

ARTISAN CREDIT SCHEME

1. Purpose of Loan:-

To meet credit requirements of the artisans both in terms of working capital requirement & fixed capital requirement for purchase of equipment/tools/machineries.

2. Coverage:-

All artisans belonging to notified Minority communities' viz., Muslims, Christians, Sikhs, Buddhists, Jains & Parsis from all over the country are covered under the scheme. The scheme will be implemented through the respective State Channelising Agencies (SCAs) of NMDFC.

3. Eligibility:-

- a). Artisans covered under Credit Line-1 with Annual Family income of Rs.98,000 in Rural Areas & Rs.1.20 lacs in Urban areas.
- b). Preference will be given to artisans participating in Hunar Haat exhibitions organised by NMDFC under the USTTAD Scheme of Ministry of Minority Affairs.

Artisans already sponsored under other concession credit scheme of the Government will not be eligible to again avail loan under the scheme.

4. Quantum of Loan:-

Maximum Loan limit of upto Rs.10.00 lacs can be availed under the scheme.

5. Margin of SCA/Artisan:-

NMDFC shall provide 90% of the Loan amount. Balance 10% coming from the SCA/Artisan with minimum 5% coming from the artisan.

6. Moratorium Period:-

The SCAs will get 3 month time to utilise the funds from the date of disbursement of loan by NMDFC. **The artisan shall be given 6 months moratorium period for setting up of their units.** The repayment of principal by the artisan shall start in the next quarter i.e., 31st March, 30th June, 30th Sept or 31st December after the expiry of moratorium period. The artisan would however be required to repay interest for the moratorium period as well at the time of 1st instalment along with the principal amount.

7. Interest on Loan:-

Simple Interest of 5% p.a shall be chargeable on loan extended to the artisans. The EMI shall include the Principal + Interest calculated as per banking norms. There shall be 1% discount in interest rate offered to women artisan. NMDFC shall extend loan at 2% to the SCAs who in turn will extend to the artisan at 5% p.a to male artisan and 4% to female artisan.

8. **Repayment Period:-**

Loan shall be repaid by the artisan on quarterly rests over a period of 5 years after the moratorium period. The SCA shall repay the loan to NMDFC in 8 years.

9. **Security for Loan:-**

For loans upto Rs.1,00,000 Self-Guarantee & Post Dated Cheques (PDCs)

For loans exceeding
Rs.1,00,000 and upto
Rs.5,00,000- Guarantee of one employee of PSU/Govt./Bank or
one income tax payee/ Public Representative.
& Post Dated Cheques (PDCs)

For loans exceeding
Rs.5,00,000 Guarantee of two employees of Govt./PSU/Bank or
two income tax payee/ Public Representative
OR
Collateral by way of Mortgage of landed
property/Immovable Property of not less than the
same value.
&
Post Dated Cheques.

10. **Insurance:-**

The SCAs will arrange for the insurance of the artisans against death & disability through tie-up with insurance provider. The insurance shall be taken for the duration of the loan.

12. **Major Scheme Parameters:-**

S.No.	Parameters	Scheme Details
1.	Loan Amount	Up to Rs. 10.00 Lakhs
2.	Rate of Interest for artisan	5% p.a. for male artisan. 4% p.a. for women artisan
3.	Rate of Interest for SCAs	3% p.a. for male artisan 2% p.a. for women artisan
4.	Moratorium period	6 months
5.	Repayment period for artisan	5 years
6.	Repayment period for the SCAs	8 years
7.	Means of Financing; NMDFC: SCA/Artisan contribution	90:10 (with minimum 5% from artisan)
8.	Utilization Period 3 Months	3 Months