loan issued by NHFDC from time to time. It is expected that the SCA should constitute a project approval committee chaired by the MD of the SCA. It should preferably have a specialist from disability sector and one reputed NGO working in disability sector.

- iv) The SCA would ensure that the applicants, who are recommended/sanctioned loan, fulfill the eligibility criteria as per the guidelines for funding. It is further clarified that for the purpose of ascertaining the eligibility regarding disability, age & income, following certificate should be taken on record/accompany the application being sent to NHFDC for sanction :
- a) Disability certificate issued by authorities empowered to issue such certificate in terms of Statute/Notifications/ Government Orders of Central/State/U.T Government.
 - b) Age & income certificate issued by competent authority authorized by the State Government. However, certificate issued in this regard by a Gazetted officer, Sarpanch, B.D.O., Head master/Principal of government school/college, Doctors in Government Services may also be accepted. In such cases, officials of the SCA should also verify during their field inspection that certificate given by such authorities prima-facie seem to be correct. In case where these certificates arouse doubt, the same should be verified by the competent revenue department authorities.
 - c) Caste certificate is required for statistical purposes only. Self certification whether he/she belongs to SC, ST, OBC/Minority or General category is admissible. Where there exists a column in the application form about the caste, the filling up of this column and signature/thumb impression of the beneficiary on the form may be treated as self certification about the caste.
- v) In all such cases where SCA is authorized to sanction loans, following procedure will be followed :
- a) The SCA would issue sanction order, which will contain the name of beneficiary, name of income generating activity, the amount of loan sanctioned and the main terms and conditions of the sanction. The terms and conditions of sanction would be the same as contained in the sanction letter presently being issued by NHFDC and is annexed at *Annexure-XII*.
 - b) After the sanction, the SCA would communicate the sanction to NHFDC in the format given at *Annexure-XIII* along with particulars of the beneficiaries in the prescribed performa given in *Annexure-XIV* for incorporation in the beneficiary-database of NHFDC.
 - c) The SCA would raise a demand to NHFDC for release of fund for further disbursement to beneficiaries. The SCA may also request for advance funds as per the details given in *Annexure-XV*.

- d) The fund would be released by NHFDC to SCAs after considering the status of Government Guarantee/suitable security, General Loan Agreement, sanction order, repayment & utilization status, beneficiary data etc.
- vi) The projects above Rs.10.00 lakh will be forwarded to NHFDC by SCAs duly recommended for sanction by the Project Screening Committee of NHFDC. The Project Screening Committee of NHFDC will scrutinise, appraise and approve project applications for financial assistance for the benefit of Persons with Disabilities. The details of functioning and constitution of Project Screening Committee of NHFDC is given at *Annexure-'XVI'*
- vii) An existing beneficiary of NHFDC may be extended the facility for repeat loan subject to the following conditions:
 - A) The beneficiary should fulfill the eligibility criteria of NHFDC for financial assistance as on the date of making application for repeat financial assistance.
 - B) The beneficiary should have a good repayment track record; i.e. he/she should not have defaulted the repayment of dues in respect of the earlier loan by a period of 3 months or more at any point of time.
 - C) The repeated financial assistance may be made available to the same beneficiary and for the same project / unit for the purpose of expansion / diversification of the project /unit/ scale of operations of an activity, as the case may be.
 - D) The loan for the said purposes may be sanctioned;
 - (a) by the State Channelising Agency (SCA), upto such amount so that the aggregate of loan(s) sanctioned, whether as repeated financial assistance or otherwise, in respect of an individual beneficiary, and/or an individual unit/project does not exceed
 - i) the sanctioning limits upto which sanctioning authority has been delegated to the SCA by NHFDC from time to time; and
 - ii) the sanction limits (sector wise financial limits) laid down/ specified in the lending policy of the company from time to time.
 - (b) by NHFDC upto such amount so that the aggregate of loan(s) sanctioned, whether as repeated financial assistance or otherwise, in respect of an individual beneficiary, and / or an individual unit/project does not exceed the limit stated at a(ii) above.

Here it is clarified that for extending the repeat loan it is not necessary that the loan given earlier should have been completely repaid. The point to be examined is the repayment history and current status against the dues.

Notional Allocation of NHFDC fund

- i) At the beginning of each financial year, NHFDC shall notionally allocate funds to the SCAs, in proportion to the disabled population of the State/UT and considering disbursement in preceding three years. The minimum allocation will be Rs 20.00 lakhs to any SCA. The SCAs, in turn, may make district-wise allocation in accordance with the same principle.
- ii) The status of notional allocation of fund vis-à-vis actual utilization/release of funds, as on 31st October of the financial year, shall be reviewed by NHFDC in the month of November. In case allocated funds have not been availed by any SCA, the funds earmarked for the SCA may be re-allocated to other States(s)/UT(s), where utilization of fund is satisfactory.
- iii) After notional allocation of funds to SCAs at the beginning of financial year, funds up to 50% of notional allocation may be released by NHFDC to the SCA for implementing projects under their delegated authority, as advance funds after receipt of request for release from SCA.
- iv) The balance amount shall be released, on request, on receipt of 80% utilization of 50% of Notional Allocation released earlier.
- v) The advance fund would however be released by NHFDC to SCAs after considering the status of Government Guarantee/suitable security, execution of General Loan Agreement, Repayment & Utilisation status etc.
- vi) The SCAs shall furnish utilization of these funds in the prescribed format within 90 days of release of funds.
- vii) Social Priorities

Further, the SCAs are required to endeavor to cover target groups in accordance with the priorities laid down as under:

- | | | |
|-----|-------|-----|
| (a) | Women | 50% |
| (c) | Men | 50% |

The SCAs are expected to cover the beneficiaries in such a way that persons from each type of disability are covered in proportion to their respective population in state and district level.

10. Group scheme by SCAs

- i) Based on the field requirement/assessment, SCA's may send a group proposal comprising of multiple numbers of units of similar type to NHFDC for sanction. Wherever required, indicative quotation for assets to be acquired shall form part of the proposal.
- ii) The group schemes received by NHFDC shall be placed in the Project Screening Committee meeting for consideration. Decision taken by PSC based on the past performance of the SCA, notional allocation etc. will be conveyed to SCA by issuing sanction letter/LOI to SCA.
- iii) After receiving sanction from NHFDC, the SCAs may call applications from the eligible disabled persons for suitable projects. SCAs will be advised to put in place a transparent mechanism for this.
- iv) After completing the formalities like selection of beneficiaries through transparent procedure etc, the SCA shall seek release of fund from NHFDC against the sanctioned proposal(s). The asset (make & model) should be acquired as per the choice of the selected beneficiaries.
- v) The SCA shall provide the utilization certificate within 90 days of the release of funds by NHFDC. The utilization is to be furnished by SCA as per the guidelines of scheme of advance funding i.e beneficiary particular sheet accompanied by attested copy of disability certificate.
- vi) In case of group scheme proposals where unit cost is within the delegated authority, the SCA may sanction the same at their level and seek release of funds from NHFDC.

11. Insurance Coverage –

The cost of insurance coverage of the beneficiaries should be borne under various insurance schemes implemented by Central and State Government & Insurance companies for weaker sections while the insurance cost of assets, where required, should be part of the project cost and should be funded as such.

12. Utilisation of loan -

The fund released by NHFDC is to be utilised by the SCA within 90 days from the date of issue of demand draft. 7 days grace period is allowed towards transition period of demand draft. During this period of 90 days, an interest of 2% per annum would be charged. However, applicable interest rate would be charged from the date of disbursement of loan to the beneficiary. In case, the loan amount is not utilised within 90 days, the undisbursed amount is to be returned to NHFDC immediately. Any default will attract penal interest as per para 18 (Penal interest).

13. Share of Project Cost -

The SCA is expected to contribute 5% of sanctioned project cost for project above Rs. 50,000/- as their share of the project cost (except education loan scheme). Details of NHFDC, SCA & promoter's share in project cost :

Project Cost	NHFDC Share	SCA Share	Promoter's Share
* Upto Rs. 50,000/-	100%	Nil	Nil
* Above Rs. 50000/- and upto Rs. 1 lakh	95%	5%	Nil
* Above Rs. 1.0 lakh and upto Rs.5.0 lakh	90%	5%	5%
* Above Rs. 5.0 lakh	85%	5%	10%

(except for education loan)

14. Moratorium Period -

A moratorium of three months will be available to the SCAs in repayment of principal after the expiry of utilisation period. The SCAs are expected to provide the similar moratorium to the beneficiaries.

SCAs shall have the authority to extend the moratorium period beyond three months, but upto one year (maximum) in respect of projects, the sanctioning authority of which have been delegated to them, i.e. at present projects the unit cost of which does not exceed Rs.10.00 lakh.

However, the aforesaid authority of State Channelising Agencies to increase the moratorium period upto one year as above could be exercised subject to the condition that such exercise of authority should be immediately informed to NHFDC with the detailed reasons for the same. It should also be reflected in the detailed list submitted with the utilization certificate.

The SCAs are required to use this authority judiciously in such cases only where the gestation period of the project is long. The CMD, NHFDC may withdraw the authority delegated to SCAs as above for any or all SCAs on his being satisfied about the improper exercise of the authority by any SCA in particular or by SCAs in general. The CMD, NHFDC will also be authorised to withdraw the longer moratorium given in any particular case or cases. So whenever moratorium period has been extended by the SCA, the authority of CMD, NHFDC to effect change in the moratorium period should be suitably incorporated in the agreement between the beneficiary and the SCA.

5. Repayment Period -

- a) The loan other than the education loan scheme and micro credit scheme is required to be repaid in quarterly instalments upto a maximum period of 10 years after the expiry of moratorium period. Shorter repayment is also allowed. SCAs are advised to normally keep the repayment period to 5 years or less, for all loans below Rs. 1.50 lakh.
- b) For loans under micro credit scheme, the repayment period should be 36 months or less including moratorium period.
- c) For education loan scheme, refer *Annexure-I*.

16. Security

The funds are provided to the State Channelising Agencies nominated by respective State Governments against the State Government Guarantee. In exceptional circumstances, NHFDC may consider financing the Channelising Agencies nominated by it (NHFDC) on the guarantee of the said agency with the approval of the Board. In case of persistent default, the NHFDC will be at liberty to invoke the guarantee or deduct its instalments from the future projects of the concerned agency to be financed. NHFDC may also accept Bank Guarantee or any other form of security acceptable to it for grant of loans.

17. Liquidated Damages on Defaulted Payments

Defaults in the repayment of NHFDC dues (principal as well as interest), disbursed by the SCAs to the Beneficiaries, beyond the stipulated/agreed dates of repayment shall attract further interest @ 2% p.a. over and above the normal rates of interest applicable on the dues. It would be levied on accrual basis quarterly through a separate demand. However, no interest on defaulted re-payments shall be levied if the repayment to NHFDC as at the end of preceding financial year is 90% or more.

18. Interest on Unutilized Funds

NHFDC funds not utilized by the SCAs within 90 days from the date of release by NHFDC shall attract interest as follows:

- a) The SCAs shall be exempted from levy of interest on unutilized funds if their cumulative utilization at the end of preceding financial year is 80% or more.
- b) If the cumulative utilization level as at end of preceding financial year is less than 80%, Interest on Unutilised Funds equivalent to 4% above normal applicable interest rate shall be levied on funds utilized beyond 90 days, for the entire period including aforesaid 90 days, during which the funds remained unutilized.
- c) Notwithstanding above, funds that are not utilized at all, and are returned without having been further disbursed to the Beneficiaries, shall also attract, and SCAs shall be liable to pay, a Rate of Interest, equivalent to 4% above the normal applicable rate of interest for the scheme under which the funds were disbursed, for the entire period, including the aforesaid 90 (Ninety) days, till the funds are returned to NHFDC.

19. Incentive to SCAs for Good Recovery

The SCAs fulfilling the prescribed criteria shall be eligible for an amount equivalent to **0.50 %** of the repayment made by them during the preceding financial year.

Prescribed Eligibility Criteria

- i) The SCAs should have repaid atleast 95% of NHFDC dues as on 31st March of preceding financial year.
Or
- ii) The cumulative recovery from SCAs as on 31st March of the financial year in question, should have improved by atleast 20% over that of the previous financial year subject to the condition that recovery %age of the financial year in question should be more than the average of the last 3 financial years recovery (%) or 50% (cumulative), whichever is higher.

Utilisation of Incentive Amount

- a) The incentive amount would be given to SCAs and they can decide the manner of spending of the incentive amount for development of infrastructure for recovery of NHFDC dues conforming to the following broad categories:-
 - (i) Computerization of District Offices (Hardware & Software).
 - (ii) Purchase of two wheelers (scooters/motor cycles) for the field level staff for recovery work in the district.
 - (iii) Reimbursement of conveyance/cost of petrol etc. to field staff for recovery purpose.
 - (iv) Performance incentives in the form of cash rewards to the District Office Staff for achieving recovery targets.
 - (v) Reimbursement of mobile charges for the District Office Staff involved in recovery of dues.
- b) The SCAs will furnish a detailed certificate about utilization of the incentive given by NHFDC.
- c) The scheme shall be implemented from 2010-11 onwards for the repayment due in financial year 2009-2010.

Rights of NHFDC

- (i) The incentives will be considered strictly on the basis of current year repayment status and cumulative repayment status of the SCAs.
- (ii) NHFDC may inspect the repayment records and books of accounts of the SCAs, at its discretion.

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

20. INCENTIVE SCHEME FOR HIGHER TURNOVER (NHFDC FUNDS) BY SCAs

The SCAs fulfilling the prescribed criteria shall be eligible for an incentive amount equivalent to **0.50%** of the actual disbursement (excluding refund) out of the funds released in the year on achieving the notional allocation of funds of the financial year in consideration.

ELIGIBILITY CRITERIA

- (i) The SCAs who have signed General Loan Agreement (GLA) with NHFDC.
- (ii) The recovery (cumulative) and utilization percentage of SCAs in respect of fund released during the year should be atleast 75% at the time of considering for incentive scheme i.e end of the financial year (31st March) under consideration.

UTILISATION OF INCENTIVE AMOUNT

The incentive amount would be given to SCAs and they can decide the manner of spending of the incentive amount for development of infrastructure so as to effectively manage the disbursed funds conforming to the following broad categories:-

- i) Computerization of office including District Offices (Hardware & Software).
- ii) Purchase of two wheelers (scooters/motor cycles) for the field level staff.
- iii) Reimbursement of conveyance/cost of petrol etc. to field staff.
- iv) Performance incentives in the form of cash rewards to the District Office Staff.
- v) Reimbursement of mobile charges for the District Office Staff.

The SCA needs to submit the utilization details for the incentive amount. The utilization must be as per the above set categories.

RIGHTS OF NHFDC

- The incentive will be considered strictly on the achievement over the allocated funds only excluding the refunds against the funds released in the year under consideration.
- NHFDC may inspect the records and books of accounts of the SCAs.
- In case of any dispute, decision of the CMD, NHFDC will be final & binding

21 Financial assistance to SCAs for Publicity/Awareness of NHFDC schemes

NHFDC shall reimburse expenses for publicity/awareness creation for NHFDC schemes upto an amount of Rs.50,000/- (Rupees Fifty Thousand only) per year or 0.25% of the amount disbursed by the SCAs in the immediately preceding financial year, whichever is higher. The SCA will submit the bills alongwith the copy of publicity material to NHFDC for reimbursement.

22. Printing of Application form for financial assistance -

For loans above Rs.10.00 lakh forms are provided for free distribution to the beneficiaries by NHFDC. So for all loans above Rs.10.00 lakh, SCA may use these forms or get it printed in the same performa. In respect of loan application for projects upto Rs.10.00 lakh, the SCA may devise and print own application forms.

Wherever SCA decides to print application forms itself, it is allowed to charge an amount not exceeding Rs.10/- per application form. The amount to be so charged must be printed on the face of the front page of the application form in bold letters in English/Hindi as well as vernacular language of the State/locality.

**LOAN FOR PROFESSIONAL/EDUCATIONAL/TRAINING COURSES
TO DISABLED PERSONS**

Purpose -

A term loan granted to Indian Nationals for pursuing higher education in India or abroad where admission has been secured.

Eligibility -

Any Indian Citizen with 40% or more disability.

Type of Loan - Term Loan**Eligible Courses**

All courses having employment prospects are eligible.

- Graduation courses/ Post graduation courses/ Professional courses
- Other courses approved by UGC/Government/AICTE etc.

Expenses considered for loan

- Fees payable to college/school/hostel
- Examination/Library/Laboratory fees
- Purchase of Books/Equipment/Instruments/Uniforms
- Caution Deposit/Building Fund/Refundable Deposit (maximum 10% tuition fees for the entire course)
- Travel Expenses/Passage money for studies abroad
- Purchase of computers considered necessary for completion of course
- Cost of a Two-wheeler upto Rs. 50,000/-

Any other expenses required to complete the course like study tours, project work, Assistive devices etc.

Amount of Loan

Need based finance subject to the repaying capacity of the parents/students with the following ceilings –

i)	Studies in India	-	Maximum Rs. 10.00 lacs
ii)	Studies Abroad	-	Maximum Rs. 20.00 lacs

Promoter's Contribution -

i)	Upto Rs. 4.0 lakh	-	Nil
ii)	Above Rs. 4.0 lakh for courses in India	-	5%
iii)	Above Rs. 4.0 lakh for courses abroad.	-	15%

Rate of Interest -

4% p.a.

A rebate of 0.5% on interest to women beneficiaries.

Repayment of Loan -

- i) The loan to be repaid within 7 years after commencement of repayment.
- ii) The repayment as per repayment schedule would commence one year after completion of course or 6 months after securing a job, whichever is earlier.
- iii) Interest on term loan would be charged from the date of disbursement of loan from NHFDC (grace period as per lending policy is permissible).

- iv) In the case of loan extended/to be extended by the Corporation under the scheme, simple interest shall be charged on the loan amount at the prescribed/applicable rate during the moratorium period and that the unpaid interests, if any, shall be compounded and charged at the commencement of repayment of loan at par with term loan.

The manner of charging interest as specified above shall also be made applicable to loans already sanctioned/released under the scheme notwithstanding anything to the contrary contained in the sanction letter or the scheme as the case may be.

- v) The beneficiary will submit the copy of marks-sheet after every term/semester to the SCA for further submission to NHFDC.

Procedure for Obtaining Loan -

Application in the prescribed format is to be submitted to the State Channelising Agency for sanction of loan as per the lending policy of National Handicapped Finance and Development Corporation. The interested students may also apply directly to NHFDC for education loan assistance.

Suggested Processing Fees

- No processing fee/ upfront charges
- Deposit of Rs. 5000/- for education loan for studies abroad which will be adjusted in the margin money

Minimum Security Suggested for SCA

Amount	For loans upto Rs. 10.00 lacs for Studies in India and upto Rs. 20.00 lacs for studies abroad
Upto Rs. 4 lacs	No Security
Above Rs. 4 lacs to Rs. 7.50 lacs	Collateral security in the form of suitable third party guarantee. The SCA may, at its discretion, in exceptional cases, waive third party guarantee if satisfied with the net-worth/means of parent/s who would be executing the documents as " joint borrower ".
Above Rs. 7.50 lacs.	Tangible collateral security of suitable value, along with the assignment of future income of the student for payment of installments.

All loans should be secured by parent(s)/guardian of the student borrower. In case of married person, co-obligator can be spouse or the parent(s)/ parents-in-law

<http://www.sbi.co.in/user.htm> Suggested Documentation for SCA to follow

- Completed Education Loan Application Form.
- Mark sheets of last qualifying examination
- Proof of admission scholarship, studentship etc
- Schedule of expenses for the specified course
- 2 passport size photographs
- Borrower's Bank account statement for the last six months
- Income tax assessment order, of last 2 years
- Brief statement of assets and liabilities, of the Co-borrower
- Proof of Income (i.e. Salary slips/ Form 16 etc)

MICRO CREDIT SCHEME**1. INTRODUCTION**

National Handicapped Finance and Development Corporation (NHFDC) has been set up to promote economic and development activities undertaken by Persons with Disabilities. The Corporation assists them by providing loans for self-employment and other economic ventures. The majority of disabled population is constantly in need of small loans for sustaining their existing employment, for generation of further employment as also for meeting varied personal and social needs. The poorest among the poor need loans of very small amount but their requirement is quick delivery of loan at their doorsteps. Traditionally, private money lenders have been playing this role but their intention has been to exploit the poor instead of helping them and this rather worsened plight of the poor. Over a period of time, the significance of provision of credit as an instrument of socio-economic change and development is being realised and many international and national organisations including the nationalised banks have come up to provide soft loans to the poor in order to free them from the clutches of private money lenders. However, the task is gigantic and a wide gap persists in meeting the credit needs of the poor. With this in mind, the NHFDC has decided to implement the **Micro Credit Scheme** as per details given in the following paras.

2. MAIN FEATURES OF THE SCHEME**2.1. Purpose of Loan**

Purpose of the loan is to provide financial assistance to weaker section of the disabled for starting or augmenting income generation activities. The illustrative nature of income generating activities is given below :

- i) Small business/trade
- ii) Tiny/cottage industry or service activity
- iii) Artisan activities
- iv) Agricultural and allied activities
- v) Transport sector activities.

2.2 Quantum of Loan

The maximum amount of loan shall be as under;

- i) No upper limit of loan in case the scheme is implemented by the SCA itself for further disbursement by it to PwDs.
- ii) In case of loan to NGO either through SCA or directly by NHFDC, the maximum loan amount shall be limited to Rs.10.0 lakh (Rupees Ten Lakh only). However, the NGO may be sanction repeated loan considering its previous performance, repayment record, utilization of loans etc. However, at any given time, the principal amount outstanding against the NGO will not exceed Rs. 10.0 lakh. NHFDC would provide 100% funding of the sanctioned projects.
- iii) In both cases (i) and (ii) above, the maximum amount of loan to a beneficiary will be limited to Rs.50,000/- (Rupees Fifty Thousand only).

2.3. Interest & Rebate

- i) Interest payable by the beneficiaries shall not exceed 5% per annum.
- ii) The lending rate of NHFDC to the SCA will be 2% per annum.
- iii) The interest spread of 3% may be divided between the SCA and NGO as per their mutual agreement.
- iv) In cases where the loan is directly extended by NHFDC to NGO/SHG, interest payable by the beneficiaries shall not exceed 5% per annum.
- v) A rebate of 1% per annum on interest rate will be admissible to women beneficiaries. In this case, the lending rate of NHFDC to the SCA will be 1% per annum.
- vi) In addition to (v) above, a further rebate of 0.5% per annum on interest rate will be admissible to PwDs under VH/HH/MR category.

3. Eligibility Criteria of Beneficiaries

- i) Any Indian Citizen with 40% or more disability
- ii) Age above 18 years.
- iii) The borrowers already covered under any other scheme of financing sponsored by Central or State Government or financing institutions and having outstanding loans against their names shall not be eligible.
- iv) The borrowers should preferably be regular member of Thrift and Credit Group (Self Help Group).
- v) Preference will be given to women beneficiaries.
- vi) Relevant educational/ technical/ vocational qualification, experience and background.

4. Eligibility Requirement of NGO

- i) The applicant NGO should have been registered for at least three years and it should have good reputation.
- ii) An NGO intending to implement Micro Credit Scheme should have the objective of serving the social and economic needs of the weaker sections or the Persons with Disabilities.
- iii) 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.
- iv) Its office bearers should not be elected members of any political party.
- v) 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.
- vi) 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.

5. Security

- i) Fund under Micro Credit Scheme will be released only to those SCAs who have executed the General Loan Agreement and provided adequate Block Government Guarantee.
- ii) The SCA will be free to decide on the security from the NGO implementing the scheme through it.
- iii) Where the loan is extended by NHFDC directly to the NGO, it would be required to deposit an amount equal to 30% of the total sanctioned amount pledged as FDR or Bank Guarantee for 30% of loan amount.

6. Financing Patterns

NHFDC would provide 100% of the project cost.

7. Utilisation of Loan and Refund of Un-utilised Loan

- i) The SCAs to which funds have been sanctioned can make the drawal of funds as per requirement within the credit limit sanctioned, which generally will be for one year.
- ii) The first drawal will be made not later than one month from the date of sanction unless the limit is extended by the NHFDC. If the lending operations are not so commenced, NHFDC will be at liberty to cancel the sanction or vary any of the terms and conditions.
- iii) Funds made available to an SCA under the scheme are to be utilised within a period of 90 days from the date of release of funds. The SCA will be required to submit the utilisation of funds in the prescribed format. The funds remaining unutilised due to any reason, will be required to be refunded within a fortnight on expiry of utilisation period indicated in the sanction letter.
- iv) Unutilised funds, if not refunded to NHFDC within due date, the same shall be charged with penal interest as prescribed at clause 18 of the lending policy.
- v) Where loan under the scheme is extended by NHFDC directly to the NGO/SHG, the same is to be utilised within a period of 30 days from the date of release of funds. Utilisation report be furnished with NHFDC in the prescribed format immediately thereafter.

Funds remaining unutilized due to any reason, will be required to be refunded within a fortnight on expiry of utilisation period (30 days as stated above).

Penal interest will be charged as under, in the event of failure to refund unutilized funds, beyond the due date of refund as stated above:

- i) 3% p.a. over and above the normal rate of interest will be charged for first 30 days of default.
- ii) Thereafter, the unutilized amount shall carry additional penal interest @ 2% per annum till the date of refund.

8. Repayment

Term loans drawn from NHFDC will be required to be repaid within a period of 36 months in quarterly installments. The installments of term loan and interest shall be repayable to NHFDC on 30th June, 30th September, 31st December and 31st March every year or on such other dates as agreed to by NHFDC. Six days grace period will be admissible for payment of any installment to NHFDC.

9. Liquidated Damages

Defaults in the repayment of NHFDC dues (principal as well as interest) shall attract liquidated damages as prescribed at clause 17 of the lending policy.

10. Grant for promotion/training

A grant of Rs. 2,000/- for every block of loan amount of Rs. 1.0 lakh, will also be provided by NHFDC to the NGO for training, orientation/ motivation of the beneficiaries, capacity building and organizing SHGs, awareness creation and administrative expenses. There will be no ceiling of the amount of grant to an NGO.

11. Books of Accounts/Inspections

The SCAs/NGOs shall maintain separate accounts in respect of the funds provided by NHFDC. The SCAs should also inspect the beneficiaries of the NHFDC under Micro Credit Scheme and submit the quarterly progress report. Any other information required will also to be submitted as and when requested.

12. Procedure for Obtaining Loan

Under the Micro Credit Scheme, following procedure shall be followed:

- A) In the event of NGO/SHG intending to implement MCS through the SCA; the following process shall follow:
- i) Application shall be made by the NGO to the respective SCA (State Channelising Agency) in which it is situated, in prescribed application form alongwith all relevant details & documents.
 - ii) SCA shall be scrutinize the application and verify credentials of NGO in order to satisfy itself regarding the suitability of the NGO for implementation of the Scheme.
 - iii) The SCA may sanction loan upto Rs. 2.0 lakh to an NGO for further financing to Self-Help Group (SHGs) of disabled persons or beneficiaries.
 - v) Application of an NGO for loan amounting to more than Rs. 2.0 lakh (Rupees Two Lakh only) will be scrutinized by the SCA and forwarded to NHFDC for sanction with due recommendation and credential verification report of the NGO.
- B) In case where the NGO submits application for financial assistance under the scheme directly to NHFDC, the following process shall follow:
- i) Credentials of the NGO would be verified in such manner as CMD,NHFDC may think fit.
 - ii) Suitability of the NGO for implementation of Micro Credit Scheme shall be examined and the decision of CMD,NHFDC in this regard shall be final.
 - iii) In case loan assistance is sanctioned to the NGO, no amount shall be released to it unless the NGO accepted the terms & conditions of sanction and convey the same to NHFDC.

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

- vii) 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.
- viii) An NGO intending to implement Scheme should have the objective of serving the social and economic needs of the Persons with Disabilities.
- ix) It should have be engaged in some production activities
- x) 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.
- xi) Its office bearers should not be elected members of any political party.
- xii) 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.
- xiii) 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.
- xiv) 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

SCHEME FOR FINANCIAL ASSISTANCE TO PARENTS ASSOCIATION FOR MENTALLY RETARDED PERSONS.

1. Purpose -

Purpose of the scheme is to provide loan to parents associations of mentally retarded persons to set up an income generating activity for the benefit of the mentally retarded persons. The nature of income generating activity will be such that it involves the mentally retarded persons directly and income will be distributed among the mentally retarded persons. The income generating activity will be managed by the parents association, which is expected to render its services voluntarily.

2. Eligibility -

- a) The parents association should be registered for at least 3 years.
- b) It should have a minimum membership of 5 parents.
- c) It should not be a financial defaulter of central government, state government, any financial institution in the public sector, banks etc.

3. Quantum of Loan -

Quantum of loan to each NGO is limited to Rs. 5.00 lakh. The share of the NGO will be 5% of the project cost. The loan will be used by the NGO to implement a single or multiple activity project in which the maximum possible participation of the beneficiaries may be ensured.

4. Rate of Interest -

The interest on the loan amount will be charged as per following :

- i) Less than Rs. 50,000/- - 4.5% p.a.
- ii) Above Rs. 50,000/- and upto Rs. 5.0 lakh. - 5.5% p.a.

5. Repayment Period -

The loan amount including interest will be repaid within 10 years in equal quarterly instalments.

6. Penal Interest –

Penal interest as per clause 17 of the lending policy would be charged for delay in the repayment of instalment. The repayment instalment should reach by demand draft to the office of National Handicapped Finance and Development Corporation within 3 days of the repayment falling due.

7. Utilisation of Loan –

The loan should be utilised for the purpose for which it has been sanctioned and utilisation certificate in this respect is to be given by the NGO within 3 months of drawal of fund from National Handicapped Finance and Development Corporation or within the time stipulated by the corporation in each case. If at any stage it is established that either full or part of the loan is utilised for any other purpose, the organisation would be liable to repay the entire loan in one lumpsum alongwith interest.

Unutilized funds shall attract interest as per clause 18 of the lending policy.

8. Security –

25% of the total sanctioned amount in the form of FDR pledged as security to NHFDC or 40% of the amount as collateral security.

9. Insurance Cover –

Adequate insurance cover may be obtained in respect of assets acquired by the NGO out of the loan advanced by National Handicapped Finance and Development Corporation. The premium of insurance will be paid by the NGO.

10. Procedure for Obtaining Loan –

The loan application under the scheme will be submitted to National Handicapped Finance and Development Corporation directly by the NGO. However, the NGO should get a resolution passed by its managing committee/ board of trustee to this effect. Proof of this should be submitted alongwith the application.

11. Maintenance of Accounts and Report -

The parents association will open a separate bank account in respect of loan advanced by NHFDC and accounts will be maintained separately. A quarterly report of income and expenditure will be sent to NHFDC.

12. Management of the Project –

The income generating activity for which loan is advanced by NHFDC will be managed by such office bearers of the parents association who are parents of mentally retarded children. It will hold at least one meeting in a quarter to review the implementation and progress of the project. A representative of NHFDC will also be attending such meeting to review the implementation of the project.

**SCHEME FOR FINANCIAL ASSISTANCE FOR SKILL &
ENTREPRENEURIAL DEVELOPMENT**

1. Objective -

The objective of the scheme is to provide training to the disabled persons to make them capable and self-dependent through proper technical training in the field of traditional and technical occupations and entrepreneurship. Financial assistance in the form of grant is provided for conducting/sponsoring the training :

- Through the State Channelising Agencies, where the training is sponsored by such Agency
- Through the Bank implementing NHFDC schemes, where the training is sponsored by such bank
- Through the training institute/ organisation, where the training is conducted by NHFDC by hiring the services of reputed national/state level institution directly.

2. Scope -

The scope of the scheme is limited to -

- i) beneficiaries who have received loan from NHFDC through the SCA/Bank implementing NHFDC schemes and are successfully pursuing their income generating activity.
- ii) beneficiaries who have been sanctioned loan and are awaiting to receive loan.
- iii) potential beneficiaries who wish to avail loan from NHFDC and fulfill the eligibility criteria for availing loan.

3. Eligibility -

The beneficiaries should be in the **age group of 15-50 years** and fulfill the other eligibility criteria for availing loan from NHFDC.

4. Duration of Training -

Upto 12 (twelve) months.

5. Amount of Grant -

- i) 100% of the total recurring cost of the training programme is provided by NHFDC.
- ii) Stipend - The recurring training cost shall include a stipend of Rs. 500/- per week per trainee i.e Rs 2000/- per month to the trainee to cover the cost of transportation and other incidental expenses. The training institute/SCA shall release the stipend in favour of the trainee through A/c payee cheque only.

6. Procedure for Obtaining Financial Assistance -

The training proposal is to be submitted to National Handicapped Finance and Development Corporation by the State Channelising Agency/Bank implementing NHFDC schemes; wherever, such agencies sponsor the training. Reputed National/State level training organisations may also directly approach NHFDC with their training proposal. The training proposal is to be prepared in accordance with the guidelines for preparation of training proposal under the scheme.

7. Training Institute –Information/ Documents to be furnished

A) Training through Government training Institutes:

In the case of training proposal envisages the training to be conducted by Government Training Institutes like Industrial Training Institute (I.T.I.), Polytechnic, Engineering College, Agriculture University, National Institute for Entrepreneurialship and Small Business Development etc., brief details about such organisation and training facilities available with them should be furnished to NHFDC.

B) Training through reputed Private training Institutes:

If the training proposal envisages involving reputed private training institutes; profile of the institute, its past record particularly training conducted for the disadvantaged section of the society etc. should be submitted to NHFDC. For conducting training for visually and speech & hearing impaired, the facilities of the institute should be examined and indicated in the training proposal.

Provided that the conditions at (A) and (B) above shall not apply, where NHFDC directly hire the services of the training institutes for conducting the training.

8. Inclusive Training:

Persons with Disabilities can also be included in regular batches of scheduled training alongwith non-disabled persons. In such cases, the number of Persons with Disabilities and the nature of their disability should be clearly indicated.

Guidelines for submission of application under the Scheme for Financial Assistance for Skill & Entrepreneurial Development

1. Proposal for Training

Proposal for imparting training to Persons with Disabilities under “Financial Assistance for Skill & Entrepreneurial Development” Scheme may be made by:

- a) Reputed National / State level training institutes.
- b) The State Channelising Agencies implementing NHFDC schemes for the benefit of Persons with Disabilities.
- c) Banks implementing NHFDC schemes for the benefit of Persons with Disabilities.

2. Identifying the Trade/Training Institute

Trade in which training is to be imparted needs to be carefully identified. Where, the training proposal is made by (b) and (c) above, the trade is to be identified in consultation with training institute. The identified trade should have potential for employment / self employment for Persons with Disabilities.

An awareness and motivation programme may be conducted in the locality where the training is to be organized in order to draw adequate number of Persons with Disabilities.

3. Proposal for conducting training

Proposal for conducting the training may be furnished with NHFDC in the prescribed form - **A** & **B** duly filled in.

4. Sanction of proposal

Information is to be furnished to NHFDC in the prescribed proforma enclosed herewith. NHFDC would consider the same and intimate regarding the sanction/rejection of the proposal. The training programme should start only after formal sanction of NHFDC is conveyed.

The training programme should commence only after obtaining formal sanction from NHFDC. The programme should commence within 3 (three) months from the date of issue of sanction letter. In the event of non-commencement of training within the aforesaid period, the sanction shall expire and in such a case, renewal thereof from NHFDC would be essential before commencing the training.

5. Release of financial assistance

- i) 50% of Financial Assistance sanctioned shall be released as advance by NHFDC to the proposer on receipt of the following documents (certified /signed by the proposer):
 - List of trainees (As per Annexure-C)
 - Minutes/proceedings of Selection committee (for selection of trainees)
 - Copy of the advertisement (certified under the signature of CEO / Head /Course Co-ordinator of the Training Institute/M.D.of the SCA)
 - Acceptance of terms & conditions of sanction

- ii) The balance amount of 50% of the sanctioned amount shall be released after completion of training and subject to furnishing of the following:
 - a) Copy of attendance records
 - b) Copy of certificates issued on successful completion of training
 - c) Details of expenditure incurred on the training programme (head wise) duly certified by Chartered Accountant in practice and counter-signed by CEO/Head/ Course co-coordinator of the Training institute/Proposer.
 - d) Copy of money receipts against stipend amount paid to trainees. [Please furnish the certified copies (certified by the CEO/Head/ Course co-coordinator of the Training institute/Proposer) of receipts against stipend paid.

5. Inspection

Representative of NHFDC shall have the right to inspect, be present during the training.

Notes:

1. In case of no. of trainees attending the training is lesser than the no. of trainees for which sanction has been accorded, then the amount proportionate in respect of such lesser number (Sanctioned number less no. of trainees attending), should be refunded to NHFDC within 15 days from the date of commencement of training.
2. NHFDC reserves the right to withhold the payment of the balance amount and wherever deemed appropriate demand refund of the first installment advanced, if the proposer has been found to have misled by submitting incorrect information or deliberately suppressing relevant information.

**Financial Assistance for Skill & Entrepreneurial Development
(Separate Form is required to be filled for each Course)**

1.	Trade		
2.	Duration (give details)	No. of days/weeks/ Hours:	
		Hours of Trg. Per day	
3.(i)	Course contents/coverage (Attach separate sheets, if necessary)	Theory	Practical
(ii)	Minimum educational technical qualification for the trainee		
(iii)	No. of trainees		
4. (i)	Post-training benefits/advantages to the trainee	(Attach separate sheets, if necessary)	
(ii)	If certificate is issued after successful completion of training	Yes	No
(iii)	If placement facility is offered after training	Yes	No
(iv)	If the trainees are charged for placement facility	Yes	No
	If yes, then specify the amount		
(v)	If any amount is proposed to be collected from the trainee in any manner, then the same should be specified	Yes	No
	If yes, then specify the amount and purpose		

About the training programme

5.(i)	If the training is proposed to be conducted exclusively for Persons with Disabilities fulfilling the NHFDC criteria?	Yes		No
5(ii).	If the training is proposed to be conducted as inclusive training (please refer para-8 of the scheme)	Yes		No
5(iii).	In case of inclusive training, please specify the following :			
	How the integrated training can help Persons with Disabilities?			
	What measures are proposed to be taken to ensure effective communication and imparting of training to Persons with Disabilities			
	Fee structure for general trainees			

Form 'A' contd..

6.	Recognition		
(i)	If the proposed training programme is recognized	Yes	No
	If yes, then please state the name of the recognizing authority		
7.	Venue of training (give complete address)		
8.	If residential/hostel facilities are to be provided to the trainees during training period	Yes	No
		If yes, please provide details of such facility.	
9.	Mode of identifying trainees	It is suggested that the mode of identifying trainees should be clearly specified. The process should be transparent and logical. The trainees should fulfill the eligibility criteria prescribed for availing the loan from NHFDC.	
10.	Name, address & contact no. of course co-ordinator	Office:	Resi.:
11.	Fixed cost (please specify) – Not to be borne by NHFDC		
Sl	Particulars	Amt. in Rs.	
	Separate sheets may be attached as annexure, if required.		
	Total		
12.	Variable cost (Please Specify) –Separate sheets may be attached, if required.		
Sl	Particulars	Amt. in Rs.	
i)	Instructor's salary/honorarium		
ii)	Cost of training material/raw material		
iii)	Tools/Kits for trainees		
iv)	Study material		
v)	Stipend		
vi)	Transportation		
vii)	Course fees		
viii)	Advertisement exp.(please note that the name of NHFDC is to be stated as principal sponsor of training programme.)		
ix)	Any other expenditure (Please Specify)		
	Total		
	Total cost (11+12)		

Undertaking :

I, _____ (name, designation) of _____ (name of the proposer organization) do hereby undertake that:

- i) Financial assistance sanctioned/to be sanctioned by National Handicapped Finance and Development Corporation (NHFDC) would be utilised for the purpose for which the same is/to be sanctioned. If any misappropriation of the amount is found at any point of time, the entire amount will be refunded to NHFDC with penal interest @ 18% per annum notwithstanding other course of actions available to NHFDC.
- ii) That necessary arrangement shall be made for imparting training to the trainees taking into account the nature of disability. Requisite infrastructure and facility would be provided for barrier free accessibility.

Place: _____

Date: _____

Signature

(_____)

Name in full

Designation:

With official Seal

Note: In the case of a proposal submitted by State Channelising Agency, this form is required to be signed by the CEO/Managing Director of the State Channelising Agency.

Details of Training Institute

1.	Name of the training institute	:	
2.	Address of the regd. Office	:	
3.	Telephone No. & Fax No.	:	
4	Website	:	
5.	E. Mail	:	
6.(i)	CEO/Head of the training institute	:	
(ii)	Phone	:	
(iii)	Mobile	:	
7.(i)	Total no. of staff	:	
(ii)	Technical	:	
(iii)	Non-technical	:	
8.(i)	Year of establishment	:	
(ii)	Years' exp. in imparting training	:	
(iii)	Infrastructure (give details of facilities available) Attach separate sheets, if required		
(iv)	Any other facilities available (Give Details) Attach separate sheets, if required		
9.(i)	Training imparted in the last three years		
Sl.	Financial year		No. of trg. programmes No. of trainees
I.		:	
II.		:	
III.		:	
10.	Trades in which the organization specialises in imparting training (Give details)		
11.	If the organisation has trained Persons with Disabilities in the past	:	Yes No
	If Yes, then please furnish the following details as under:		
(i)	Trade in which training was imparted	:	
(ii)	Whether inclusive / special training	:	
(iii)	If inclusive training, then please state	:	
(iv)	Total trainees in the batch	:	
(v)	No. of Persons with Disabilities trained	:	
(vi)	Category wise break-up of Persons with Disabilities trained in last 3 Years		
	OH		SPEECH & HH VH MR

Please find enclosed herewith certified copy of :

- i) the latest annual report and
- ii) the Memorandum & Articles of Association/Bye-laws/Certificate of registration

I am to certify that the above information are true and correct to the best of my information and knowledge.

Place :

Date :

Signature of CEO/Head of
Training Institute

(Name in Block Letters)
Designation with Official Seal

Form 'C'

Particulars of trainees

Sl. No.	Name & address	Educational / technical qualification	Category (SC/ ST/ OBC/ Minorities/ General)	Annual income	Male/ Female (M/F)	NHFDC beneficiary or not Y/N	Disability category OH/Sp. & HH/ VH/MR	% of Disability	Age	Present occupation (if any)	Remarks

Note : Please attach attested copy of disability certificate of each trainee.

**NHFDC LOAN SCHEME FOR VOCATIONAL EDUCATION AND
TRAINING FOR PwDs**

OBJECTIVE

The scheme aims at providing financial support to those eligible PwDs who, have the minimum educational qualification, as required by the institution / organization running the vocational education or Training course eligible under the scheme .

Implementation of the scheme

The scheme will be implemented through State Channelizing Agencies of NHFDC and the Banks, RRBs and other institution with whom NHFDC has signed an agreement.

ELIGIBILITY CRITERIA OF PwD

As per the criteria of Education Loan scheme of NHFDC

Courses Eligible

Vocational / Skill development courses of duration from 2 months to 3 years run or supported by a Ministry/Dept./Organisation of the Govt. or a company/society/organization supported by National Skill Development Corporation or State Skill Missions / State Skill Corporations, preferably leading to a certificate/diploma/degree, etc. issued by a Govt. organization or an organization recognized /authorized by the Govt. to do so. State Level Bankers Committee (SLBC)/State Level Coordination Committee (SLCC) may add other skill development courses/programmes, having good employability.

Minimum Age

18 years as on the date of application

QUANTUM OF FINANCE

Need based finance to meet expenses of upto Rs 2.00 lakhs.

EXPENSES CONSIDERED FOR LOAN

- Tuition / course fee .
- Examination / Library / Laboratory fee
- Caution deposit
- Purchase of books, equipments and instruments
- Any other reasonable expenditure found necessary for completion of the course.
- Boarding Lodging
- Necessary aids and appliances required for completion of course, on need basis.

MARGIN : Nil

RATE OF INTEREST : As per education loan scheme of NHFDC.

PROCESSING CHARGES : Nil

SECURITY

No collateral or third party guarantee will be taken. However, the parent will execute loan document alongwith the student borrower as joint borrower.

MORATORIUM PERIOD

Upon completion of the course, repayment will start after a moratorium period as indicated below :

- For courses of duration upto 1 year - 6 months from the completion of the course
- For courses of duration above 1 yearn - 12 months from the completion of the course.

REPAYMENT : upto 7 years after commencement of the repayment

INSURANCE : Optional at the requirement of the borrower.

PREPAYMENT

The borrower can repay the loan any time after commencement of repayment without having to pay any prepayment charges.

OTHER TERMS & CONDITIONS

Other terms and conditions as applicable to the NHFDC Educational Loan Scheme for pursuing higher education in India & Abroad” will be applicable to this scheme also.

Scheme For Disabled Young Professional**Objective :**

This scheme is for professionally educated unemployed disabled youth. In order to inculcate the spirit of self-confidence among such disabled youths through self-employment and utilise their wisdom & experience gained through professional training & education, the Corporation provide loan at the rate of 4-8% p.a. to professionally educated / trained disabled youths.

Eligibility :

1. Any Indian Citizen with 40% or more disability.
2. Age between 18 and 45 years
3. Should have obtained a professional degree from recognized Institute.
4. The activity proposed should be directly relevant to the professional degree of the applicant

Maximum Limit of Loan :

The maximum loan limit is Rs. 25.0 Lakh.

Pattern of Finance :

- | | | | |
|------|--------------------------|---|----------|
| i) | NHFDC Loan | : | upto 85% |
| ii) | SCA Loan share | : | 5% |
| iii) | Beneficiary contribution | : | upto 10% |

Rate of interest :

- | | | | |
|------|---|---|---------|
| i) | Upto Rs. 50,000/- | - | 5% p.a. |
| ii) | Above Rs. 50,000/- and upto Rs. 5.0 lakh | - | 6% p.a. |
| iii) | Above Rs. 5.0 lakh and upto Rs. 15.0 lakh | - | 7% p.a. |
| iv) | Above Rs. 15.0 lakh | - | 8% p.a. |

Rebate : a) A rebate of 1% p.a. on interest for disabled young women professional.
b) A special rebate of 0.5% is also available for PwDs under VH/HH/MR category.

Repayment Period – The loan is to be repaid within 10 years (including moratorium period).

Working Capital :- NHFDC will consider a working capital margin of up to 30% of the estimated requirement.

Illustrative list:-

Doctor; Architect; Engineer including Software/Hardware/Automobile; Advocate ; Chartered Accountant/ Cost Accountant; Hotel Management, Geriatric Home Care; Publicity & Advertisement; Service & Maintenance of Building : Security Guard Agency; Coaching Centres for Competitive Examination , Culture and Tourism Development ; Printing Press/DTP/Graphics etc.; Fashion Designing/Boutiques; Textile Designing; Ornamental / Sculpture; Value addition in traditional Art & Craft etc.

The above list is only illustrative and not exhaustive. The eligible youth may get financial assistance for any other technically feasible and financially viable project.

It is expected that such professionally managed ventures will create equal number of wage employment opportunities for skilled /semi-skilled workers and add to the wealth of the nation.

The youth who have already obtained loan assistance pursuing higher professionals education may also be considered for providing additional loan establish self-employment income generating ventures, however, the loan limit should not exceed Rs.25.00 Lakh per beneficiary including education loan.

SCHEME OF FINANCING ASSISTIVE DEVICES TO ENHANCE THE EMPLOYABILITY OR INCREASED OPPORTUNITY OF SELF EMPLOYMENT OF PERSONS WITH DISABILITY

Purpose –

- i) NHFDC provides financial assistance in the form of loan to the target group for purchase of assistive devices like screen reader, motorized tricycle, scooty, hearing aid etc. to enhance their employability/improve the prospects of self employment.
- ii) Cost of retrofitting/conversion of available machine, equipment, vehicles etc. to disable friendly mode, their adaptation and use by PwDs may also be included in the cost for financial assistance by NHFDC.”

Objective-

The main objective of the Scheme is to assist the needy disabled persons by providing concessional loan for procuring durable, reliable and scientifically manufactured, modern, standard aids and appliances that may enhance their prospects of taking up self employment/ employability. The aids and appliances purchased under the Scheme must be ISI marked or has equivalent certification of quality.

Types of Aids/Appliances to be Financed –Category-wise indicative list enclosed

Eligibility –

- Any Indian Citizen with 40% or more disability.
- Age above 18 years.
- Should be either working in an organization of repute or have got confirmed appointment letter. The Head of Organization should certify that purposed assistive device will improve his/her employability and the same is not made available by the organization. For self employment, the assessment of need of assistive device will be made by the authority (SCA/RRB etc.) scrutinizing the application and shall recommend the same.

Amount of Loan -

Loan up to Rs.5.00 lakh
(Loan amount shall be determined depending on the repaying capacity of the borrower within the repayment period.)

Rate of Interest -

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

Note: a) A rebate of 1% on interest is given to women beneficiaries under scheme.
b) A special rebate of 0.5% is also available for PwDs under VH/HH/MR category.

Repayment of Loan – The loan is to be repaid within 10 years

Procedure for Obtaining Loan –

Application in the prescribed format is to be submitted to the State Channelizing Agency on RRB or such agency as nominated by NHFDC for sanction of loan as per procedure laid down in the lending policy of National Handicapped Finance and Development Corporation.

Other terms & conditions of loan under the scheme shall be as per the lending policy of NHFDC for self employment

RIGHTS OF NHFDC

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

SCHEME OF FINANCING CONSTRUCTION OF COMMERCIAL/BUSINESS PREMISES FOR STARTING SELF EMPLOYMENT ACTIVITY TO PERSONS WITH DISABILITY

Purpose -

To provide financial assistance in form of loan to the target group for construction of Commercial/Business premises on own loan/long terms lease for starting self employment activity.

Objective-

The main objective of the Scheme is to assist the needy disabled persons by providing composite concessional loan for construction of Commercial/Business premises and starting self employment activity. The Commercial/Business premises constructed under the Scheme must be approved by concerned department i.e. Development Authority or Urban Improvement Trust etc.

Financed to be provided for :-

For construction of Commercial/Business premises and for starting self-employment activity.

Eligibility -

- i) As per NHFDC norms for self-employment loan.
- ii) Land on which construction of Commercial/Business premises is proposed should be owned by applicant or it is on long term lease of above 20 years from Government authority. As on date of application to NHFDC the lease period remain should be 20 year.

Amount of Loan -

Loan up to Rs.3.00 lakh

(Loan amount shall be determined depending on the repaying capacity of the borrower within the repayment period.)

Rate of Interest -

Loan Amount	To be paid by SCAs to NHFDC	To be paid by beneficiaries to SCAs
i) Upto Rs. 50,000/-	2%	5%
ii) Above Rs. 50,000/- and upto Rs. 3.0 lakh	3%	6%

Note: A rebate of on interest is given to beneficiaries under scheme, as per prevailing NHFDC norms.

Repayment of Loan -

The loan is to be repaid within 10 years

Procedure for Obtaining Loan –

Application in the prescribed format is to be submitted 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 of National Handicapped Finance and Development Corporation.

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

RIGHTS OF NHFDC

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

**SCHEME FOR PROVIDING HANDHOLDING SUPPORT TO DISABLED
ENTREPRENEURS THROUGH ‘VISHESH UDYAMI MITRAS**

Purpose –

To provide handholding support to needy PwDs for availing concessional credit under NHFDC schemes for starting self employment ventures.

Objective-

The main objective of the Scheme is to provide assistance to the needy disabled persons in form of information, support, guidance for procedural/documentation formalities required for availing concessional credit under NHFDC schemes through SCAs/RRBs by various Institutions/Agencies individuals i.e. '**Vishesh Udyami Mitras**' for setting up and running of the enterprise.

Eligibility for registration of “Vishesh Udyami Mitras”-

Under the Scheme, financial assistance would be provided to the selected Vishesh Udyami Mitras for rendering assistance and handholding support to the eligible and potential disabled entrepreneurs. Following agencies/ organizations individuals can be appointed as the Vishesh Udyami Mitra:

- i. Existing national level Entrepreneurship Development Institutions (EDIs) like NEISBUD etc.
- ii. Insurance agents, banking agents of PSBs/RRBs working for financial inclusion and agents of post offices.
- iii. Other organizations/training institutions/NGOs etc. approved by CMD, NHFDC.

Role and Responsibilities of Vishesh Udyami Mitras

The selected Vishesh Udyami Mitras would be expected to help in:

- a) Identification of potential eligible PwDs interested to take up self employment ventures.
- b) Identification of suitable project/product/enterprise and preparation of bankable project report for the same; and filling of loan application for accessing concessional credit under NHFDC scheme through SCAs/RRBs/etc. of NHFDC
- c) Provide guidance to PwDs entrepreneurs regarding various registrations/licenses/ clearances / No Objection Certificates related to chosen business activity.
- d) Once the enterprise has been successfully set up, the Udyami Mitras would also monitor and follow up on the functioning of the enterprise and provide help in overcoming various managerial, financial and operational problems.

Empanelment of “Vishesh Udyami Mitras”

Institutions/Agencies i.e. 'Vishesh Udyami Mitras' have to register with NHFDC through RRBs/SCAs.

Financial Assistance to “Vishesh Udyami Mitras”

Rates of financial assistance to be given by NHFDC to Vishesh Udyami Mitras

- | | | |
|-------|---|-----------------------------|
| (i) | For loan upto Rs.1.0 lakh | : Rs.500/-per case/project |
| (ii) | For loan above Rs.1.0 lakh and upto Rs 5.0 lakh | : Rs.750/- per case/project |
| (iii) | For loan above Rs 5.0 lakh | : Rs1000/-per case/project |

Procedure for releasing Financial Assistance to “Vishesh Udyami Mitras”

- Services Charges for services rendered by 'Vishesh Udyami Mitras' will be released to SCA/RRBs on submission of duly certified claims/bills with recommendation of SCA/RRBs of concerned state.
- The above service charges will be released by NHFDC after receipt of proof of release of loan to the disabled beneficiary by the SCA/RRBs etc.
- In case the proposal is sanctioned/released by SCA/RRB etc. under their delegated authority, service charge will be released by NHFDC after receiving claim of the registered “*Vishesh Udyami Mitras*” from the respective SCA/RRB etc and the utilization details of the disabled beneficiary.

RIGHTS OF NHFDC

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

SCHEME FOR PROVIDING HANDHOLDING SUPPORT TO DIFFERENTLY ABLE PERSONS FOR AVAILING SKILL TRAINING/SKILL UPGRADATION THROUGH 'VISHESH PRASHIKSHAN MITRAS'

Purpose –

To provide handholding support to needy Persons with Disabilities (PwDs) for availing skill training/skill upgradation under NHFDCs EDP scheme.

Objective-

The main objective of the Scheme is to provide assistance to the needy disabled persons in form of information, support, guidance for procedural/documentation formalities required for getting admission for availing vocational/skill training under NHFDC schemes through SCAs/ Banks implementing NHFDC schemes/ reputed national/state level institution directly by various Institutions/Agencies, individuals i.e. 'Vishesh Prashikshan Mitras' for getting vocational/skill training.

Eligibility for registration of “Vishesh Prashikshan Mitras”

Under the Scheme, financial assistance would be provided to the selected Vishesh Prashikshan Mitras for rendering assistance and handholding support to the eligible and potential disabled persons. Following agencies/ organizations individuals can be appointed as the Vishesh Prashikshan Mitra:-

- i. Existing national level Entrepreneurship Development Institutions (EDIs) like NEISBUD etc.
- ii. Insurance agents, banking agents of PSBs/RRBs working for financial inclusion and agents of post offices.
- iii. Other organizations/training institutions/NGOs etc. approved by CMD, NHFDC.

Role and Responsibilities of Vishesh Prashikshan Mitras

The selected Vishesh Prashikshan Mitras would be expected to help in:

Identification of potential eligible PwDs interested to take vocational/skill training under NHFDCs EDP scheme

- 1) Identification of suitable training trade matching educational & experience background & disability constraints of the person and to provide guidance in filling up of the admission form of the training institute.
- 2) Once the skill training is successfully completed, the Vishesh Prashikshan Mitras would also motivate the beneficiary to avail concessional credit for taking up the self employment venture in skills acquired.

Empanelment of “Vishesh Prashikshan Mitras”

Institutions/Agencies i.e. 'Vishesh Prashikshan Mitras' have to register with NHFDC through RRBs/SCAs.

Financial Assistance to “Vishesh Prashikshan Mitras”

Financial assistance @ of Rs.1000 per trainee to be given by NHFDC to Vishesh Prashikshan Mitras

This financial assistance will be released as follows :

80% at the time of training completion of PwDs

Balance 20% after submitting post training tracking report of the trained PwDs for 6 months.

Procedure for releasing Financial Assistance to “Vishesh Prashikshan Mitras”

- Services Charges for services rendered by ‘Vishesh Prashikshan Mitras’ will be released to SCA/RRBs/ training institute on submission of duly certified claims/bills with recommendation of SCA/RRBs/ training institute of concerned state.
- The above service charges will be released by NHFDC after receipt of proof of admission/copy of training completion certificate of disabled beneficiary by the SCA/RRBs/training institute etc.

RIGHTS OF NHFDC

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

TERMS AND CONDITIONS OF SANCTION OF PROJECTS ABOVE RS.10.00 LAKH CONTAINED IN THE SANCTION LETTER ISSUED BY NHFDC TO THE SCAs

1. Rate of Interest payable to NHFDC will be _____ .

A rebate of 1% on interest is given to the women beneficiaries with disability. The (*name of SCA*) may charge an additional interest of 3% p.a. from the beneficiaries towards the expenses of channelising agency. The interest is payable to NHFDC Quarterly on 31st March, 30th June, 30th September & 31st December.

2. Payment of Principal & Interest

The Principal and Interest shall be repaid within ____ years (excluding moratorium period) on 31st March, 30th June, 30th September & 31st December on equal installment basis. The (*name of SCA*) shall intimate NHFDC the repayment schedule in respect of the project sanctioned before disbursement of the loan to beneficiaries.

3. There will be a moratorium of _____ months for the project.

4. If the loan amount is drawn in any month of quarter, the first installment i.e. repayment of interest part only, will fall due in the same quarter in which the loan amount was drawn. There shall be no moratorium on payment of interest.

5. The term loan being Rs. _____/-(Rupees _____ only) would be secured by the Guarantee of State Government of (*name of the State*) for the repayment of principal and interest amount. (*name of SCA*) will enter into loan agreement with the beneficiaries and execute other necessary legal document in favour of NHFDC.

6. (*name of SCA*) shall ensure that the ultimate beneficiaries of the project are well within the eligibility criteria laid down by NHFDC.

7. (*name of SCA*) shall ensure that the beneficiaries possess the experience and qualification for which the loan is being given. (*name of SCA*) shall also assist the beneficiaries in obtaining the necessary permission/assistance to purchase assets covered under the project.

8. Any cost overrun in the project shall be met by the beneficiary himself from his own resources.

9. Utilisation of Loan

- a) That borrower is free to take quotation from suitable supplier but it should be authenticated by the official of SCA that prices quoted in the quotation are fair market rates.
- b) Payments should be made directly to the supplier/manufacturer of assets.

- c) At the time of handing over the assets to the beneficiaries by the supplier, a representative of *(name of SCA)* should be present and sign of beneficiaries will be countersigned by the representative of *(name of SCA)*. Further, NHFDC reserves the right to be present at the time of handing over of the assets.
- d) That before the release of funds from NHFDC, the SCA will furnish an undertaking to NHFDC that the share of the SCA and promoter(s) contribution for the term loan is arranged and tied up.
- e) The assets purchased with the loan amount financed by *(name of SCA)* and NHFDC should have the following message on it in bold letters:

HYPOTHECATED TO *(name of SCA)* PURCHASED FROM THE FUNDS PROVIDED BY NHFDC
- f) The assets towards the project shall be insured by taking comprehensive insurance policy in the joint name of *(name of SCA)* and the owner.
- g) *(name of SCA)* will ensure that loan should be utilized for the purpose for which it has been sanctioned by NHFDC and not for any other purpose i.e. **NO DIVERSION OF FUNDS WILL BE ALLOWED WITHOUT THE PRIOR PERMISSION OF NHFDC.**
- h) SCA should ensure that beneficiary has opened bank account in which he has kept his share as well as SCA has also added its contribution before releasing the NHFDC share to the bank account.

10. MIS and follow-up :

- a) *(name of SCA)* shall be fully responsible for the implementation and monitoring of the project.
 - b) *(name of SCA)* shall furnish quarterly progress report of funds utilized for the project.
 - c) *(name of SCA)* will implement and monitor the project under a time bound schedule. *(name of SCA)* will send an estimated schedule, giving estimated date of start of project(s) and its implementation, before disbursement of loan.
11. If for any reason, funds remain idle /undisbursed with *(name of SCA)*, the *(name of SCA)* shall be responsible for repayment of installments alongwith interest due thereon as per the schedule of repayment to the NHFDC from its own resources for the period during which the funds remained idle/undisbursed *(name of SCA)* will not ask NHFDC to postpone/reschedule the repayment schedule for any reason whatsoever. In no case the burden of the repayment of the same will be passed on the beneficiaries in any manner.

12. If the loan is not disbursed to the beneficiaries within ____ days of receiving the fund from NHFDC, the interest on unutilized amount will be charged @____% p.a. over and above the normal rate of interest on term loan for next ____ days. Thereafter, the un-disbursed amount will be refunded by the (*name of SCA*) to NHFDC and additional penal interest of ____% will be charged till the date of refund.
13. ____ days grace period is allowed towards transit period of demand draft. Notwithstanding any delay (postal/otherwise) in receipt of funds by the State Channelising Agency, for all purpose it would be deemed that (*name of SCA*) has received the funds on the expiry of the transit period herein above.
14. Defaults in the repayment of NHFDC dues (principal as well as interest) shall attract liquidated damages @____% p.a. over and above the normal rate of interest.
15. Any other condition that the Managing Director of NHFDC may deem fit to stipulate during the currency of the loan.
16. The loan is sanctioned based on the assumptions of annual turnover, operational cost and the profitability envisaged in the proposals. In case it is found, at stage that facts/working or any other information on the basis of which the loan has been sanctioned &/or disbursed is false or contain incomplete/wrong information, NHFDC will revoke the loan and (*name of SCA*) shall be liable to repay the full amount alongwith the interest due and penal interest/damages as may be imposed by NHFDC in one lump sum within the stipulated period mentioned in the notice.
17. This sanction order is valid for a period of one year from the date of issue and will deemed to have been withdrawn after one year. In case SCA requests for renewal of sanction, the economic viability of the project in each case of the sanction should be clearly verified by the SCAs alongwith justification for delay in implementation. Mere request by SCA should not be construed as renewal of sanction until and unless a fresh/revised sanction is issued by NHFDC.

**FORMAT OF SANCTION ORDER (UPTO RS. 10.00 LAKH)
(on SCAs letter head)**

The Chairman-cum-Managing Director
National Handicapped Finance and Development Corporation
Red Cross Bhawan, Sector-12,
Faridabad – 121 007.

**Sub : Sanction of Term Loan of Rs. _____ (Rupees)
(Amount in figure and words) for the projects submitted by the
disabled persons of (Name of State) to (Name of SCA)**

Sir,

It is to inform you that we have accorded sanction of the Term Loan of Rs..... (Rupees) being NHFDC share for the project cost for the following project(s) to the following disabled person(s) of (name of State) :

S.No.	Project ID No. (to be filled by NHFDC)	Promoter’s name (with full address)	Project name with details	Sanctioned Project cost	NHFDC_share

TOTAL :

A copy of the sanction letter issued to the beneficiary is annexed hereto and marked as Annexure-I.

2. We confirm that :

- a) The sanction is in accordance with the lending policy guidelines and the terms and conditions advised by you to us and also contained in the General Loan Agreement dated entered into between NHFDC and (name of SCA)
- b) Before sanctioning the loan we had scrutinised the applications submitted by the beneficiaries and we have ensured that the applicants who are sanctioned loan fulfil the eligibility criteria as per the guidelines.
- c) The beneficiaries possess the experience and qualifications for which the loan is sanctioned.

3. We will ensure that :

- a) any cost over run in the project is met by the beneficiaries themselves from their own resources.

- b) the amount of the loan is utilised for the purpose for which it has been sanctioned and not for any other purpose.
 - c) the assets of the project are got insured by the beneficiary by taking comprehensive policy in the joint name of the beneficiary and (*name of SCA*).
 - d) the fund from NHFDC will be utilised within 90 days from the date of receipt and the utilisation detail will be sent to NHFDC. The unutilised amount will be refunded to NHFDC immediately.
4. We shall be fully responsible for the monitoring of the project for its implementation.
5. We will be sending the quarterly compliance report to keep you informed about the progress of the project.

Yours faithfully,

(Name & Designation)
Managing Director of SCA
& SEAL of Company

PARTICULARS OF BENEFICIARY

Paste recent
passport size
photograph.

Project Id No. : (to be filled by NHFDC)

Project Name :

Name of applicant :

Mobile no. of applicant :

Adhar Card No. :

Address :
(indicate district and state
clearly)

Date of birth & age : Annual income :
(as on date)

Disability type & percentage : Caste/category :
(enclosed attested copy of certificate)

Education/training : Sex (M/F) :

Relevant experience :

Project cost : Loan sanctioned:

NHFDC share :

Date of Release of NHFDC share to Beneficiary :

Moratorium period (month): Repayment period:

Instalment (Principal + Intr.): No. of instalments:

(Name & Designation)
Appraising Official/Managing Director of SCA
& SEAL of Company

SCHEME FOR ADVANCE FUNDING

1. Agencies

Loan may be released in advance to State Channelising Agencies /Banks (acting as implementing agencies of NHFDC) with which General Loan Agreement has been executed.

2. Amount of advance funding

Loan may be released in advance on the request of the agency upto an amount equal to notional allocation made to the agency. The notional allocation for the SCA may be reviewed and revised by NHFDC during the year based on the performance of the SCA.

- a) Release of Advance Fund: The loan may be released in advance on the request of the agency, maximum to the extent of 50% of notional allocation as First Installment and balance (upto remaining 50%) on receipt of 80% utilization details of First Installment.
- b) Social Priorities : Further, the SCAs are required to endeavor to cover target groups in accordance with the priorities laid down as under:

(a) Women 50%	(b) Men 50%
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The SCAs are expected to cover the beneficiaries in such a way that persons from each type of disability are covered in proportion to their respective population in state and district level.

3. Utilisation of advance fund

The amount of advance loaning made by NHFDC to the agency shall be utilized for extending financial assistance for the benefit of Persons with Disabilities:

- a) For financing projects falling under the delegated authority of the SCA.
- b) For financing projects that are in conformity with conditions for pre-approved projects communicated to the agency in this regard by NHFDC.
- c) For such other purpose as may be intimated by NHFDC in writing.

4. Utilisation Details

Advance loans released by NHFDC has to be utilized by the agency within a period of 90(ninety) days from the date of issue of Demand Draft. Seven (07) days grace period may also be allowed towards the transit period of the demand draft.

Details of utilisation of funds shall be communicated to NHFDC by the agency immediately.

5. Rate of Interest / Penal Interest

The following rate of interest/Penal rate of interest etc. would be charged from the agency by NHFDC in respect of Advance funding.

<u>Conditions</u>	<u>Rate of Interest</u>
a) Where funds advanced has been utilized by the SCA within the utilisation period of ninety(90) days (plus a grace period of seven(07) days for the transit period of demand draft) from the date of issue of demand draft(by NHFDC)	2 % p.a. of the advance loaning upto the date of utilisation of fund of ninety(90) days (after a grace period of seven days for the transit period of demand draft during which no interest will be payable) from the date of issue of Demand Draft whichever is earlier. From the date of utilisation of funds applicable rate of interest would be applied.
b) Where loan Advanced could not be utilized within the utilisation period and unutilised money is retained by the SCA OR The advance loan amount was utilized on a later date than the utilized period	a) The SCAs shall be exempted from levy of interest on unutilized funds if their cumulative utilization at the end of preceding financial year is 80% or more. b) If the cumulative utilization level as at end of preceding financial year is less than 80%, Interest on Unutilised Funds equivalent to 4% above normal applicable interest rate shall be levied on funds utilized beyond 90 days, for the entire period including aforesaid 90 days, during which the funds remained unutilized. c) Notwithstanding above, funds that are not utilized at all, and are returned without having been further disbursed to the Beneficiaries, shall also attract, and SCAs shall be liable to pay, a Rate of Interest, equivalent to 4% above the normal applicable rate of interest for the scheme under which the funds were disbursed, for the entire period, including the aforesaid 90 (Ninety) days, till the funds are returned to NHFDC.

6. Repayment of Loan/ Moratorium period

The loan released through Advance funding shall be repaid in twenty (20) quarterly instalments within five years. Other aspects regarding repayment of loan, moratorium period, etc. that have not been expressly stated hereinabove shall be governed in accordance with lending policy of the Corporation

7. Miscellaneous matters

Issues pertaining to implementation of this scheme, interpretation and application of the norms and matters incidental thereto shall be decided by CMD, NHFDC in the best interest of the Corporation.

FUNCTIONING OF PROJECT SCREENING COMMITTEE OF NHFDC

I. Role of the Committee:

The committee will scrutinise, appraise and approve project applications for financial assistance for the benefit of Persons with Disabilities.

II. Chairman:

Managing Director, NHFDC would be chairman of the Committee and preside over the Committee meetings.

III. Quorum:

Three members personally present shall constitute quorum of the meeting.

IV. Decisions:

The decisions of the Committee shall be taken by simple majority. In case of equality of decisions, the chairman of the meeting shall have a casting vote.

CONSTITUTION OF PROJECT SCREENING COMMITTEE OF NHFDC

Project screening committee of the Corporation may be reconstituted as follows;

- i) Chairman & Managing Director, NHFDC as Chairman of the Committee and such other members which should at-least include the followings;
- ii) One member belonging to the State Bank of India, Main Branch Faridabad
- iii) One member belonging to Institute for the Physically Handicapped.
- iv) One member belonging to the Amar Jyoti Charitable Trust, New Delhi (NGO).
- v) One member belonging to SIDBI.