



CHIEF MINISTER'S MICRO FINANCE SCHEME

" KHUDRA REEN"



IMPLEMENTING AGENCY:

ASSAM FINANCIAL CORPORATION



ASSAM FINANCIAL CORPORATION

"VITIIYA BHAWAN" MD.SHAH ROAD.
PALTANBAZAR.GUWAHATI-781008

Few words about the Scheme:

The major thrust of the scheme is “Financial inclusion”. Despite the vast expansion of the formal credit system in the country, credit facilities have not adequately covered the need of small loan of our people at the grass root level. The Chief Minister’s Micro Finance Scheme (CMMFS), “Khudra-reen” is a special initiative taken-up by the Govt. of Assam to expand micro credit activities in the State by making available micro credit to Self help Groups (SHGs)/ Joint Liability Groups (JLGs) through NBFCs, Sec-25 Companies / Registered Cooperative Thrift & Credit Societies at cheaper rate of interest.

Objective

The objective of the scheme is to encourage the practice of informal savings and credit and help inculcate the habit of borrowing and repayment amongst the small and mid-sized agriculturists, self-employed persons and entrepreneurs in the rural as well as urban areas of Assam. This would enable their productive participation in the development of the State.

Implementing agency:

The Govt. of Assam has selected Assam Financial Corporation as the implementing agency for the scheme.

Eligible Borrowers:

1.
 - I. NBFC/ Registered Co-operative Thrift & Credit Society/Sec-25 Companies having operational existence of at least 3(three) financial years in micro finance operation, as proven by audited Balance Sheets ,shall be eligible for financial assistance.
 - II. However, the eligibility criteria of 3(three) years as per Clause-I may be waived only for a period of 3(three) years for financial years w.e.f. 2011-12 to 2013-14 for newly formed NBFCs/Section-25 Companies /Cooperative Thrift & Credit Societies which were hitherto performing micro finance operation for a period of not less than 3 (three) years prior to the date of incorporation as NBFC/Section-25 Company/Cooperative Thrift & Credit Society as proven by audited Balance Sheets and provided that the asset portfolio of micro finance operation is transferred to

the newly formed NBFC/Sec-25 Company/Cooperative Thrift & Credit Society.

- III. Satisfactory rating of the NBFC/Sec-25 Company/Cooperative Thrift & Credit Society shall be obtained from reputed external rating agency where the loan applied amount is above ` 75.00 lakhs.
2. Minimum loan outstanding (Portfolio) shall not be less than ` 2.00 lakhs.
3. Operational jurisdiction of the mFIs applying for micro finance shall be within the state of Assam only.
4. There shall be no default with any funding agency for both the present organization and earlier organization from which assets transferred, if any, including that of Chief Functionary (ies)/ Directors.

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| Limit of Assistance | ` 5.00 lakhs to ` 500.00 lakhs |
| Rate of Interest to be charged | |
| By AFC from NBFCs/ Sec-25 Company/ Registered Cooperative Thrift & Credit Societies etc | 6% p.a. |
| By NBFCs/Sec-25 Company/ Registered Cooperative Thrift & Credit Societies from micro finance beneficiaries | Max;20% inclusive of all charges |
| Processing Fee | 2% of loan amount (Non refundable) plus applicable service tax. |
| Repayment Period | 24(twenty four) months commencing after one month from the date of disbursement |

Security

- a. At least 10% of the loan amount in the form of FDR;
- b. Personal Guarantee of Directors /Office Bearers etc. (In case of Section-25 Companies and NBFCs).
- c. Institutional Guarantee;
- d. A first and exclusive charge by way of hypothecation / charge of the Borrowing Concern's Book Debts arising out of on-lending operations to the SHGs/JLGs out of the Chief Minister's Micro Finance Scheme (CMMFS) fund disbursed by the Corporation.
- e) A first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets created from the own fund and the loan given by the Corporation.

SALIENT FEATURES OF THE SCHEME

For application form and other details please contact:

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Assam Financial Corporation
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