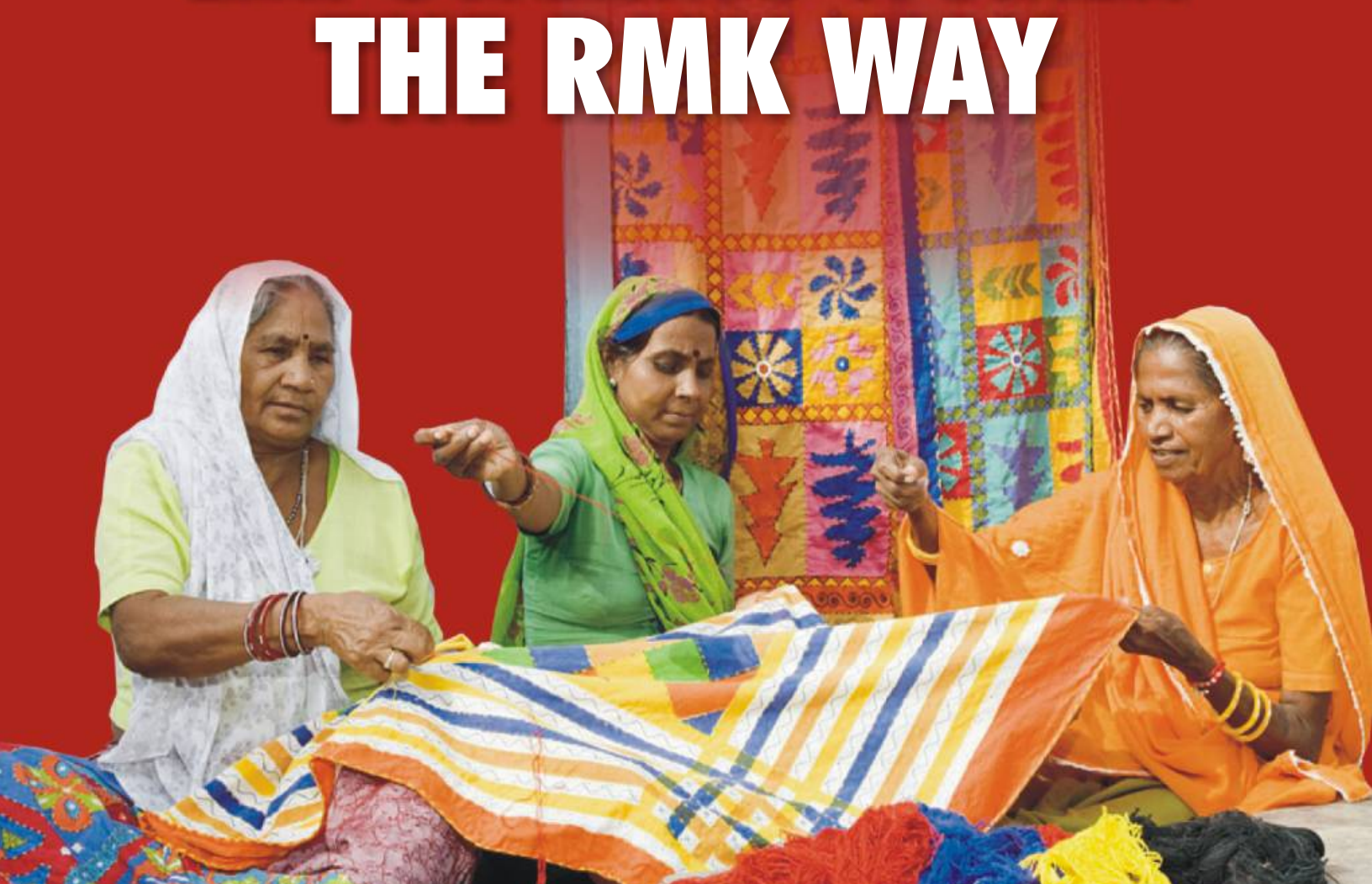


EMPOWERING WOMEN THE RMK WAY

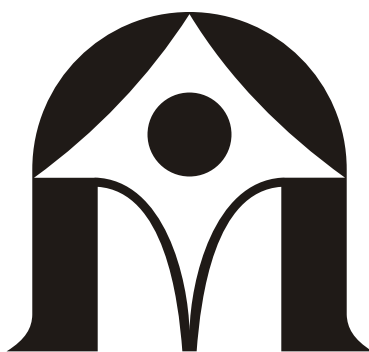


राष्ट्रीय महिला कोष
RASHTRIYA MAHILA KOSH

EMPOWERING WOMEN THE RMK WAY

Vision: *To be a financial service and capacity enhancement institution for social and economic empowerment of poor and marginalized women.*

Mission: *To be a single window facilitator for provision of financial services with backward and forward linkages for women in the unorganized sector through Intermediary Micro Finance Organizations (IMOs) and Women Groups and to augment their capacities.*



राष्ट्रीय महिला कोष
Rashtriya Mahila Kosh



सत्यमेव जयते



Towards a new dawn

कृष्णा तीरथ
Krishna Tirath

राज्य मंत्री (स्वतंत्र प्रभार)
महिला एवं बाल विकास मंत्रालय
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Minister of State (Independent Charge)
Ministry of Women & Child Development
Government of India
New Delhi - 110 001



MESSAGE

Rashtriya Mahila Kosh (RMK) has been making valuable contribution for socio-economic empowerment of women belonging to the economically weaker section of society. I congratulate Rashtriya Mahila Kosh for introducing a comprehensive Reference Manual with the objective to provide in-depth insight information about Rashtriya Mahila Kosh schemes and other relevant information which would be useful to all IMOs and other organizations.

The Reference Manual besides highlighting the different schemes of Rashtriya Mahila Kosh, can also serve as a useful guide for promoting Women's group and lead to both reporting and documentation systems which is important for success and effective implementation of any programme.

I wish RMK and the entire partner NGOs, SHGs and Women groups all the very best in their endeavour to make a valuable contribution to the nation's development through enhanced knowledge, capacity and skill level.

(Krishna Tirath)

Our Products





राष्ट्रीय महिला कोष
Rashtriya Mahila Kosh

रश्मि सिंह

कार्यपालक निदेशक

Rashmi Singh

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ACKNOWLEDGMENT

RMK as a pioneering organisation for Micro Finance operations in India and has the responsibility to de-mystify the enigma which surrounds the Micro Finance sector. This **Reference Manual** is an attempt to present the different products mix of RMK including the instruments involved for delivery Micro Finance and other services to SHG, JLG etc. in a user friendly manner.

The target group of this manual are different IMO's those who availed and willing to avail RMK credit facilities. It is also expected to serve as a repository of standard operating procedure which guides the different schemes of RMK. An attempt has also been made to put together the different reporting systems which are important for an effective monitoring and reporting with more dynamic systems of transparency.

This Reference Manual has been possible due to the herculean efforts put by in-house team officers at RMK and support extended by the poverty alleviation team of National Resource Centre for Women (NRCW), National Mission for Empowerment of Women Empowerment of women (NMEW). I would like to place on record the hard work put in by Mr Mohammad Azhar from NRCW to weave the different aspects of RMK together with the active support of all Dy. Directors at RMK.

This may still be seen as a work in progress, which we can be further refined and built on in times to come.

I would like to thank our Hon'ble Minister of WCD, Ms Krishna Tirath for her encouragement and support for the multi-pronged efforts which lead to sustainable economic empowerment of women. I would also like to express heartfelt thanks to all others who made this journey possible- Ms Sharda Ali, Joint Secretary, WCD for her support and finally it is hoped that the IMO's will use this with ownership which is so important for making such efforts meaningful and serve the purpose for which it is meant.

(RASHMI SINGH)
Executive Director

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RASHTRIYA MAHILA KOSH

1.1 Introduction

Rashtriya Mahila Kosh (RMK), established in 1993 is a national level organization under the aegis of the Ministry of Women and Child Development, for socio-economic empowerment of women through microfinance. The operating model currently followed by RMK is that of a facilitating agency wherein RMK provides loan products to NGO-MFIs, Registered Mahila Mandals, Women Federations & Producer companies termed as Intermediary Organizations (IMO) which on-lend to Women Groups like SHG, JLG etc. NBFC-MFIs may also avail the benefit of RMK schemes after the approval of Governing Body. In addition, RMK has appointed nodal agencies and franchisees for furthering of its objectives of reaching out to the women beneficiaries with easy access of collateral free micro credit for income generating activities. RMK has taken a number of promotional measures to popularize the concept of micro financing, enterprise development, thrift and credit, formation and strengthening of Women-SHG, awareness generation, capacity building and skill upgradation, through intermediary organizations. Apart from women centric programme, RMK provides training to Intermediary Organizations (IMOs) on microfinance management, microfinance operations and human resource development of their staffs.

1.2 Main Objectives of RMK

- i. To promote or undertake activities for the promotion of credit as an instrument of socio-economic change and development through a package of financial and social infrastructure development services for women;
- ii. To promote and support schemes for improvement of facilities for women for:
 - a) Sustenance of their existing employment;
 - b) Generation of further employment;
 - c) Asset creation;
 - d) Asset redemption; and
 - e) Tiding over consumption, social and contingent needs.
- iii. To demonstrate and replicate participatory approaches in the organization of women's groups for effective utilization of credit resources leading to self-reliance;
- iv. To promote and support experiments in the voluntary and formal sector using innovative methodologies to deliver credit and other social services to disadvantaged women;
- v. To sensitize existing government delivery mechanisms and increasing the visibility of poor women as a vital and viable clientele with regard to the conventional financial institutions;
- vi. To promote research, study, documentation, and analysis of the role of credit and its management;
- vii. To co-operate with and secure the co-operation of the Central Government, State Governments and Union Territory Administration, Credit institutions, industrial and commercial organizations and Non-governmental, Voluntary and other Organizations and Bodies in promoting the objectives of the RMK, and
- viii. To accept subscriptions, grants, contributions, donations, loans, guarantees, gifts, bequests etc., on such term & conditions consistent with the aims and objectives of the RMK.

1.3 Important Functions of the RMK

The RMK discharges the following important functions for the furtherance of the objectives:

- I. The RMK seeks to enable women to achieve economic independence. It strives to go beyond credit delivery and provides services for integrated development centred on the needs of poor women. Credit is linked mainly to production and economic activities.
- II. Education of credit management is integrated with the provision of credit along with literacy and skill training for individual women, leadership training among groups for self-management and self-reliance.
- III. Accessibility of credit to women has been improved in terms of physical distance and simplification of procedures flexibility and other measures conducive to increase utilization of loan.
- IV. Accessibility of training to women has been introduced time to time basis to promote enterprise in different field.
- V. The RMK has a policy and advocacy dimension in its working which provides a basis for revision in the formal system.
- VI. The RMK promotes dissemination of information and experience among agencies in the Government and Non-Government sectors in the area of credit for poor women.

1.4 Management

- i. The RMK is being administered by a Governing Board members, chaired by Hon'ble Minister WCD, Govt. of India, consisting of senior officials of Central and State Governments and specialists and representatives of organizations active in the field of microfinance and its management.
- ii. The Executive Director is the Chief Executive Officer of the RMK responsible for the proper administration of the affairs of the RMK under the overall supervision, direction and control of the Governing Board.

1.5 Flexible Rate of Interest

RMK charges very nominal @ 6% per annum rate of interest calculated on reducing balance from their borrowing organisations. The borrowing organisations, in turn, are allowed to charge interest from SHGs/JLGs/Mahila Mandals upto a maximum of 14% p.a. calculated on reducing balance.

1.6 No Security to be Offered

- a) RMK does not collateral security for loans upto Rs. 1 crore;
- b) If the loan sanctioned limit exceeds Rs. 1 crore, the organization is required to provide Bank Guarantee or FDR equivalent to 10% of the loan sanctioned as collateral security.
- c) In case of State Government Organization-the balance sheet shows deficit/loss, the organization/deptt. Has to arrange State Govt. Guarantee.

1.7 Repayment of the Loans

The entire loan with interest is re-paid in equal 6 to 9 instalments within 3 years, with 1 month initial grace. It varies depending upon RMK schemes.

1.8 Maximum Amount of Individual Loan

The maximum amount of loan that can be given to an individual member of women group by the borrowing organization is Rs. 50,000/- for income generating activities. Rs. 1,00,000/- for

repair/construction of low-cost houses; 1% for family needs such as education, medical etc. from the margin money (**para 1.10**)

1.9 Maximum Amount of IMO's Loan under Franchisee scheme

The maximum amount of loan that can be given to an IMO by the borrowing organization is Rs. 5 cr/- for promoting microfinance activities.

1.10 Margin Money to be contributed

The organization applying to RMK for loan, is supposed to contribute 10% of the total cost of the proposed programme by way of margin money.

1.11 Areas where credit facilities could be availed by women

Credit for only income generating activities like:

- a. Agriculture
- b. Horticulture
- c. Pisciculture
- d. Dairying
- e. Poultry & Animal Husbandry
- f. Traditional & Modern Handicraft
- g. Small Business such as petty shop, teashop, vegetable & fruit shop etc.
- h. Working Capital
- i. Asset creation & Asset redemption.
- j. Housing
- k. Any other Income generating activities in which borrowing women are capable to undertake for livelihood activities.

1.12 Distribution of loan

RMK fund is for income generation activities as above mentioned in **para 1.11** Consumption loan (medical, construction, marriage, dish & mobile connections, luxury items, electronic items for entertainment etc., is not more than 1% of total amount given by IMOs to women beneficiaries. Distribution of Consumption loan is only from the margin money as mentioned in **para 1.10**.

1.13 Regulation

All the RMK's partner Intermediary Microfinance Organisations (IMOs) are by the norms of the RMK lending process.

"Micro finance organisations/institutions" means,-

- (1) a society registered under Societies Registration Act, 1860; or
- (2) a company registered under section 3 of the Companies Act, 1956; or
- (3) a trust established under law for the time being in force; or
- (4) a corporate body; or
- (5) any other organisation working as MFI

Refer to chapter 4, 5, 6, 7 and Annexures.

MICROFINANCE - THE RMK WAY

2.1 Introduction

"Microfinance" is often defined as financial services for poor and low-income clients to promote entrepreneurs and small businesses.

For: Those who are lacking access to banking and related services offered by different types of service providers.

Mechanism: The two main mechanisms for the delivery of financial services to such clients are: (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group.

More broadly, microfinance refers to a movement that envisions a world in which low-income households have permanent access to a range of high quality and affordable financial services offered by a range of retail providers to finance income-producing activities, build assets, stabilize consumption, and protect against risks. These services include savings, credit, insurance, remittances, and payments, and others.

2.2 RMK model

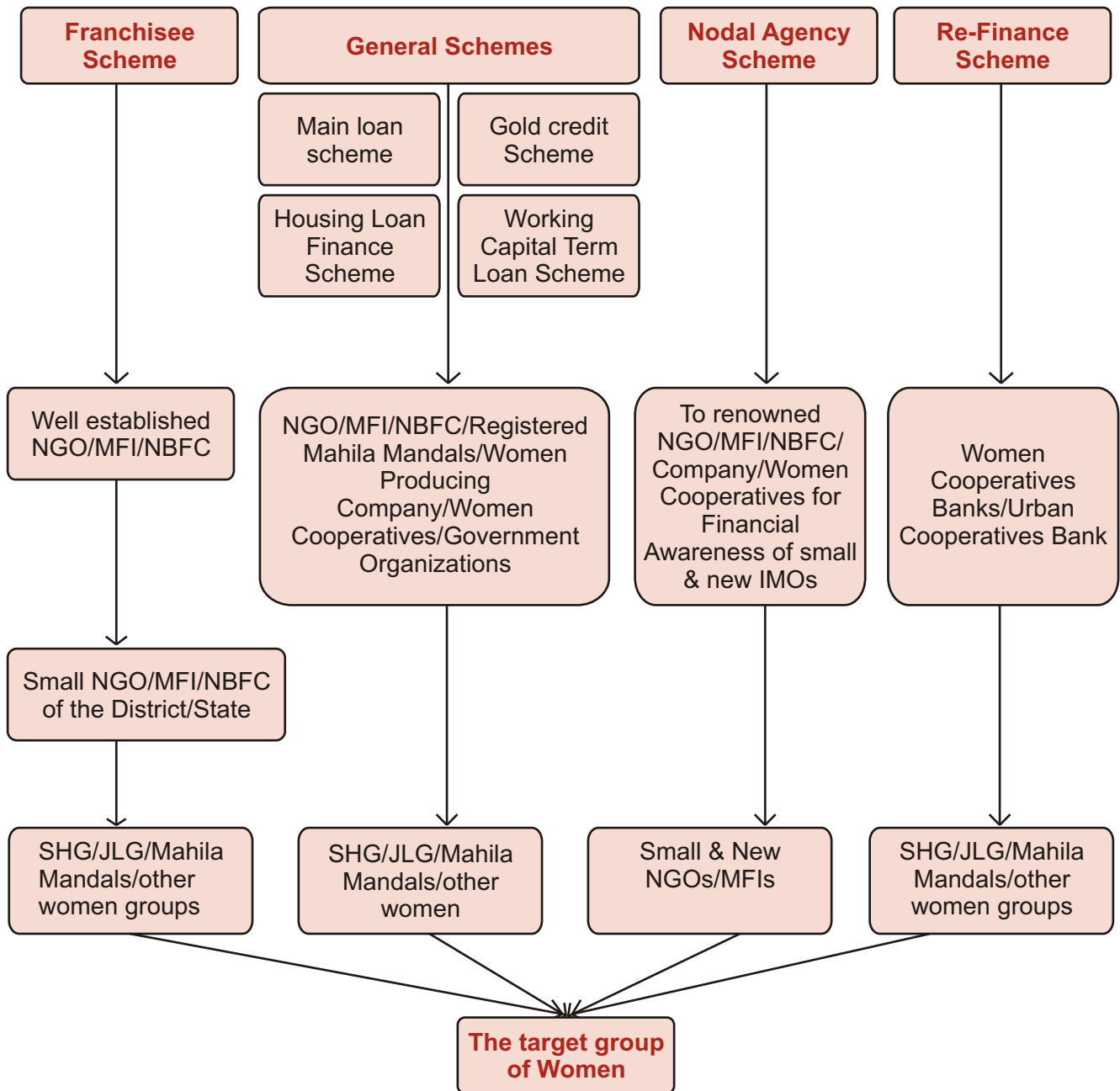
RMK extends loans to non-government organizations (NGOs) and voluntary agencies (VAs) who on lend to group of individual beneficiaries (SHGs& JLGs) of poor women. Organizations like Women Development Corporations, Women Cooperatives, and Women Welfare Boards/Agencies, Producer Companies (owned by women), not for profit Companies registered u/s 25 of the Companies Act and such other agencies engaged in the socio-economic development of women at the grass root level are also eligible for RMK loans. RMK activities cover both rural as well as urban women of the country.

The RMK Model has worked successfully for organizing rural/urban poor women in groups and promoting savings and thrift habits which enable them to access institutional credit for their socio-economic empowerment. RMK has appointed Nodal Agencies for credit expansion and business awareness among new and smaller potential NGOs. Apart from Nodal Agency Scheme, it operates Franchisee Scheme under which RMK extends finance to well established micro finance organisations who in turn on lend to smaller NGOs of the State/District as per the terms and conditions as prescribed by RMK. The micro finance of RMK through NGOs/IMOs/SHGs is the most successful model for Women Empowerment.

RMK also has a Housing Loan Finance Scheme for value addition in RMK strategy to promote financial inclusion. This scheme is only for women group members, as a group member she can avail loan upto of Rs 1 lakh.

RMK provides training to the IMOs representatives on microfinance plus operations & its management to promote credit plus activities. National Institute of Public Cooperation & Child Development (NIPCCD) is a channel partner in providing different types of training on microfinance and their mechanism at different States of India. Apart from this RMK is providing skill training to women, RMK beneficiaries/partner IMOs beneficiaries with support of RMK's resource centres and other different country's renowned agencies.

2.3 Credit Delivery Mechanism of RMK



* **NBFC** - a company registered under Section -25 companies registered in Companies Act, 1956.

* **MFI** - a society registered under the Societies Registration Act, 1860 and Section-25 Companies.

2.4 Credit Plus or Microfinance Plus Activities by RMK

1. **Market Development Role:** It develops the supply side of the microfinance market by offering institutional building support to new and existing-but-inexperienced intermediary organization by incentives, transfers of technology and helping in creating Social Performance Management.
2. **Training to partner/non-partner IMOs staff:** It strengthens the IMOs in Microfinance Management and its operations within the context of promoting Income Generation Activities. National Institute of Public Cooperation & Child Development (NIPCCD) is a channel partner in providing different types of training on microfinance and their mechanism at different States of India.
3. **Marketing linkages:** RMK provides spaces to partner IMOs to display and to sale women SHGs products in the National fairs organized by Government/Non-Government organization; every year in 'Vatsalya Mela' is one of the MWCD organized fair where RMK partner IMOs promote and sale women SHGs products in bulk for which a new brand name 'SABAL' has been created along with a **Product Catalogue**.
4. **Advocacy Role:** It acts as an advocate or agent for influencing development and microfinance policy and creating a more enabling policy and legal environment for spread of microfinance activity in India. Being a creation and a representative of the government, RMK has a particular advantage in this area.
5. **Capacity Building:** It strengthens the women borrowers or non-borrowers by providing training on skill development, skill up-gradation and exposure visits thus enhancing their capacities. This helps the women's groups become viable and sustainable. Skill trainings are organized on the basis of market demand. There are several partner organizations to support RMK in providing and enhancing capacity building of women.
6. **Special Credit Package:** A special credit package to enable the poor women in the North-Eastern Region (NER) to access credit from RMK has been operationalized. RMK organises Awareness cum Capacity Building Programmes to nurture the assisted intermediary micro financing organisation (IMOs) to train their field functionaries, SHG Leaders, accounts Managers and Women target groups. Credit Persons and grass root level beneficiaries. These capacity building programmes are organised at various regional centres situated across the country.
7. **Resource Centre Scheme (RCS):** Under (RCS), RMK identifies reputed Government Organizations / NGOs / Research Institutions / Universities / Academic Institutions having adequate infrastructure to extend their services for specific trade & vocational trainings and skill development of the SHG members / group leaders and implementing agencies.

CREDIT DELIVERY METHODOLOGIES

3.1 Introduction

IMOs usually adopt two basic methods for delivering financial services to women borrowers.viz. Group Model & Individual Model

RMK loan is applicable only for women group members. An individual can avail the benefit of RMK loan but she should be a member of any one of the group viz. SHG, JLG, Grameen Model-JLG, Mahila Mandals and other types of group promoted by Central / State Government or any National / State Missions & Schemes.

Group Method:

This is one of the most successful methods for providing microfinance services to economically backward and unorganised sectors of women in rural as well as in urban areas of operations. Group method is primarily involving a group of individuals who fulfill below mentioned criteria:

- Individual members residing in the same neighbourhood.
- Women in the age group of 18-60 years.
- Homogeneous Background
- Member earning less than Rs. 100 in rural areas and Rs. 150 in urban areas.
- Members who lack access to skill, technology, market & credit.
- Members are willing to save regularly in group.
- Either willing to take up or engaged in economic activity.

IMOs have to provide collateral free loan, group methodologies help in creating social collateral that can effectively substitute physical collateral. It also helps in controlling the cost of operations. The advantage of group methodology is mentioned below:

- Easy to monitor the RMK programme.
- At a time training provide to all the groups / members.
- Responsibilities are shared by all members, no extra burden on any one of the group members.
- Transparency - All monetary transactions are properly mentioned in group / IMOs books of account.
- Groups are organizing monthly/weekly meeting as the forum where the credit discipline and social issues are discussed.
- Groups have a provision of monthly/weekly savings among them through banks/IMOs or in group for using it in emergency needs / strengthening or enterprise creation. It makes them a credit worthy group.
- Groups are helping in credit appraisal and provide opinion on creditworthiness of each individual in the group.
- Groups are ensuring the repayments from all individual borrowers because of peer pressure.
- Group methodology also helps in controlling cost by sharing expenditure amount among all the group members / borrowers.

MODELS OF WOMEN COLLECTIVES

4.1 SELF HELP GROUP

Definition of SHG: "A voluntary association of poor with a common goal of social and economic empowerment"

Self Help Groups are a long run vehicle for un-banked / unorganised sector of women to build up some savings. Through mutual support, they can provide members with small loans for business purposes or in times of financial stress. They can be a forceful tool against indebtedness, and can prepare people to become beneficiaries of IMOs at a later stage. SHGs deal with the savings of socially-economically-politically backward women with the provision of availing credit from Banks/IMOs. It is found that SHG model is more stable than any other model because an SHG depend on their members' loyalty to it and the adequacy of SHGs to meet the growing needs of their members. RMK gives priority to those IMOs who working on SHG model.

A Self Help Group is an informal association of women in a village, hamlet or urban neighbourhood with the following characteristics:

- SHGs are informal groups of 10 to 20 women that have socially and economically homogeneous membership of poor people drawn from the same hamlet or from nearby hamlets.
- Group of women who want to improve their living conditions by setting up their own savings and loan fund. Mutual trust in between members is one of the strength of this model.
- The members are self-elected, with the liberty to choose their group depending on their level of affinity with the other potential members.
- The decisions power is always be with SHGs on its name, office bearers' name, amount of group saving, regular meetings with place, date & time; rule & regulations, degrees of penalty, rate of interest on internal loan, distribution of bank/IMOs loan, details of instalment and other grievances among members.
- The SHGs have to maintain SHG record book viz. Attendance Register, visitor register, the proceedings of the monthly/weekly meetings, trainings attended details; details of the saving, details of internal loan/bank loan/IMOs loan, repayment loan collected with earn interest and external/internal loan requests with the signature/thumb impression of office bearers with group seal.
- The group meets regularly at a prior selected place on monthly/weekly basis and carries out its financial transactions of savings and credit under the leadership of any one member of SHG. The group mobilize savings among the member (only) and makes need-based loans after the passing resolution to the SHG members (only) out of the pool of fund created or borrow from IMOs/Banks
- It is compulsory to open a Bank account on the name of SHG for group saving and credit linkages. The Lead Bank Manager, District Development Manager - NABARD and IMOs staff will facilitate in opening of Bank accounts
- SHG do not restrict their functions only to financial transactions. SHGs are often involved in many social activities. There are example where SHGs have taken up social issues and fought against social evils like alcoholism, violence against women, helping in dowry related cases, getting into village politics and being elected as Sarpanch/Pradhan.

SHGs are groups, which are more autonomous. While they are involved in financial transactions, their role is not restricted to it. They continuously growing and federating themselves into clusters and clusters in turn as Federations. RMK prefer Federation to link directly with its existing schemes because Federation is registered body and they are able to channelize funds to the SHGs and also help in improving the managing and financial skills of SHGs.

a. Who promotes SHGs under RMK Loan Schemes?

Intermediately Microfinance Organisations (IMOs) like:

- Non-governmental organisations (NGOs)
- Microfinance Organizations
- Govt. agencies
- Mahila Urban/Rural Cooperative Banks
- Registered Mahila Mandals
- Producer Companies

b. Role of IMOs:

- Identify poor
- Organise poor into SHGs
- Capacity building
- Books maintenance
- Social activities
- Credit linkage
- Guidance in economic activities
- Plan for withdrawal

c. How poor are identified by IMOs?

Income/expenditure method- adopted by government agencies. Categorises rural families into BPL & APL families

Non-economic criteria

- No access to pucca housing
- No access to safe drinking water
- No access to sanitary latrines
- Unemployed person in the household
- Eat less than two meals a day
- Regularly borrow from moneylenders
- More than two children in the family

- Family belonging to weaker section
- Old illiterate members in the family
- Permanently ill members in the family
- Alcoholic and/or drug addicts in the family

d. Group formation norms:

Affinity group - bound by

- Mutual trust
- Respect
- Affection

Homogenous group-people with similar

- Caste
- Income
- Age
- Gender
- Literacy level
- Occupation
- Place of origin

e. Books of accounts:

Minutes Book, savings & loan register, cash book, members' pass book, bank pass book etc.

f. Micro finance paradigm :

The three players

- **RMK** - Wholesalers of credit and providers of resources.
- **NGOs** - Agencies to organise the poor, build their capacities and facilitate the process of empowering them.
- **SHGs** - Facilitators for collective decision making by the poor and for providing doorstep banking.

g. SHG - RMK model:

- RMK finance SHGs through IMOs (NGOs / MFIs). In this model, RMK lend to IMOs in bulk for lending to SHGs. IMOs responsible to repay loan amount with minimal interest @ 6% p.a. on reducing balance.

h. SHG bank linkage- Savings Linkage

- Savings first - Credit later motto to be followed by all members
- Concept of "Income - Savings = Expenditure" to be followed
- SHGs to open Saving account in the nearby bank branch of its choice.

- Bank to obtain group resolution & authorisation to open and operate the savings account
- SHGs will deposit their entire savings in the bank, withdrawal at the time of internal-loan
- Groups will become eligible to apply for loan after 6 months
- Six months is not from the date of opening of SB account but from the date of formation of the group.

i. SHG - IMOs linkage:

For assessment / grading of SHGs depend upon:

- Composition
- Age of the SHG
- Meetings
- Attendance percentage
- Minutes book
- Participation
- Savings
- Savings & loan recovery
- Functioning & decisions
- Internal lending
- Interest on internal lending
- Turnover of savings
- Recovery of internal loans
- Books of accounts
- Group by-laws

j. Growth path of a SHG:

Stage	Time (months)	Focus
Pre-formation	<1	Identification & organising poor
Formation	1-6	Group norms, meetings, savings, small loans, group cohesion, leadership development & basic trainings
Stabilisation	6-15	Linkage with bank, less reliance on others
Growth & expansion	>15	Support for new groups federation of SHGs

A step wise guidance related to formation of Women Self Help Groups (W-SHG)

Step-1 Collection of data by IMO's Operations team

- Visit to Statistic/Census department of district, ICDS, Panchayat Samiti, DDM-NABARD and Lead Bank Manager offices to collect the data related to existence of BPL & APL SHGs; women population in targeted villages.
- Analyse the data carefully and select those villages where existence of SHGs is less than other villages as compare to their women population.
- Visit to selected villages and attend Gram / Mahila Sabhas.
- Introduce about organization's objectives and SHG programme to all the members of Sabhas and honoured the Panchayat.
- Brainstorming meeting with earlier SHG members is necessary before strategy finalisation. Earlier formed SHG member can also support the new SHG formation.
- Select a field staff from them or personally contact to village Sarpanch in identifying good and potential Field staff from the community.
- Earlier working SHG members can also staff member
- After the selection of Field staff, conduct a Participatory Rural Appraisal (PRA) and allow all caste, creed, age, sex, professionals, service men/women to participate in PRA exercise in the context of identifying financial needs of women with all existing models & mode of finance in village.

Step-2 Training to staff

- Provide output based trainings to Field staffs on the formation of SHGs with follow up strategy.
- Introduce accounting system, financial management, Bank account, credit linkages of SHGs with IMO's and Banks to Field staffs.
- Participation of Bank officials in training process looked seriously.
- Set a target on each Field staff in the form of KRA (target vs achievement format) and send them on field with great motivation.

Step-3 Village level meeting with women

- Prior invitation has to be send to all women accordingly with date, place and time.
- Conduct a village/hamlet level meeting at Panchayat / Samudayik Bhawan / religious places / house of village representatives / field staff house etc.
- Introduce the concept of SHGs with its pros and cons especially on convergence with Government schemes and other financial/social obligations.
- Allow all women to ask more questions and satisfy them by giving right answers; do not make any promises with them.
- Successfully SHG members can also participate.

During the initial meetings, following things may happen:

- Some members leave
- Some new members come in

The members slowly learn to decide subjects for meetings

Step-4 Formation of Women SHGs by Field staff with an old Field staff

- Segregate all women accordingly to their business, services, age, religion, caste and locality and make a group of minimum 15 of each segment. Women are free to choose any type of segment. Homogeneous (same income group) groups should be promoted. Field staff does not force any women to choose/sit in any of the segmented groups.
- Selection of SHG name - Groups are free to choose their SHG name. Field staff is only facilitate them in selection of SHG name. Some time it is found that name of SHG account is already exist in Bank and it create the problems to Bankers in opening account on same name. SHG name may be on local god, goddess or on any famous personality, scientist, players etc. For example, Indira Gandhi SHG, Kalpana Chawla SHG etc.
- Selection of Office bearers namely President/Animator, Secretary/Vice President/ Representative-1 and Treasurer/Representative-2 - Field staff will explain the role and responsibility of all office bearers so it will be easy to groups to identify right women among all. Field staff will facilitate in the selection of all office bearers because some time women are not in the position to select the right women for the all posts. It is compulsory that the President of a SHG must be literate and if not, then IMOs are responsible to provide basic literacy training to all office bearers. Field staff will not force to groups in the selection of office bearers. Office Bearer should be rotated as much as possible on certain time interval agreed by SHG.
- Pass a resolution - After the selection of office bearers, it is compulsory to pass SHG resolution. Below mentioned points are mandatory in resolution:
 1. Name of the SHG
 2. Name of the office bearers
 3. Saving amount - Amount of saving will be decided by SHG members after the group discussion among SHG members. It may be in between Rs. 50 to Rs. 200 per month or mutually decided by SHG Members.
 4. Group Meeting - Meeting day and place will be mentioned in resolution. It may be Weekly/Monthly basis.
 5. Name of the Bank - RRB/National Banks name are mentioned in resolution for the purpose of opening SHG saving Bank Accounts where member of the SHG save their weekly/monthly savings. Field staff will facilitate to SHGs in the selection of Bank name. Lead Bank Manager has a list of all service Banks for SHGs saving account.
 6. Signature - Resolution is in force after the signatures with date of SHG's office bearers with SHG seal / rubber stamp.
 7. A separate sheet attached comprising of SHG rules & regulations and name of all member with their signatures.
- Field staff/SHG's President will read the resolution in front of all SHG members. As witness, other SHGs members may put their name on resolution.

Some known reasons for mutual affinities are:

- Similar experience of poverty
- Similar living conditions
- Same kind of livelihood
- Same community or caste

- Call for second group meeting - Convey the invitation on same day to attend second group meeting within 2 days after passing the resolution with two copies of ID proof, Residence proof and latest passport size photographs. Office bearers should come with 3 copies of all three documents. ***(It is advised to IMOs that provide a camera to their Field staffs at the time of event so they able to click members photograph without fail and fill groups KYC).***

Step-5 Training to SHGs by IMOs

- **On Group Management** - Group management training to all SHG members should be conducted within 1 month of group formation. The important modules are as below:
 1. On group coordination
 2. On leadership
 3. On Group meeting
 4. On maintaining minutes book
 5. Roles & Responsibilities of each member
 6. Roles & Responsibilities of Office bearers
 7. Follow ups on SHGs rules & regulations as mentioned in resolution copy of SHG.
- **On Account Management** - Account management training is only for office bearers, voluntarily any one can join this training from the SHG. Training should be conducted within the 2 month of group formation. The important modules are as below:
 1. On book keeping
 2. On Bank transaction
 3. On the procedure of internal loan
- **On Financial Management** - This is for all SHG members to inculcate the habit of regular savings and financial discipline. Training should be conducted within 3 month from group formation. The important modules are as below:
 1. On compulsory group saving
 2. On internal loan & external loan (RMK loan)
 3. On repayment of loan
 4. On voluntary saving
 5. On financial discipline among members
 6. Bifurcation on members responsibilities on financial transactions
- **Training on enterprise creation** - In most of the cases SHG members are not in a position to select need based activities with proper channel/management. Through training they get to know about several other opportunities at nearby places and able to submit their business plan or idea. The training should be conducted before the enterprise loan. The important modules are as below:
 1. On the identification of opportunities
 2. On enterprise creation
 3. On fund management
 4. On business analysis
 5. On market
 6. On loan management

- Training after loan Disbursement - A small training will be organize at the time of giving loan as follows:
 1. On utilization of loan amount
 2. On interest rate
 3. On repayment schedule
 4. Procedure on repayment (Repayment should be collected at collection points or at the time of SHG meeting, no individual Field staff will collect the instalment from the borrowers)
 5. On enterprise setup

Step-6 Follow up

- On utilization of fund - Utilization certificate should be collected by mid-level staff of IMOs from each borrower with their signatures. At the time of ongoing monitoring if it is found that the RMK funded loans are misused by any members then RMK reserve right to call misuse funds from IMOs immediately.
- Village/hamlet wise Customer Satisfaction Meeting (CSM) will be organized on quarterly basis with all borrowers. CSM will be attended by IMOs senior staff and policy makers with Field staffs.

(It is advised to all IMOs to conduct trainings on prior basis by using chart, plays, catalogues, stories etc. Training is only way to build trust among SHG members and with IMOs too).

4.2 Joint Liability Group (JLG) model:

This is one of the successful models for providing microfinance services to economically backward classes of women in villages, big towns as well as in urban areas of operations. JLG model is most accepted model in India for IMOs those who have maximum loan portfolio in slums, urban area and big towns. The uniqueness and salient features are as follows:

- All members are jointly responsible for the repayment. If any member has defaulted; the group members have to pool in money to repay to the IMOs/Banks etc., if group members are unable to do it, JLG as whole has to contribute and share the responsibility.
- IMOs, particularly in urban areas & big town, form JLG of five-members.
- Selection of a group leader done after the concern of all members.
- Training is compulsory for smooth functioning of all financial transaction.
- Non-periodic meetings are for short time duration (15-20 minutes) for typically borrowing members have small enterprises like petty shops etc.
- JLGs are somewhere between Group and Individual lending methods. While lending in such JLGs is to individual members small JLGs still provide some sort of comfort.

Repayment can be done from a single point, generally from the group leader rather than going to each individual.

4.3 Joint Liability Group - Grameen Model:

Grammen model is a concept of Nobel Laureate, Prof. Mohammad Yunus founder of Grameen Bank in Bangladesh. The uniqueness and salient features are as follows:

- It is based on the concept of joint liability, which means that all members are jointly responsible for the repayment and have one group leader. If any member has defaulted; the group members have to pool in money to repay to the IMOs. If group members are unable to do it, Centre as whole has to contribute and share the responsibility.

- Five member groups are formed and eight such groups form a Centre. Minimum five homogeneous groups formed a Centre.
- Maximum number of members in one Centre is 40.
- All the group members undergo a seven days compulsory training of one two hours each day.
- Centre is operational unit for the IMOs, which means the IMOs deals with a Centre as a whole. It helps in easy monitoring and decrease the IMOs operations cost.
- Meetings are very short time period (15-20 minutes) on weekly basis and savings are collected by IMOs and not by Centre.
- Centres may have some records but do not maintain their books of accounts. Records are maintained by IMOs.
- Individual groups are not allowed to meet for any transaction purpose among group. Meeting take place in Centre level in front of the field staff of IMOs.
- A Grameen model is focused on financial transactions and other social issues are generally not discussed.
- Restricted to Centres and do not form any other structure.
- The loan disbursement is from the bank fund and is not linked with the savings of individual member. Loans are given to individual group member not to the group and Centres.
- Loan disbursements are always done at the Centre during the meetings to build and maintain the peer pressure. Housing loan is disbursed at the Bank's branches to maintain documentation.
- Weekly savings are compulsory for the members and deposited with the Bank. With this deposit the Banks give credit for their consumption needs.
- The provision of tax on all productive loans disbursed to a member to increase their own fund. The fund remains with the group and from this fund members can access loans for consumption purposes. The reason behind to charge tax is to meet members consumption need and loan amount will be used only for income generation activity.
- Centres do not borrow on their own fund from savings for income generation activities. IMOs are the only source of fund.
- Flat interest is charged for making the system standardized. In flat rate system instalment size of repayment remains same for all weeks and hence is convenient and easier to explain. Also, it is easy to break the loan instalment into the principal and interest component.

Some of the significant elements of this model are:

- Low transaction cost - peer appraisal
- No collateral - peer pressure
- All kind of loans - productive & consumption
- Repayment is small and, regular and short intervals
- Quick loan sanction - minimum formalities and paper work

The SHG and Grameen model have originated with two different approaches. SHG model has been developed with holistic view of development and empowerment of society where financial transactions are only one part of it while Grameen model is specifically focused on providing financial services to low-income clients.

MAIN LOAN SCHEME

5.1 The Scheme

The Main Loan Scheme aims to provide credit to poor women in all areas for income generation activities. The credit facility is channelized through eligible and dedicated organizations to needy women in a simple/flexible manner without insistence on any type of collateral.

5.2 Eligible Organization & Eligibility Norms

- a. Minimum three years of registration as a Society / Co-operative Society / VO/ Sec. 25 Company (Not for profit).
- b. Women Development Corporation/ Cooperatives/Suitable State Government Agencies such as DRDA, Federation, Municipal Corp.
- c. The IMOs should have experience in thrift and credit management for 3 years or more.
- d. Recoveries of the loans should be of a high order (of at least 90% of its dues)
- e. Satisfactory fund management & financial performance
- f. Good track record in the field of Socio-economic sector
- g. The office bearers of the organization should not be elected representative of any political party
- h. The organization should have proper system of accounting, which should have been audited & published every year and they should not have any serious irregularities
- i. The application should clearly reflect the source of funds utilized earlier for credit
- j. There should be a proper and specific clause/provision in the Bye-Laws/Memorandum of Association of the IMOs having power to borrow or to raise loans from any outside agency.
- k. NGOs seeking loan assistance of Rs. 1 crore and above, at the time of application should be rated by any reputed credit-rating agency like MCRIL, CRISIL, CARE, SMERA, ACCESS etc.

5.3 Security

- a. RMK does not take any collateral security for sanctioning loan up to Rs. 1 crore.
- b. If the loan amount of the borrowing organization exceeds Rs. 1 crore, it has to provide 10% of the sanction amount as security in shape of Fixed Deposit.
- c. In case of State Govt. organization, the organization/ department has to arrange State Govt. guarantee if their balance sheet shows deficit/loss.

5.4 Loan Limit

The organization can avail a maximum loan upto Rs. 2 crores for 1 state. An organization can avail loan under the scheme for a maximum of 3 states at a time. If the organization avails loan for more than 1 state, then the maximum loan amount can be upto Rs. 6 crores, 2 crores for each state.

5.5 Required documents from IMOs (depends on the subject of the schemes)

1. With the initial Proposal

- a. Details of Enclosures
- b. Attested Copy of the Registration Certificate/Renewal
- c. Attested copy of MOA & Bye-laws
- d. Indicate the provision to borrow from outside agency
- e. Detailed Objectives of the Organization
- f. Details of Bio-data of the Chief Functionary experience in social sector
- g. List of current Managing Committee members duly attested
- h. Resolution for seeking credit assistance from RMK
- i. Consolidated audited accounts for the last 3 years
- j. Annual Reports for the last 3 years
- k. Copies of sanctions received from funding agencies/Govt. Departments etc
- l. Utilisation certificate received for funding agencies
- m. Undertaking to charge rate of interest not more than 14% NGO to SHG to ultimately beneficiary on reducing balance
- n. Undertaking to keep the registration of the organization alive during the currency of RMK loan
- o. Undertaking that office bearers should not be elected members of any political party
- p. Undertaking to inform RMK in case of changing address.
- q. If borrowed from other organizations, No Dues / Over dues certificate from funding agencies
- r. Details of Socio-Economic development activities implemented during the last 2/3 years
- s. Passport size photographs of the President, Secretary & Treasurer of the organization duly attested by a Gazetted Officer each photo to be attested individually.
- t. Certificate regarding proof of residence of the President, Secretary and Treasurer with their present and permanent address duly attested by a Gazetted Officer
- u. Details of arrangements available for organizing training for its Staff/SHGs
- v. Copy of resolution in case of dissolution of the organisation / Undertaking Rs. 50/- for dissolution clause
- w. Clause of 2/3rd quorum in MOA bye laws.
- x. DCB for the last three years

2. With the first drawal Application

- a. Arrangement Letter-cum-Guarantee Deed
- b. Demand Pronote
- c. Resolution of Managing Committee-Stamped receipt

3. With the second drawal Application

- a. Disbursement Certificate
- b. List of borrowers
- c. Utilization Certificate
- d. One time report
- e. Monthly Progress Report
- f. Balance confirmation Certificate

PROCEDURE FOR AVAILING OF RMK LOANS

6.1 Submission of Application Form

- a. The organization must ensure that it fulfills the eligibility norms mentioned in **5.2**.
- b. In case, provision for borrowing/raising loan, as mentioned at **5.2 (j)** is not there, then the organization should first convene a meeting of their General Body to pass a resolution to incorporate a borrowing provision in the Memorandum of Association (MOA) OR Bye-Laws on the following suggested lines;

"The organization can raise funds by way of loans/borrowings/ donations/grants from Government/Non-Government/Foreign Donors/ Banks/ Financial Institutions and other Funding Agencies in pursuance of its aims and objectives".

The amendment should be then got registered/approved with by the Registrar of Societies and a certified copy of the amended MOA/Bye laws duly registered/approved should be submitted along with application to the RMK.

- c. Organization must pass a resolution in the managing committee for applying to RMK mentioning the specific purpose and amount of loan.
- d. Organization should fill up all the columns as per the Application Form (**Appendix-1**). If any appendix / additional sheets are required to be attached, these should be in the same format as shown in the Application form.

NOTE: For Mahila/Urban Cooperative Banks there is a separate scheme and application format details of which are same as Main Loan Scheme, subject to the demand of related scheme.

- e. Organization should ensured that all the documents as mentioned at **5.5 and para 12** of the Application Form are enclosed and page numbers indicated.
- f. The Application Form and other documents should be typed neatly hand written supported by legible photocopies of the original (MOA, Bye-Laws, Audited Accounts etc.)
- g. The Application Form along with required documents may be forwarded by the registered post to the RMK office, New Delhi or submitted in person.

6.2 Scrutiny of Loan Application

On receipt of loan application from any organization, a preliminary desk scrutiny will be done based on the existing eligibility norms.

After scrutiny, one of the following three options may emerge:

- a. Application is found eligible and considered for Pre-sanction study. In such cases a Pre-sanction study is undertaken by the RMK's own officers/authorized agencies/teams.
- b. Application is found incomplete due to lack of complete information. In such cases, a letter is issued by RMK to the applicant organizations for additional information and the matter will be considered afresh on receipt of complete information.
- c. Application is not found eligible as per existing norms. In such cases, the organizations are accordingly advised by RMK.

6.3 Sanction of Loans

- a. A decision will be taken about the sanction of loan on the basis of pre-sanction study report.
- b. On being found eligible, RMK will issue a sanction letter (**Appendix-2**) to the organization along with its terms and conditions and the procedure for Drawal of funds.
- c. In case the application is for repeat sanction by an organization already linked with the RMK then the same may be considered for sanction based on past performance and previous monitoring study report.

6.4 Submission of Drawal Application

A copy of initial drawal application and other formats are enclosed at **Appendix-1** and **Appendix-3**

- a. IMOs should carefully read and follow the instruction contained in the sanction letter and **Chapter-6**.
The second drawal application must be submitted after proper utilization of 1st drawal amount. A copy of second drawal is enclosed at **Appendix-4**.
- b. IMOs should pass a resolution in the Managing Committee indicating that the terms and conditions are acceptable. It should pass the resolution on any date after receiving the RMK sanction letter. The resolution should be as per the format supplied by RMK (**Appendix-5**).
- c. Drawal application and other documents should be filled in properly and completed in all respects and as per the instructions contained in the prescribed forms.
- d. IMOs should indicate para wise compliance to the special terms and conditions if any, as mentioned in the sanction letter (**Appendix-2**)
- e. Complete Drawal application and other documents may be submitted together. The same can be forwarded by registered post or submitted by person.
- f. For completing the Agreement letter-cum-Guarantee Deed refer **Appendix-6**.

6.5 Disbursement of Loan

- a. On receipt of the drawal application complete in all respects with the required documents etc., RMK will release the first instalment of the loan as per condition of the sanction letter.
- b. IMOs shall disburse the loan amount that they received from RMK within the period of 30 days from the date of disbursement advice to SHG / borrowers.
- c. IMOs are required to send to RMK the following information and documents.
 1. Stamp Receipt (**Appendix-7**)
 2. Disbursement Certificate (**Appendix-8**)
 3. One time Reporting (**Para-8.1**)

MICROFINANCE OPERATIONS AT FIELD LEVEL

7.1 Introduction

Microfinance plays an effective tool to address the problem of poverty reduction through economic empowerment of women. Several studies and reports data shows that many of the poor especially women are left out to the financial system and many more are under served. Microfinance Institutions are one of the formal medium to provide collateral free loan at cheaper rate of interest to poor women for start-ups or strengthening the income generation activities of women entrepreneur in rural as well as in urban areas.

This has paved the way for Rashtriya Mahila Kosh (RMK) to enter the social business in 1993 and till date more than 7,27,159 women have been served with the help of other partner organizations.

7.2 Procedure for drawal of finance/refinance

Procedure for drawal of refinance shall be adhered by the IMOs with reference to form prescribed sharply indicating clearly the purposes, detail of borrowers (eligible as per RMK's parameters) and the aggregate amount etc., duly supported by required documents.

Eligible Parameters for lending of women groups

- a. A borrower should be the member of Women's group from last six months.
- b. Age of the borrower is less than 60 years at the time of loan disbursement.
- c. Borrowers are from informal and unorganized sector.

Required documents from Women groups/members to be taken by IMOs

1. **Know Your Customer (KYC) card incorporated with latest photo, identity proof and address proof.**
 - a. **Identity proof document:** Aadhar Card / Voter ID / PAN card / Passport / Driving License/ Identity card (NAREGA Job card is acceptable) / Letter from the head of village viz. Sarpanch / Pradhan / Gram Sewak certifying the photo and residence address / Postal ID card
 - b. **Residence proof document:** Aadhar Card / Ration card / Electricity Bill / Telephone Bill/ Bank Passbook / Letter from the head of village viz. Sarpanch / Pradhan / Gram Sewak certifying the photo and residence address.
 - c. KYC card must have the name, address, ID number with latest passport size photographs and signatures/thumb impressions of all the members of the SHG, duly attested by the President and Vice President of the group and certified by the IMOs field staff.
(Any other ID proof and residence proof as prescribed by State Government)
2. **Inter-se agreement as per Stamp Act of respective state** - which is a power of attorney given by the members of the group authorizing its office bearers (President, Secretary & Treasurer) to deal with IMOs, dully signed by all the members ant witnessed by two people. In the event of a change in the office bearers of the Group, IMOs shall duly notify and a fresh Inter-se agreement shall be executed by the members.
3. **Borrower's income & expenditure statement.**
4. **Copy of group resolution and minutes book.**

7.3 Purpose/need of loan

- a. **Income generating activities:** Small Business, Asset Purchase etc.
- b. **Life Cycle need:** Birth, Death, Education, Marriage, House construction, Old age, Widowhood, festival, other family events, etc.
- c. **Emergency need:** Medical emergencies, Natural calamities, Theft & Accidents.

Finance/Refinance will be eligible for loans given to women for above mentioned three purposes/needs. 99% of loan amount should be used only for income generation activities. The maximum amount of composite loan per borrowers under RMK scheme at present is Rs. 50,000 under Main loan scheme / Loan promotion scheme. This amount will be guided by extant RBI/NABARD rules.

In village mostly women are involved in agriculture, petty shops, livestock rearing, labor etc. However an income generation loan serves the purpose if borrowers are of similar economic background, have almost similar kind of incomes and cash flows and hence single product is good enough to serve them even if they are involved in different income generating activities.

(It is advised to IMO's to design loan cycles upto the maximum credit limit of Rs. 50,000. Maximum cycle of loan should not exceed by 3 times).

7.3 Disbursement to women group

The IMO's will take expeditious steps to disburse funds received from RMK for which a maximum period of:

- a. 30 days under Main Loan Scheme, and
- b. 90 days under Revolving Fund Scheme from the date of release of funds by RMK will be permissible. If disbursements are not made within the above stipulated period, penal interest will be levied @ 2% per annum for the first 30 days and @ 6% per annum thereafter. RMK also reserved its right to recall the undisbursed amount with penal interest in the event of persistent delay in disbursements.

7.4 General Principles should be adopted before disbursement of RMK loan to Women groups / members.

- a. Screening of women groups / members by field staff
- b. Rating of Women groups / members by senior staff
- c. Random checking by Loan Sanction Committee (LSC)

(The LSC will take up random checking of all loan applications and will rate the women groups/member in the field).

7.5 After sanction of RMK loans to women group/member

- a. The sanction made by the LSC shall be recorded in file with the signature of all Loan Committee members.
- b. A copy of sanction letter shall be communicated to the women groups / members with all the terms and conditions of loan.
- c. Terms and conditions of the sanction letter should be explained to the Women group/members in local language.
- d. Signature of office bearers should be obtained on the copy of sanction letter.

7.6 After rejection of RMK loans to women group/member

- a. Any loan application that does not comply with the eligibility norms shall be rejected and the reason of rejection shall be filled with the signature of LSC members.
- b. A copy of the rejection letter shall be communicated to the women groups with listing all the reason and they should be motivated for re-application to next time.

7.7 Fund release

- a. A list of women groups/members to whom the loans have been sanctioned by the LSC, will be prepared in the prescribed format by the IMOs and loan shall be disbursed through proper channel (in group meeting or in group) or Bank accounts of groups within 7 days of loan sanction.
- b. Transparency should be maintained at the time of loan disbursement by maintaining proper supporting documents and by clicking event photographs.
- c. A printed repayment schedule with the value of instalment should be distributed to all women groups/members at the time of loan disbursement.
- d. The maximum loan period is 24 months.

7.8 Loan Documentation

- a. Profile of the each member with the amount of loan sanctioned to each borrowers.
- b. Demand Promissory Note to signed only by the authorized signatories of the women group on Rs 1/- revenue stamp duly affixing the group seal.
- c. Loan agreement-between women group (signed only by the authorized signatories of the women group duly affixing the group seal)and IMO (signed by IMO's staff)
- d. Vouchers from women group - to be signed only by the authorised signatories of the women group.
- e. Loan disbursement receipt - signed by each of the borrowers for the respective amount loan received by them.

7.9 Loan Utilization Certificate

99% of RMK loans are given for the purpose of asset creation and income generation activities to women group. ***(It is advised to obtain loan utilization format within 30 days after the disbursement of RMK loan from each of the borrowers with their signatures/thumb impression).***

7.10 Refund of Unutilised amount of Loan

In the event of the IMOs not utilising finance as per the time schedule indicated in the sanction letter. The organizations shall refund unutilised amount within 3 days after the last date indicated in the sanction letter/disbursement advice for completing disbursement. Any delay in making refund of such amount will carry penal interest @ 6% per annum.

7.11 Unit cost

- (a) The maximum amount of loan per beneficiary are as under:
 - a) New Borrower : Rs.35,000/-
 - b) Repeat Borrower : Rs.50,000/- (existing plus new loan)

- (b) The Financial outlay for each item of investment will be worked out on the basis of the average unit cost in respect of each item of investment as given in NGO's application and this should not normally exceed the RMK norms for unit cost.
- (c) Depending on the individual requirement for loans, deviations from the average unit cost could be @ 10 to 15 percent provided there is no change in the total financial assistance and physical units sanctioned under the scheme. It is expected that savings on account of loans lower than the average unit cost would take care of loans made to certain individuals in excess of average unit cost as indicated above.

7.12 Margin Money

- a. IMO's will be advanced 90% of the total cost of the scheme approved by RMK.
- b. The organization applying for loan to RMK has to contribute 10% of the loan amount sanctioned.
- c. Share Capital held in the co-operative society, thrift/compulsory savings/voluntary savings of borrowers will not be use in the form of margin money.

7.13 Rate of Interest

- a. The rate of interest for finance/refinance sanctioned by RMK will be such as may be determined by the RMK from time to time. At present, the rate of interest which RMK will charge from IMO's is 6% p.a on reduced balance.
- b. The interest shall be payable by IMO's to RMK every quarter on 30th of June, September, December and March.
- c. The IMO's shall charge interest not exceeding 14% p.a. on reduced balance to the groups or their members.
- d. In cases where the lending are done by IMO's through groups; the groups may be left free to decide the rate of interest to be charged from the ultimate members/ borrowers. However these rates should not exceed 16% p.a. on reduced balance.

7.14 Repayment Period

- a. The loan issued under the sanction of RMK will be repaid by the IMO's within the repayment period of 36 months (including grace period) as per the repayment schedule given in each disbursement advice.
- b. In case of delayed repayments upto three month penal interest @ 2% p.a. will be charged and in the event of default persisting beyond three month, penal interest will be 6% p.a.
- c. 30 days grace period will be admissible for payment of any instalment to the RMK.

7.15 Security

The loan sanctioned to the IMO's may be secured by such securities/guarantees as may be prescribed by the RMK in the sanction letter.

The loan sanctioned to the women groups should be collateral free and may be secured by KYC and Inter-se agreement.

7.16 Insurance

Adequate insurance cover may be obtained in respect of all asset acquired by the group members out of the RMK's fund. Life Insurance is compulsory for borrowers who are taking loans out of the RMK's fund with clear installment details on the repayment chart at the time of loan disbursement to groups / members. However there shall be facilitated by the IMOs.

7.17 Books of Accounts

- a. The IMOs shall maintain separate accounts in respect of the schemes approved by the RMK.
- b. The IMOs shall submit its annual Audited Accounts to RMK within six months after close of its accounting year together with the statement of lending and recoveries during the year.
- c. Any other information required by the RMK will also have to be submitted by way of periodical returns or otherwise as and when required.

7.18 Training to women group/members

The IMOs should conduct training programmes before disbursement of RMK loans to women group/members. The training programmes may be in two different stages as mentioned below:

A. Training to group office bearers/representatives

The representatives of SHG / JLG, who have been elected need to be trained in conducting meetings, to help the group to establish a supportive culture, to establish priorities in lending, and to impose and accept sanctions. They need to equip themselves with the skills of numeracy and literacy to enable them to keep a check on what is recorded in the minutes and pass books. They need to develop leadership qualities and the confidence to relate with institutions like Government departments and Banks as well as to provide leadership in organizing common action programmes.

Outcomes of the training:

Familiarity with Books of Accounts and basic records like

(i) Attendance Register; (ii) Minutes Book; and (iii) Members Savings Ledgers, Individual Savings/loan Pass books should be maintained, Receipt Voucher, Payment Voucher, Cash Book, General Ledger, Loan Ledger and Stock Book.

B. Training to develop skills and capacities for promoting income generation activities

An income generating activity is an activity in which money is invested to generate income for the member and her family.

Outcomes of the training:

- a. A clarity to on where to utilise the fund / loan amount (to purchase new assets, to meet running expenses of ongoing activities etc.)
- b. Improved skills for producing the goods/services.
- c. Knowledge of tools, equipment and raw materials.
- d. Knowledge of the market (prevailing market price, where to sell, when to sell).
- e. Knowledge of production expenses.
- f. Financial skills.
- g. Loan management.

7.19 Other Incentives

For timely repayment RMK will give an incentive equal to 0.5% of the amount repaid within the repayment schedule by the IMOs.

7.20 Suggestion for post-sanction follow-up by IMOs

- a. Strengthening the capacity of Field staff to ensure effective implementation and follow up of the RMK assisted scheme.
- b. Arrange training to staff/field staff on credit management, maintenance of group accounts, records and other procedures, etc.
- c. Visiting RMK website on weekly basis to know the training schedules and other important notifications. Every year RMK organize trainings for IMOs on Microfinance Management and other allied activities in different States.
- d. Developing a separate segment of their good borrowers and provide repeat loans upto three times and during this period they should be educated to avail the facility of credit in case they require further loans from the existing normal system i.e. banks/financial institution, etc.
- e. Keeping KYCs of women groups and photographs of each beneficiary to whom the loan has been given, so as to make it easy for identification and monitoring of the programme.
- f. Adopt Microfinance plus activities like on health, environment, education and rural technology for overall growth of women.

MONITORING SYSTEM

RMK believes on ongoing monitoring from head office to last beneficiary!

8.1 One time reporting for RMK programme:

IMOs will send one time information within 3 month from the disbursement of loan to RMK via email (rmkosh@gmail.com) and registered post. One time report incorporates following informations.

- a. Bank statement of accounts dealing with RMK programmes from the date of loan disbursement by RMK to next 2.5 month.
- b. Name of the active villages-towns-blocks-districts where RMK programmes implementing by IMOs.
- c. Field staffs name with their contact numbers of particular area where RMK loan has been disbursed.
- d. Participatory Rural Appraisal of villages/town and Logical Frame Work Analysis of RMK's programme.
- e. Active groups name, Office bearer's name, address & contact numbers, Bank account number of group with a copy of their updated Bank passbook, name of the Bank with its Bank Manager contact details and a copy of group KYC.
- f. A separate format consisting the name of women borrowers with their husband/father name.
- g. Group wise Loan Utilization certificate of each RMK's loan beneficiary with IMOs seal and signature
- h. One page (150-200 words) note on justify the selection of villages and women groups.

Points to be noted before sending the name of groups/beneficiaries

1. The IMOs are requested to cross check the accounts of groups/women borrowers with the concern Banks and Panchayat Samities to confirm about groups/members that they are not indulging in dual lending, ghost lending and other frauds. If group of women is having loan from more than 1 financial institution/Bank is not eligible for RMK loan.
2. If any type of fraud found at the time of ongoing monitoring then RMK fund will stopped and necessary actions taken by RMK Loan Committee/Executive Director.
3. Group wise Loan Utilization certificate of each RMK's loan beneficiary will be attached with monthly reporting format
4. If IMOs make any changes in village identification, women groups and in the name of women borrowers then the IMOs shall inform RMK via email/registered post within 7 days.

8.2 Monthly reporting for RMK programmes

IMOs will be sent via email/ registered post on or before 10th of every month till the validity of the loan. This shall comprise following:

1. Group wise Loan Utilization Certificate of each RMK's loan borrowers.
2. Monthly status with loan repayment details of RMK loan borrowers.
3. Monthly statement of RMK loan utilization and Balance statement.
4. Monthly loan demand applications from prior or new selected groups/members.

Note: Monthly reporting format will share by RMK at the time of first drawal.

8.3 Field Monitoring

- After release of 1st Instalment, RMK will conduct a monitoring study within 3 month from the date of disbursement.
- The monitoring study may be conducted by any RMK official or any designated monitor or any other outside agencies.
- The monitoring team will visit any week days without prior information to IMOs.
- The organization should submit/produce all the documents/information relating to RMK loan/programme for the verification/examination to the visiting team.
- Monitoring team may visit the group member to ensure that the RMK loan has been used for the right purpose, for which loan has been taken.
- Where any violation of the loan conditions are observed, RMK has got the right to recall the loan disbursed by IMOs.
- If the monitoring team find that the RMK loan is utilized for any unlawful business activity like gambling, liquor etc. then RMK has got the right to recall the loan amount. RMK will take necessary actions on IMOs, such as stopping and recalling all amount disbursed to IMOs within one month after the submission of monitoring report.
- The IMOs will be required to show the books of accounts or any other records concerning the loan given by RMK to RMK monitoring team.
- Non-submission of documents/information may be considered a violation of terms and condition of sanction.
- After receipt of monitoring study reports, one-time report/monthly report and other prescribed statements mentioned **in para 6.4 of PROCEDURE FOR AVAILING OF RMK LOANS**, RMK shall consider the release of 2nd instalment or otherwise advise the IMOs as to the next course of action.

RMK SCHEMES

9.1 Loan Promotion Scheme

To promote the activity of thrift and credit among newer, smaller but potentially capable IMOs, the RMK Loan Promotion Scheme is to provide credit facilities to such IMOs which fulfil other eligibility norms but do not meet the requirement of three years' experience in thrift and credit management.

For the Loan Promotion Scheme, the requirement of experience has been reduced to a minimum six months, i.e., the IMOs must have at least six month's experience of managing thrift and credit. Such IMOs are eligible to apply under the "Loan Promotion Scheme" provided they fulfil all other eligibility norms as given under the RMK's Main Loan Scheme at **para 5.2** of this reference manual.

Other important information related to on Loan Promotion Activity.

1. The maximum loan amount sanctioned to IMOs under this scheme is Rs. 10 Lakh.
 1. All other terms such as unit cost, repayment period, margin money contribution, eligibility norms, application format, procedure of sanction/disbursement, checklist, required documents, Microfinance Operations, Monitoring study etc., they shall be the same as under the Main Loan Scheme.
 2. So far the activities or the purposes for which the credit facilities under Loan Promotion Scheme are concerned, they may be the same as in Main Loan Scheme and any group of women or a member of women group can avail of loan upto Rs. 35,000/- on any single occasion depending upon the nature of income generation activity undertaken by her.
 3. Credit facilities can be extended to group/women for their microcredit enterprises/income generation activities.

9.2 Gold Credit Scheme

To promote the activity of thrift and credit among RMK's old and renowned partner IMOs, who availed loan from RMK and have no default in repayment. The RMK Gold Credit Scheme is to provide credit facilities to such IMOs who is having good credit management and strength to facilitate women in mass.

Other eligibility norms of Gold Credit Scheme as given under the RMK's Main Loan Scheme at **para 5.2** of this reference manual.

Other important informations on Gold Credit Scheme.

1. This scheme is for providing bulk loans to medium and large NGOs.
2. The organization can avail a maximum loan upto Rs. 5 crores. This amount can be given as loan to the organization in a single instalment.
3. All other terms such as unit cost, repayment period, margin money contribution, eligibility norms, application format, procedure of sanction/disbursement, checklist, required documents, Microfinance Operations, Monitoring study etc., shall be the same as under the Main Loan Scheme.
4. Repayment period - Five half yearly instalments with an initial gestation period of one year.

5. So far the activities or the purposes for which the credit facilities under Gold Credit Scheme are concerned, they may be the same as in Main Loan Scheme and any group of women or a member of women group can avail of loan upto Rs. 50,000/- on any single occasion depending upon the nature of income generation activity undertaken by her.
6. Credit facilities can be extended to group/women for their microcredit enterprises/income generation activities.

9.3 Re-finance Scheme for Mahila Cooperative Banks/Urban Cooperative Banks

This Scheme is for providing 100% re-finance assistance to Mahila Cooperative Banks & Urban Cooperative Banks which provide financial assistance to the urban/ rural poor women. The normal terms & conditions of RMK loans in respect of unit cost, repayment period and rate of interest are applicable in such re-finance. The application has to be sent to RMK in the prescribed proforma with all the documents as prescribed at **Appendix-2**

Eligibility norms

Re-finance is available only for financing poor women in areas which have not been covered by any other financing agency or the women have not availed assistance under any other Government supported/subsidy scheme.

Eligible criteria

1. The bank should have been registered for at least 5 years at the time of applying for re-finance.
2. The bank should not have been making any losses as per its audited balance sheet for the previous 3 years.
3. There should not be any major adverse remark in the Audit Report of the bank in the previous 3 years.
4. Recoveries of loans by the banks in the previous 3 years should be of a reasonably high order.
5. All other terms such as unit cost, repayment period, margin money contribution, eligibility norms, application format, procedure of sanction/disbursement, checklist, required documents, Microfinance Operations, Monitoring study etc., are the same as under the Main Loan Scheme.

Upper ceiling for re-finance

Total re-finance to any Mahila/ Urban Cooperative Bank at any given time will not be more than 4 times the "Owned Funds" of the bank as reflected in its balance sheet of the previous year.

9.4 Working Capital Term Loan Scheme (WCTL)

Introduction

This scheme is for providing working capital term loan to the IMO's for backward and forward marketing linkage of product of Women SHGs/Individuals and group entrepreneurs including technology transfer, education and skill up gradation. The applicant has to submit a detailed project proposal to RMK.

Eligibility Norms

1. The borrowing organization should have availed a minimum loan of Rs. 25 lakhs or above under micro-credit scheme of RMK/SIDBI/ NABARD/ Commercial Banks/ Other Financial Institutions. (This condition will not be applicable for Govt. organization).
2. All other eligibility is same as Main Loan Scheme for IMO's. Application format that given in **Appendix-1**

Preferential Criteria

1. The organization should preferably employ women members of the SHG or any poor women entrepreneur or women getting shelter in the shelter home run by various Ministries of India, State Government and other Funding Agencies.
2. The NGO has to ensure 'End to End' solution of the women group members/women entrepreneurs for smooth operations of their activities.

Purpose of Loan

1. The loan under WCTL can be utilized by the borrowing organization for the following purpose:
 - a. Vehicle to carry SHG product from production place to market place.
 - b. Work shed to carry out SHG activities.
 - c. Business outlets/shops for selling of SHG products.
 - d. For establishment of chilling plant, small size cold store, store (godown), local hat etc.
2. To carry out various Government programs by investing fund availed from RMK by employing women group members/ women entrepreneur.
3. Procurement of Women group's products
4. Purchase/Lease of land to carry out corps cultivation by employing Women group members.
5. To provide loan to individual women micro entrepreneur or group of women entrepreneurs to undertake income generating activities. The organization has to undertake to market of the product of women entrepreneurs and ensure for repayment of loan.
6. To rehabilitate sick societies, (the societies should have 1/3 women members) sick women SHG.
7. To repay the loan availed by the societies (1/3 women members)/women SHG in higher interest rate either from money lender or funding agencies.
8. To provide technical services to women SHG/women entrepreneur.
9. To carry out various training/capacity building/skill up gradation/education program of SHG members/small women entrepreneur.
10. For export business of the products of SHG/women entrepreneur.
11. To organize "Exhibition and sale" for marketing of products of SHG/micro entrepreneur.

To extend loan to women SHG/group of women entrepreneurs for the purpose mentioned in above **Serial number 1 to 11.**

Maximum Amount of Loan

1. The maximum amount of loan to be provided by RMK to borrowing organization will be Rs.1 crore per State. However the organization could avail maximum loan of Rs. 3 crores to operate in 3 States
2. Loan amount is to be decided on case to case basis considering the actual need of the loan, financial health/management of the organization, experience/exposure in micro-credit & creditability of the organization
3. The second loan will be considered only after complete repayment of first loan.

4. The working capital loan will be assessed as under:
Amount of proposed credit proposal - Available margin with the organization = Working Capital Term Loan (WCTL).
5. The review of WCTL will be made at the end of each financial year.

Security

1. No security will be taken for loan upto Rs. 1 crores.
2. In case of loan above Rs. 1 crores, the organization has to arrange 25% of the sanctioned amount as security in shape of fixed deposit/mortgage of land and building.
3. All the movable assets created out of RMK's loan will be hypothecated to Rashtriya Mahila Kosh.
4. The organization has to mortgage (equitable mortgage of immovable properties that is deposited of title deeds of immovable properties) the immovable properties which will be created out of RMK's loan.
5. In case of corporation/federation or any such State Govt. organization will require being arranged State Govt. guarantee for borrowing if running in deficit/loss.
6. The immovable assets which would be created out of RMK loan would continue to be used for various activities of women group, in future even after the borrowing organization repays the entire loan to Rashtriya Mahila Kosh.
7. Where the on lending of the loan is made to the women group by the NGO/IMOs the assets created out of the loan will continue to remain in the same of the women groups.

Insurance

The borrowing organization has to ensure adequate insurance cover of the movable properties/assets which will be created out of RMK's loan.

Repayment

To be repaid within 36 months in 8-10 quarterly installments with an initial gestation period of 6 months.

Margin Money

The organization is required to contribute a margin of 10% of the total working capital term loan to be availed from RMK.

Disbursement

To be disbursed in two installment (50% each) depending upon satisfactory utilization of loan.

Monitoring

Like other schemes monitoring will be same as **Chapter-8**

9.5 Housing Loan Scheme

This scheme is for providing loan for construction/ repair and maintenance of houses to women who are members of Women Groups. This loan is provided through IMOs. The organization can avail a maximum loan upto Rs. 1,00,000/- per beneficiary for construction of low cost house. The application has to be sent to RMK in the prescribed formats with all the documents as prescribed. Eligibility and other criteria is applicable as Main Loan Scheme.

9.6 Franchisee Scheme

This scheme is for providing bulk finances to IMO's. Under the Scheme, responsible agencies are appointed to undertake RMK activities in a franchisee mode. The application has to be sent to RMK in the prescribed proforma with all the documents as prescribed in **Appendix - 9**

Eligibility Norms- As applicable as para 5.2

1. To be eligible for credit limit above Rs. 1 crore, the IMO's should have availed of minimum Rs. 2 crore loan under Micro Credit Scheme of RMK/SIDBI/NABARD /Commercial Banks/Other Financial Institutions.
2. To be eligible for credit limit upto Rs. 1 crore, the NGO should have availed of minimum Rs. 1 crore loan under Micro Credit Scheme of RMK/SIDBI/NABARD/Commercial Banks/Other Financial Institutions.

Maximum Credit Limit:

- Rs. 5 crores.

Function of Franchisee Scheme

Franchisee is authorized to accept applications on behalf of the RMK, do preliminary scrutiny, conduct pre-sanction study by the identified monitors or their own officers and sanction loans to the eligible applicants as per the existing norms of RMK.

The franchisee will then sanction, disburse the amount, accept disbursement certificates, utilization certificates etc., conduct post-sanction study and release subsequent installments as per the existing procedures. Besides sanctions and disbursements, the franchisee will also undertake responsibility for recovery and follow-up action of loans disbursed by them/ RMK. Monitoring of this scheme is applicable as per mentioned in **Chapter-8**

Interest Rate

1. RMK to Franchisee - 5% p.a. on reducing balance
2. Franchisee to Sub-Franchisee /NGO - any rate on above 5% p.a. subject to maximum ceiling of 8% p.a. on reducing balance
3. Sub-Franchisee/NGO to SHG/Beneficiary - any rate on or above 8% p.a. subject to maximum ceiling of 18% p.a. on reducing balance

Other Benefits

Organizations eligible for Franchisee Scheme / any other schemes of RMK may avail facilities under both the schemes. While loan availed under Franchisee Scheme would be utilized for on lending to other NGOs, loan availed under other schemes of RMK would be utilized for on lending to the SHGs developed by the organization exclusively.

9.7 Nodal Agency Scheme

The Nodal Agency (NOA) Scheme was introduced in the year 1996-97 with the objective of taking help of reputed and experienced organizations, which may not necessarily be borrowing partners of RMK, for identifying and assisting new NGOs to eventually link-up with RMK for extending credit facilities to women group for their income generation. The application has to be sent to RMK in the prescribed proforma with all the documents as prescribed in **Appendix - 10**

Salient features of the Nodal Agency Scheme are as under:

- The IMO's implementing the Scheme would be designated as Nodal Agency (NOA)

Eligibility

1. IMOs should have Experience in Women empowerment activities / Micro-Credit activities for minimum 5 years.
2. IMOs should have adequate infrastructure & training capabilities.
3. Defaulting IMOs would not be considered.
4. IMOs should have experience with resource personnel to handle the required activities
5. IMOs should have solid financial base.
6. Interested organizations must register themselves with Planning Commission so that they are included in its website.

The Nodal Agency is expected to perform the following work:

1. To market RMK's various loan schemes in uncovered / marginally covered area of the state.
2. To identify potential NGOs & mobilize quality loan proposals from the NGOs who have already gained experience in formation/ promotion of SHG / JLGs, mobilization of savings, internal lending & recovery management.
3. To help in organizing programmes on awareness generation cum capacity building of NGOs / SHGs/JLGs in different regions.
4. To organize meetings/seminars / workshops / training in area of operation on behalf of RMK.
5. To guide / mentor and follow up loans proposals and facilitate recovery of loans given by RMK.

Other Norms:

1. Nodal Agency may appoint a dedicated Nodal Officer amongst their staff. No remuneration will be paid by RMK.
2. Nodal Agency has to sign a MoU which will be valid for 2 years.
3. The agency would be entitled to receive performance based incentive equal of 1 % of the total loans disbursed out of the sanction made by RMK upon its recommendations and 1 % on recovery of the loans thereof, if loans are repaid as per repayment schedule.

9.8 Special Package for North-Eastern Region

RMK has formulated a concessional package for the voluntary organizations of the North-Eastern region for easy access of credit from RMK to meet the credit needs of the poor women of the region in order to remove the uneven presence of micro-credit in the country which is witnessed mostly in North-Eastern region due to poor presence of banking net-work, lack of infrastructure and awareness, The concessions are:

1. The organization having completed one year of its registration (previously 3 years) can apply for the loan.
2. Margin on loan reduced from 10% to 5%.
3. The grace period on repayment of loan enhanced from 6 months to 12 months.
4. The repayment period of loan enhanced to five years invariably for all schemes.
5. The NGOs to be supported with 10% of the loan sanctioned as capacity building assistance.
6. To provide second class sleeper rail fare and where there is no rail link, cheaper class to and fro Air fare to the members of NGOs (up to 2 numbers) for coming to Delhi for execution of documents.

RASHTRIYA MAHILA KOSH

1, Abul Fazal Road, New Delhi - 110001

**APPLICATION FORM
FOR
MAIN LOAN SCHEME/LOAN PROMOTION SCHEME**

1. ORGANISATION DIRECTORY

- (a) Name of the Organisation : _____
- (b) Address : _____
- (c) State : _____
- (d) District : _____
- (e) Block : _____
- (f) Phone No. (with STD Code) : _____
- (g) Fax No. (if any) : _____
- (h) Nearest Railway Station : _____
- (i) Registration no. of the Organisation : _____
- (j) Date of Registration : _____
- (k) Date of Renewal, if any : _____
- (l) Area of Operation : _____
- (m) Name of the Bank of Organisation : _____
- (n) Account No. : _____
- (o) Name and Designation of Chief Functionary : _____

2. Details of Executive Committee members

S.No.	Name	W/o or D/o or S/o	Designation	Address with Door no. / Street / Village / Town / District	Land line no./ Mobile no.
(1)	(2)	(3)	(4)	(5)	(6)

3. Details of Socio-economic Developmental Programmes conducted by the organisation during the last 3 years (year wise)

Year	Name of the Programme	Funded by	Amount received	Achievements
(1)	(2)	(3)	(4)	(5)

Note: Please enclose a copy of your annual reports of last three years.

4. Experience of the organisation in CREDIT Activity during last three years (year wise). (Amount in Rs.)

Years	Amt. of loan outstanding from previous year (31.3. --	Amt. of loan disbursed during the year	Total =2+3	Demand amount, which due for was recovery as on ----	Amount actually recovered as on --	Over due as on ----- (5-6)	Percentage of recovery (%)	Outstanding at the end of the year 31.3.-- (4-6)
1	2	3	4	5	6	7	8	9

This statement is the consolidated figures of statement (5)

5. FORMAT OF DEMAND COLLECTION AND BLANCE REGISTER (DCB)

- A. Loaning made to SHG members out of their own savings (Inter loaning)
- B. Loaning made to SHGs out of the funds received from funding agencies.
- C. Loaning made to SHGs from Bank where NGO acts as a facilitator.
- D. Loaning made to SHGs out of own funds of NGO.

YEAR WISE (Last three years)

SL. No.	NAME OF SHG	Amt. of loan outstanding from previous year (31.3. --	Amt. of loan disbursed during the year	Total =3+4	Demand amount , which was due for recovery as on ----	Amount actually recovered as on --	Over due as on ----- (6-7)	Percentage of recovery (%)	Outstanding at the end of the year 31.3.-- (5-7)
1	2	3	4	5	6	7	8	9	10
1									
2									
3									

Separate DCB statement for A, B, C, D, category has to be submitted by the NGO (year wise and SHG wise for last 3 years).

It should be tallied with other related statements/information furnished by the NGO, any.

"Nil" statement may be submitted regarding A or B or C or D if the NGO does not have any experience in under such category.

Note:- The details in S.No. (5) should tally with the books of SHGs and with the data maintained by NGO.

6. Experience of the organisation in thrift/savings and formation of SHGs. Please give details as below (Position as on _____). Detailed list SHG-wise

(Amount in Rs.)

Sl. No.	Name and Address of SHG	Date of Formation	No. of Members	Savings Mobilised	Loan given out of savings	Amount Received	Amount of loan outstanding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total							

Note:- The details S.No. (6) should tally with the books of SHGs and with the data maintained by NGO.

7. Proposed lending programme in the current year

(Amount in Rs.)

Sl. No.	Category of Loan	Name of Activities	No. of SHGs	No. of Borrowers	Average amount of loan per beneficiary	Total Amount Required
(1)	(2)	(3)	(4)	(5)	(6)	(7)

8. Sources available with the organisation

(Amount in Rs.)

Sl. No.	Source	Balance at the beginning of year	Amount expected during the current	Total amount year
(1)	(2)	(3)	(4)	(5)
1.	Own Sources			
2.	Savings of SHGs/members			
3.	Recovery of loans from SHGs/members			
4.	Other sources such as grants/donations, etc.			
5.	Borrowings (other than this application of RMK)			
6.	Total			

9. Financial Assistance required from RMK**(Amount in Rs.)**

Sl. No.	Category of Loan	Name of Activities	No. of SHGs	No. of Borrowers	Average amount of loan per beneficiary	Total Amount Required
(1)	(2)	(3)	(4)	(5)	(6)	(7)

10. Financial position of the organisation as per Balance Sheet (As on)**(Amount in Rs.)****Liabilities**

Corpus fund
 Loan from Financial Institutions
 Other Current Liabilities
 Total

Assets

Fixed Assets
 Loan to SHGs
 Other Current Assets
 Total

(Details of borrowing if any, may be in the proforma below)

Name of the Lending Institution	Date Borrowed	Amount Repaid	Amount Outstanding	Balance of borrowings	Overdue, if any
(1)	(2)	(3)	(4)	(5)	(6)

(Copies of Sanction letters to be enclosed)

11. Organisational Set-up and Training

(i) Details of staff

No. of staff with the organisation	Trained	Untrained	Total
(1)	(2)	(3)	(4)
(a) Office/Supervisory Staff			
(b) Field/Extension Staff			
Total			

(ii) Details of arrangements available with the organisation for training of Staff/SHGs.

12. Check List

S No	Details of Enclosures	Yes/No	Page No.
1.	Attested Copy of the Registration Certificate/Renewal		
2.	Attested copy of MOA & Bye-laws		
3.	Indicate the provision to borrow from outside agency		
4.	Detailed Objectives of the Organization		
5.	Details of Bio-data of the Chief Functionary experience in social sector		
6.	List of current Managing Committee members duly attested		
7.	Resolution for seeking credit assistance from RMK		
8.	Consolidated audited accounts for the last 3 years		
9.	Annual Reports for the last 3 years		
10.	Copies of sanctions received from funding agencies/Govt. Departments etc		
11.	Utilisation certificate received for funding agencies		
12.	Undertaking to charge rate of interest not more than 14% NGO to SHG to ultimately beneficiary on reducing balance		
13.	Undertaking to keep the registration of the organization alive during the currency of RMK loan		
14.	Undertaking that office bearers should not be elected members of any political party		
15.	Undertaking to inform RMK in case of changing address.		
16.	If borrowed from other organizations, No Dues / Overdues certificate from funding agencies		
17.	Details of Socio-Economic development activities implemented during the last 2/3 years		
18.	Passport size photographs of the President, Secretary & Treasurer of the organization duly attested by a Gazetted Officer each photo to be attested individually.		
19.	Certificate regarding proof of residence of the President, Secretary and Treasurer with their present and permanent address duly attested by a Gazetted Officer		
20.	Details of arrangements available for organizing training for its Staff/SHGs		
21.	Copy of resolution in case of dissolution of the organisation / Undertaking Rs. 50/- for dissolution clause		
22.	Clause of 2/3rd quorum in MOA byelaws.		
23.	DCB for the last three years		

DECLARATION

I _____(FULL NAME WITH DESIGNATION) certify that the facts and figures furnished in the application form and the annexures are correct and tally with the records of our Organisation and any concealment of facts/misrepresentation/indulgence in illegitimate practices which are violative of the terms of sanction and as a consequencethereof, the Rashtriya Mahila Kosh is put to monetary loss, will render me liable to be proceeded against under the relevantprovisions of the law of the land.

Place:

Date:

(Signature with official stamp)
Name & Designation of Chief Executive

Encl.:

By Regd./ Speed post
Tel: 23354620,23354628
Fax: 011-23354621

RASHTRIYA MAHILA KOSH

1, ABUL FAZAL ROAD, BANGALI MARKET, NEW DELHI-110001

SANCTION LETTER

Dated.....

SUBJECT: SANCTION OF CREDIT LIMIT UNDER MAIN LOAN / LOAN PROMOTION SCHEME

Dear Sir / Madam,

Please refer to your letter no Dated..... forwarding application for financial assistance by way of loan for our consideration. We are pleased to advise that we are agreeable to sanction loan of Rs.....lakhs (RupeesOnly) to your organization, to be implemented within a period of one year from the date of sanction as per details given here under:

- i) Financial assistance sanctioned by RMK: Rs.....Lakhs
- ii) Rate of interest on RMK finance from NGO/Organization to RMK : 6% per annum
- iii) Rate of interest on loans to be given by the : on reducing balance NGO/Organization to
 - a) Self Help Groups or : Not Exceeding 14% per annum
 - b) Ultimate beneficiaries directly by the : on reducing balance NGO/Organization
- iv) **Repayment period:**
 - 1. Loans drawn by the NGO/Organization are to be repaid in 11 quarterly installments within a maximum period of 3 years for each drawal inclusive of moratorium period of 6 months.
 - 2. This sanction is subject to the General and Special Terms and Conditions contained in Chapter 5 & 6 and execution of required Agreement and documents by your authorized officer in favour of RMK.
 - 3. The provision of the Agreement referred to in Para 2 above have to be observed and followed by your organization and these conditions shall be deemed to form part of this sanction letter.
 - 4. Finance/Refinance will not be admissible to the NGO/Organization against loans recovered or fallen due at the time of release of finance/refinance by RMK.

5. Furnish
 - (i) Master list of total SHG's members under your organization
 - (ii) List of SHG members already covered under external borrowing including earlier RMK loans and
 - (iii) List of SHG members to be financed under the present RMK loan.
6. **All documents are to be executed at RMK office, New Delhi in the presence of RMK officer by the Authorised Officer, Guarantor and one Witness of your above three functionaries to be produced at the time of execution of documents at RMK Office, New Delhi. Also bring the office copies of all the documents submitted by you for seeking any clarification that may be required after taking prior appointment with the undersigned over telephone.**
7. Furnish 12 post-dated Cheques favoring Rashtriya Mahila Kosh, New Delhi duly signed by the authorized signatories.
8. This sanction will become effective only after receipt of the following:
 - i. NGO/Organization's application in the prescribed proforma for the first drawal together with the loan Agreement-Cum-Guarantee Deed duly executed by your authorized officer(s), Demand Pronote and Resolution of the Managing Committee (as per proforma enclosed).
 - ii. Your confirmation in writing that the terms and conditions of this sanction are acceptable to your organization.
 - iii. Certificate signed by the competent authority indicating page No. & Para No. of bye laws / MOA that the NGO / Organization has necessary borrowing power.
9. Please acknowledge receipt of this sanction letter on duplicate copy thereof.

Yours faithfully,

GENERAL TERMS AND CONDITIONS APPLICABLE TO RMK LOANS UNDER MAIN LOAN AND LOAN PROMOTION SCHEME

1. PROCEDURE FOR DRAWAL OF FINANCE/REFINANCE

Refer to chapter-6, 7 & 8 of Reference Manual.

SPECIAL TERMS AND CONDITIONS (MAIN LOAN / LOAN PROMOTION SCHEME)

Refer to chapter-6, 7 & 8 of Reference Manual.

APPLICATION FOR DRAWAL

The Executive Director,
Rashtriya Mahila Kosh,
1, Abul Fazal Road,
Bengali Market,
New Delhi-110001

Dear Sir/Madam,

SUBJECT: APPLICATION FOR DRAWAL OF FUNDS

- 1 Please refer to your Sanction Letter No. _____ dated _____ sanctioning finance/refinance to us of Rs _____. We confirm having sanctioned loans of Rs. _____ to our constituent(s)/SHG (hereinafter referred to as 'the borrowers') under the above mentioned scheme of development approved by the RMK for which we intend to avail of the finance / refinance sanctioned by the RMK under your above mentioned letter.
- 2 Out of the aforesaid loans sanctioned by us, we have advanced / will advance a sum of Rs. _____ to the borrower(s) upto _____. Details of the number of borrowers, purposes and the loan amount proposed to be disbursed is given in APPENDIX.
- 3 Interest on the above amount disbursed / to be disbursed (i) to the SHGs or (ii) directly to the ultimate borrower(s) by the NGO/SO/Organization will be charged @ not exceeding 14% per annum, on reducing balance.
- 4 In case of lendings done by NGO/SO/Organization through SHGs, SHGs may be left free to decide the rate of interest to be charged from the ultimate borrowers / members. However these rates will not exceed 18% p.a. on reducing balance.
- 5 We now request you to disburse to us a sum of Rs. _____ and remit the funds by a Demand Draft payable at _____ Branch against our advances already made /to be made to the borrowers under the scheme as mentioned under paragraph 1 above. The finance to be drawn by us as above will be repaid to the RMK on or before the dates indicated below or on dates as RMK will advise in its disbursement advice.

REPAYMENT SCHEDULE

No of Instalments	Amount to be repaid on or before
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
	Total

6. To enable you to release the finance requested for as above, we are now furnishing the following further information and documents required by you

- (i) Furnish
 - (i) Master list of total SHG's members under your organization
 - (ii) List of SHG members already covered under external borrowing including earlier RMK loan and
 - (iii) List of SHG members to be financed under the present RMK loan.
- (ii) Our Arrangement Letter-Cum-Guarantee Deed dated _____ duly executed by our authorized officer along with a Demand Pronote of Rs. _____ and a true copy of Resolution passed by our Managing Committee in this regard are enclosed.
- (iii) We hereby accept the terms and condition detailed in your Sanction Letter No. _____ dated _____ and undertake that whatever security we have obtained or may obtain from time to time from the borrower(s) to secure the loan in question will be held for and on behalf of the RMK and any realization or recoveries from the borrower(s) under the said loans will applied to repay the loans of RMK, if outstanding, as per the agreed repayment schedule indicated in Para 5 above.

Yours faithfully,

Authorized Officer of SO/Organization
With Official Stamp.

Ends As Above.

APPENDIX TO APPLICATION FOR DRAWAL

Details of proposed loan disbursement

Name & Address of
NGO/Organization.....

(Amount in Rs.)

Name of Area				Name of Activity	Proposed Number		Average proposed loan per beneficiar	Total Amount proposed to be disbursed i.e.(7x8)=9	Remarks
SHG	Village	Block	Distt.		SHGs	Beneficiaries			
1	2	3	4	5	6	7			

Note: NGO/SO/Organization is requested to give the proposed programme on actual requirements basis and adhere to the proposed programme without any deviation.

Signatures of the Chief functionaries

APPLICATION FOR SECOND DRAWAL / SUBSEQUENT DRAWALS

The Executive Director,
Rashtriya Mahila Kosh,
1, Abul Fazal Road,
Bengali Market,
New Delhi-110001
Dear Sir/Madam,

SUBJECT: APPLICATION FOR SECOND DRAWAL OF FUNDS

- 1 Please refer to your Sanction Letter No. _____ dated _____ sanctioning finance/refinance to us of Rs _____. We confirm having sanctioned loans of Rs. _____ (Rs. _____) to our constituent(s)/SHG (hereinafter referred to as 'the borrowers') under the above mentioned scheme of development approved by the RMK for which we intend to avail of the finance / refinance sanctioned by the RMK under your above mentioned letter.
- 2 We advise that out of the aforesaid loans sanctioned by us, we have advanced / will advance a sum of Rs. _____ to the borrower(s) upto _____. Details of the number of borrowers, purposes and the loan amount proposed to be disbursed is given in APPENDIX to this application.
- 3 Interest on the above amount disbursed / to be disbursed (i) to the SHGs or (ii) directly to the ultimate borrower(s) by the NGO/SO/Organization will be charged @ not exceeding 14% per annum, on reducing balance.
- 4 In case of lendings done by NGO/SO/Organization through SHGs, SHGs may be left free to decide the rate of interest to be charged from the ultimate borrowers / members. However these rates will not exceed 18% p.a. on reducing balance.
- 5 We now request you to disburse to us a sum of Rs. _____ and remit the funds by a Demand Draft payable at _____ Branch against our advances already made /to be made to the borrowers under the scheme as mentioned under paragraph 1 above. The finance to be drawn by us as above will be repaid to the RMK on or before the dates indicated below or on dates as RMK will advise in its disbursement advice.

REPAYMENT SCHEDULE

No of Instalments	Amount to be repaid on or before
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
	Total

6. We certify that the proceeds of earlier drawal made from RMK of Rs. _____ were fully disbursed as per the approved terms and details of disbursements, borrowers list, utilization certificate have been sent to Rashtriya Mahila Kosh on _____ (date).
7. We hereby undertake that whatever security we have obtained or may obtain from time to time from the borrower(s) to secure the loan in question will be held for and on behalf of the RMK and any realization or recoveries from the borrower(s) under the said loans will applied to repay the loans of RMK, if outstanding, as per the agreed repayment schedule indicated in Para 5 above.
8. To enable you to release the finance requested for as above, we are furnishing the following information/documents:
 - (i) Pronote of Rs. _____
 - (ii)

Yours faithfully

Signature of Authorized Officer of NGO/
SO/Organization With Official Stamp.

Ends As Above.

APPENDIX TO APPLICATION FOR SECOND DRAWAL

Details of proposed loan disbursement

Name & Address of
NGO/Organization.....

(Amount in Rs.)

Name of Area				Name of Activity	Proposed Number		Average proposed loan per beneficiar	Total Amount proposed to be disbursed i.e.(7x8)=9	Remarks
SHG	Village	Block	Distt.		SHGs	Beneficiaries			
1	2	3	4	5	6	7	8	9	10

Note: NGO/SO/Organization is requested to give the proposed programme on actual requirements basis and adhere to the proposed programme without any deviation.

Signatures of the Chief functionaries

**RESOLUTION TO BE PASSED BY THE MANAGING COMMITTEE OF THE
NGO/SO/ORGANIZATION AUTHORISING BORROWING FROM RMK AND ALSO
DELEGATING THE POWER TO BORROW FROM RMK.**

Resolved

1. That the NGO/VA/SO do borrow with or without security from the RMK by way of finance/refinance from time to time for the purpose of the schemes on the terms and condition set out in the Arrangement Letter-Cum-Guarantee Deed forwarded by the RMK with its letter No. _____ dated _____ which has been circulated to the members of the Managing Committee.
2. That the aforesaid borrowings by the way of finance/refinance from the RMK, together with interest, commitment charges, costs and other charges if so required by RMK shall be got secured if so required by suitable equitable mortgage/sub-mortgage/sub-hypothecation in favour of RMK of the properties of the SO/or assets charged for the loans given to beneficiaries.
3. That the draft Arrangement Letter-Cum-Guarantee Deed and Terms and Conditions forwarded by the RMK with its letter No _____ dated _____ be and are hereby approved and Sh./Smt./Kum. _____ Designation _____ (Please indicate the name and designation of Authorizes Officer) of the NGO/SO be and is hereby authorized to accept on behalf of the NGO/SO such charges in the draft of Arrangement Letter-Cum-Guarantee Deed as may be agreed to by the RMK; and
4. That Sh./Smt./Kum. _____ Designation _____ (please indicate the name and designation of Authorized Officer) be and is hereby authorized to execute the Arrangement Letter-Cum-Guarantee Deed and other documents under his/her signature duly witnessed.

Certified that above is the True copy of the Resolution No _____ at page No _____ of Minutes Book passed by the Managing Committee at its meeting held on _____.

(Signature of Authorized Officer
of the NGO/SO with Official Seal)

Specimen Signature _____
of Authorized Officer.

Signature & Name of _____
The Attesting Officer

1. Speciman signature of authorized officer should be attested by any member of the Managing Committee of the NGO/SO and he/she should give his/her Name & Address
2. Please ensure that Resolution should be signed by the all Managing Committee Members of the Organization.
- 3.

AGREEMENT-CUM-GUARANTEE DEED

Know all men by these presents that this Agreement-Cum-Guarantee Deed is made on this
Day of200... at New Delhi between M/S.....Name of Borrowing
Organization), registered underAct (Please indicate name of Act under which it
is registered), having its Registered Office at

(Hereinafter referred to as " Borrowing Organization" which expression shall mean and include its
successors, on merging in any organization either by operation of law or by passing a resolution in a
meeting having attendance of more than 66% members and Sh./Smt./Kum.

(Hereinafter called the "Guarantor") which expression shall where the context so admits shall mean and
include his/ her legal heirs, legal representatives, administrators, executors; and Rashtriya Mahila Kosh, 1,
Abul Fazal Road, Bengali Market, New Delhi, (hereinafter referred to as RMK), which expression shall
mean and include its successors, assigns, nominees or representatives:

AND WHEREAS the Borrowing Organization being desirous of receiving finance for the purpose of
promoting economic development directly or through its affiliated Self Help Groups (SHGs), having
applied to RMK for finance / refinance of such loans, hereby agree to the terms and conditions stated in
Sanction Letter No..... Dated for the loan of Rs.....,
issued by RMK in favour of the aforesaid Borrowing Organization.

AND WHEREAS the Guarantor also agrees / undertakes to repay the entire loan/ advances given to the
Borrowing Organization(s) by RMK in case the Borrowing Organisation(s) fail (s) to repay the same along
with interest @ 6 % and cost of demand /notice issued to it by the Rashtriya Mahila Kosh by demand draft
payable at New Delhi.

AND WHEREAS the Rashtriya Mahila Kosh has agreed to grant finance/ refinance to the Borrowing
Organization in respect of such loans and upon the terms and conditions (including the Guarantee given
by the Guarantor) hereinafter appearing and those given in Rashtriya Mahila Kosh's sanction letter(s)
issued in favour of the Borrowing Organization from time to time.

AND WHEREAS this Agreement-Cum-Guarantee Deed is duly signed by the Borrowing Organization and
Guarantor on receipt of Bank Draft/ Cheque for the amount of whole of the loan or part thereof issued by
the Rashtriya Mahila Kosh to Borrowing Organization on the terms and conditions mentioned below:

NOW THIS DEED WITNESS AS UNDER:

1. That the Borrowing Organization shall submit from time to time to the Rashtriya Mahila Kosh, for its
approval, schemes/proposals for grant of financial assistance by the Borrowing Organization to its
constituents (which term will also include its affiliated SHGs) for all purposes of the Guarantee for
promoting income generation activities and other activities for the welfare of women at large.

2. The Rashtriya Mahila Kosh may, in its absolute discretion, but without any binding obligation on its part sanction loans through finance / refinance to the Borrowing Organization and its constituents under any of the said schemes / proposals, and to such an extent and on such terms and conditions as the Rashtriya Mahila Kosh may decide from time to time.
3.
 - (a) The loans in respect of any scheme approved by the Rashtriya Mahila Kosh shall be disbursed in accordance with a schedule of disbursement as may have been stipulated by the Rashtriya Mahila Kosh in its Letter(s) of sanction or any other communication relating to such approved scheme (hereinafter referred to as " the said Letter(s) of Sanction").
 - (b) The loan amount shall be repaid by the Borrowing Organization with interest @ 6% in accordance with the schedule of repayment given by the Rashtriya Mahila Kosh in the said Letter(s) of Sanction. The said schedule(s) of disbursement and of repayment may be varied/ charged by mutual agreement in writing.
 - (c) The loan(s) drawn from Rashtriya Mahila Kosh by the Borrowing Organization shall be disbursed among the members / SHGs for whom it was sanctioned by the Rashtriya Mahila Kosh promptly within the frame as stipulated in the Letter(s) of sanctions. Any amount which is not disbursed within the stipulated period shall be refunded to the Rashtriya Mahila Kosh forth with, failing which a penal interest will be charged @ 6% per annum or at such rates as may be decided by Rashtriya Mahila Kosh on the amount undisbursed within the stipulated period over and above the normal rate of interest determined by Rashtriya Mahila Kosh from time to time and no further loan shall be sanctioned or given to the defaulter Borrowing Organization and the Borrowing Organization shall be black listed for further loans.
4. That the security for the loan(s) shall be such as may be specified by the Rashtriya Mahila Kosh in its Letter of sanction.
5. That the Borrowing organization further agrees that it shall, whenever so required by the Rashtriya Mahila Kosh, assign to the Rashtriya Mahila Kosh at Borrowing Organization's own expenses all other security documents or Guarantee or collateral in any other form obtained by the Borrowing Organization or its constituents, which the Borrowing Organization/ its constituents may hold in respect of the loans and the indebtedness of its constituents under the scheme.
6. That the Borrowing Organization shall, from time to time, until repayment of the loan(s) is fully effected, furnish to the Rashtriya Mahila Kosh true and correct reports in such form as the Rashtriya Mahila Kosh may prescribe regarding the solvency / financial status of its constituents, whenever required by the Rashtriya Mahila Kosh to do so.
7. That the Borrowing Organization further agrees to furnish information to Rashtriya Mahila Kosh, promptly of any change in the status / position of any such party which can reasonably be considered to affect the security furnished to the Borrowing Organization and / or the Rashtriya Mahila Kosh.
8. That the Borrowing Organization further agrees to maintain separate accounts in respect of each loan received from the Rashtriya Mahila Kosh in respect of each scheme/ proposal.
9. That it is mutually agreed and clearly understood between the parties to this Agreement-Cum-Guarantee Deed that the parties i.e. the Borrowing Organization and the Guarantor shall remain always liable as a Principal debtor to the Rashtriya Mahila Kosh for the repayment of any

loan(s) granted by the Rashtriya Mahila Kosh, notwithstanding any information furnished to the Rashtriya Mahila Kosh in respect of solvency / financial status of the Borrowing Organization and / or its constituents and notwithstanding creating of any security by the Borrowing Organization and/or its constituents or assignment made in favour of the Rashtriya Mahila Kosh in pursuance of clauses 4 and 5 hereof.

10. That the Borrowing Organization further agrees that if it realises any of the securities held by it or its constituents either alone or jointly, for the said loans or whenever any repayment is received or recovery made by the Borrowing Organization from its constituents, the Borrowing Organization shall pay the same over to the Rashtriya Mahila Kosh all such realization or recoveries to the extent required to repay the Borrowing Organization's obligations hereunder.
11. The Borrowing Organization agrees:
 - a. To furnish to the Rashtriya Mahila Kosh all such information as the Rashtriya Mahila Kosh may require from time to time regarding constituents or about the Borrowing Organization itself.
 - b. That unless otherwise required by the Rashtriya Mahila Kosh
 - (i) To inspect periodically the affairs of the constituents finance and;
 - (ii) To submit a report of such inspection to Rashtriya Mahila Kosh once in every quarter indicating the progress made in respect of the scheme and;
 - (iii) To assess whether the loan(s) have been utilized by the constituents for the purposes for which it was granted/sanctioned; and
 - c. That it will not allow any of its constituents to engage in any operation inconsistent with such loans or which is likely to jeopardise such loans or the scheme so approved by the Rashtriya Mahila Kosh.
12. The Borrowing Organization shall ensure that any agreement/arrangement between the Borrowing Organization and its constituents with reference to the RMK loans is in consonance with the provision of this Agreement-Cum-Guarantee Deed and the said Letter of Sanction.
13. (a) The ultimate Borrowers/SHG shall allow duly authorized representative(s) of the Borrowing Organization and/or of the Rashtriya Mahila Kosh to inspect at any time the borrower's premises and plant, establishment and Borrower's books of account and all other relevant records.
 - (b) The Rashtriya Mahila Kosh shall be entitled to depute one or more of its officers or authorized representative to inspect at any time the Borrowing organization or its premises, the assets and the books of accounts of the constituents to whom loans have been granted and also to inspect the security for such loans.
14. That the Borrowing Organization agrees that the rate of interest payable by the ultimate borrowers under each scheme shall be open to review/revision by the Rashtriya Mahila Kosh at any time to which the Borrowing Organization and Guarantor shall not object.
15. That the financing institution shall make proper arrangements for supervising the utilization of the loans granted to its constituents under the scheme approved by the Rashtriya Mahila Kosh and shall

not disburse an installment of a loan(s) unless it is satisfied that the previous installments have been properly utilized.

16. That in the event of any breach or violation by the Borrowing Organization of any of the terms and conditions of this Agreement-Cum-Guarantee Deed on which loan(s) is given by the Rashtriya Mahila Kosh the Rashtriya Mahila Kosh may recall/ask for the refund of the entire loans advanced under the aforesaid Sanction Letter and Agreement-Cum-Guarantee Deed and enforce the security.
17. That in the event of the Borrowing Organization making any default in repayment of any sum due to the Rashtriya Mahila Kosh on the due date, the Rashtriya Mahila Kosh shall be entitled to recall at once the entire loans given earlier and enforce the security and take such other action against the Borrowing Organization or its constituents as it may deem fit and proper to recover its dues. The Borrowing Organization and Guarantor agree to the terms of this Agreement-Cum-Guarantee Deed for regulating all earlier loan(s) and enforcement of security.
18. That it is further agreed between the parties here to that the terms of this Agreement-Cum-Guarantee Deed shall continue to be in force and bind the parties thereto in respect of all loans provided to the Borrowing organization from time to time and shall come to an end only on a written notice to that effect served by Rashtriya Mahila Kosh on the Borrowing Organization provided, however, such notice shall not in any way affect the mutual rights and obligations of parties hereto in respect of any loan outstanding as on the date of such notice.
19. That the Guarantor agrees to pay and satisfy the Rashtriya Mahila Kosh on demand all and every sum and sums of money which are now or shall at any time be due to the Rashtriya Mahila Kosh, in any of its officers, on any account whether from the Borrowing Organization jointly with any other person or persons, whether as principal or surety or otherwise and whether such liabilities have matured or not and whether they are absolute or contingent including all liabilities in respect of advances, cheques, bank drafts and other negotiable or non-negotiable instruments drawn, accepted, endorsed or guaranteed by the Borrowing Organization and in respect of interest at the Rashtriya Mahila Kosh current rate with quarterly rests, commission and other charges and in respect of all costs and charges and expenses which the Rashtriya Mahila Kosh may incur in paying any rent, rates, duties, calls, installments, legal and other professional charges or other outgoings whether on insurance, repair, maintenance, management, realization or otherwise in respect of any property movable or immovable or any chattels or actionable claims of scripts/securities or title deed pledged, mortgaged or assigned or deposited with the Rashtriya Mahila Kosh as security for the due payment and discharge of the Borrowing Organization's liability to the Rashtriya Mahila Kosh.
20. That the total liability ultimately enforceable against the Guarantor under this Guarantee in no circumstances shall exceed the total amounts payable by the Borrowing Organization and the Guarantor hereby agrees to pay the same on demand with interest thereon at the rates stipulated by the Rashtriya Mahila Kosh from the date of demand till payment.
21. That notwithstanding the Borrowing Organization's accounts with the Rashtriya Mahila Kosh may be brought to credit or the credit given to the Borrowing Organization is fully exhausted or exceeded or howsoever the said financial accommodation varied or changed from time to time notwithstanding any payment from time to time or any settlement of account, this Guarantee shall be a continuing Guarantee for the payment of the ultimate balance to become due to the Rashtriya Mahila Kosh by

the Borrowing Organization in respect of the earlier, present and subsequent loan(s) advanced by the Rashtriya Mahila Kosh.

22. That notwithstanding the discontinuance of the Guarantee as to one or more of the Guarantors or the death of any one of them, the Guarantee is to remain a continuing Guarantee as to the other or others or the representatives and estates of the deceased as the case may be and where there is more than one Guarantor, their liability under these presents shall be construed as joint and several.
23. That in the event the present Guarantor(s) cease to be elected representatives of the Borrowing Organization, the new elected representatives of the Borrowing Organization, shall have to execute fresh Agreement-Cum-Guarantee Deed in addition to earlier executed documents. However, the earlier Guarantor shall not be discharged till RMK agrees to discharge them expressly.
24. That the Rashtriya Mahila Kosh without exonerating the Guarantors may grant time or other indulgence of the Borrowing Organization or any other person liable to the Rashtriya Mahila Kosh on all or any of the obligations or liabilities guaranteed hereunder or in respect of cheques, Bank drafts, guarantees and undertakings and give up or modify or abstain from perfecting or taking advantage of any securities of contracts and discharge any party or parties and accept or make any composition or arrangement and realize any securities when and in such manner as the Rashtriya Mahila Kosh may think expedient.
25. That in case of default of payment of interest/ installment continuing for more than six months without any sufficient and cogent reasons, Rashtriya Mahila Kosh reserves its right to initiate action including black listing the NGO and for recovery of its dues by filing necessary legal proceedings at Delhi.
26. That a certificate in writing under the hand of the Executive Director or any other officer of the Rashtriya Mahila Kosh stating the amount at any particular time due and payable shall be a conclusive evidence as against the Guarantors, each of them and their respective representative(s) and estates.
27. That a notice may be served on the Guarantor/s personally or sending the same by Registered A/D cover to the address registered with the Rashtriya Mahila Kosh or when such address is not registered, to the last known place of the person to be served and a notice so sent shall be deemed to have been served on the Borrowing Organization and the Guarantor on the seventh day of the date of dispatch through the Post Office or a Courier.
28. That this Guarantee is irrevocable. However, with the express consent of the Rashtriya Mahila Kosh, the Guarantees (s) may be substituted by another person (s).
29. That this Guarantee shall be in addition to any other security given by the Borrowing Organization and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter by the collateral or other security now or hereafter to be held by the Rashtriya Mahila Kosh.
30. That the courts at Delhi shall have the exclusive jurisdiction to entertain and decide all disputes between the parties.
31. That in these presents, the singular number shall be deemed to include the plural whenever the Borrowing Organization/ Guarantor is a registered Society/ Organization/ Institution/ Committees/ Association or unincorporated Body and the several expressions shall be deemed to include the members of the Society of any Committee or Association or unincorporated body.

The contents of this Deed have been read over and interpreted in _____ language known to the persons executing this Agreement and have been admitted by the parties to be true and correct.

In witness whereof the parties have set their hands on the Agreement-Cum-Guarantee Deed on the day, month and year mentioned above at New Delhi.

WITNESSES

1. Signature _____
Name _____
Address _____

1. Signature _____
Name _____
Address _____

BORROWING ORGANIZATION

(Signature _____)
of Authorized Officer)

Name _____
Designation _____
Address of the Organization

Official Seal _____

GUARANTOR

(Signature _____)
of Authorized Officer

Name _____
(Signature of guarantor other than a
person signing above, but a member
of the Managing Committee.

Designation _____
Address of the Organization

Official Seal _____

RASHTRIYA MAHILA KOSH

(Signature _____)
of Authorized Officer)

Name _____
Designation _____
Address of the Organization

Official Seal _____

RECEIPT

Received Draft No. _____ Dated _____ for Rs. _____ (Rupees
_____ only) from Rashtriya Mahila Kosh, New Delhi, as 1/2/3 installment of
loan on the terms and conditions mentioned in Rashtriya Mahila Kosh's Sanction Letter
No _____ Dated _____

Interest at the rate of _____% per annum with quarterly rests for value received.

Dated _____ (day) of _____ (month) _____ (year)

Revenue Stamp

Signature of Authorized Officer with
Official Seal on Revenue Stamp

1. Name of the Authorized Officer _____
2. Designation _____
3. Address of the Organization _____

4. Place _____
5. Date _____

DISBURSEMENT CERTIFICATE

1. Name & Address of NGO/Organization

2. We certify that the amount drawn by us from Rashtriya Mahila Kosh was disbursed as under:

Funds received from RMK	Detail of amount disburse									Un-utilised amount refunded to Rashtriya Mahila Kosh if any
	Date	Area				No. of SHG	No. of Borrowers	Amount Rs	Amount Rs	
		SHG	Village	Block	Distt.					
1	2	3	4	5	6	7	8	9	10	
Date of receipt of Draft from Rashtriya Mahila Kosh dt..... Amount Received Rs.....										Date of Refund..... Amount refunded Rs.....

Note: NGO/SO/Organization is requested to give the proposed programme on actual requirements basis and adhere to the proposed programme without any deviation.

Signatures of the authorized Officer of the
NGO/SO/Organization with official seal

RASHTRIYA MAHILA KOSH
1, Abul Fazal Road, New Delhi - 110001

APPLICATION FORM FOR FRANCHISEE SCHEME

1. ORGANISATION DIRECTORY

(a) Name of the Organisation	
(b) Address	
(c) State	
(d) District	
(e) Block	
(f) Phone No. (with STD Code), Email	
(g) Fax No. (if any)	
(h) Nearest Railway Station	
(i) Registration no. of the Organisation	
(j) Date of Registration	
(k) Date of Renewal, if any	
(l) As per MOA	
(m) Area of Operation :	
(n) Name of the Bank of Organisation	
(o) Account No.	
(p) Name and Designation of Chief Functionary	

2. Details of Executive Committee members

S. No.	Name	W/o or D/o or S/o	Designation	Address with Door no./ Street/Village/Town/ District	Land line no. / Mobile no.
(1)	(2)	(3)	(4)	(5)	(6)

Note: Please enclose a copy of your annual reports of last three years.

For office use only:

3. Experience of the organisation in CREDIT Activity during last three years
 - a) Internal loaning of SHGs promoted
 - b) Directly funding by the NGO to SHG
 - c) Indirect experience in credit (As a facilitator for Bank / other funding Agencies)
 - d) Loan given to any NGOs

(year wise). (Amount in Rs.)

Years	No. of SHGs	No. of Borrowers	Amount of loans disbursed from all sources
1	2	3	4

4. FORMAT OF DEMAND COLLECTION AND BLANCE REGISTER (DCB)

- A. Loaning made to SHG members out of their own savings (Inter loaning)
- B. Loaning made to SHGs out of the funds received from funding agencies.
- C. Loaning made to SHGs from Bank where NGO acts as a facilitator.
- D. Loaning made to SHGs out of own funds of NGO.

YEAR WISE (Last three years)

SL. No.	NAME OF SHG	Amt. of loan outstanding from previous year (31.3. --)	Amt. of loan disbursed during the year	Total =3+4	Demand amount, which was due for recovery as on ----	Amount actually recovered as on --	Over due as on ---- (6-7)	Percentage of recovery (%)	Outstanding at the end of the year 31.3.-- (5-7)
1	2	3	4	5	6	7	8	9	10
1									
2									
3									

Separate DCB statement for A, B, C, D, category has to be submitted by the NGO (year wise and SHG wise for last 3 years).

It should be tallied with other related statements/information furnished by the NGO, any.

"Nil" statement may be submitted regarding A or B or C or D if the NGO does not have any experience in under such category.

Note:- The details in S.No. (5) should tally with the books of SHGs and with the data maintained by NGO.

5. Experience of the organisation in thrift/savings and internal loaning as on 31st March-----

- a) NGOs
b) SHGs

(Amount in Rs.)

Sl. No.	Name and Address of SHG	Date of Formation	No. of Members	Savings Mobilised	Loan given out of savings	Amount Received	Amount of loan outstanding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total							

Note:- The details S.No. (6) should tally with the books of SHGs and with the data maintained by NGO.

6. Proposed lending programme in the current year (For other NGOs only)

(Amount in Rs.)

Name of the NGO	Address	Date of Regn.	Exp. In micro-credit	Total SHGs formed	Total internal lending	Loans from other agencies	Rate of recovery	Amt. of loan required	Total fund recd. From other funding agencies / track record
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

7. a) Financial position of the organisation for last 3 years Balance Sheet (As on)

(Amount in Rs.)

<u>Years</u>	<u>Liabilities</u>	<u>Assets</u>
Year 1	Corpus fund	Fixed Assets
Year 2	Loan from Financial Institutions	Loan to SHGs
Year 3	Other Current Liabilities	Other Current Assets
	Total	Total

(Separate sheet may be attached)

b) Details of borrowing if any, may be in the proforma below

Name of the Lending Institution	Date of Loan	Amount of loan	Amount repaid	Overdue	Balance outstanding
(1)	(2)	(3)	(4)	(5)	(6)

(Separate sheet may be attached and copies of Sanction letter to be enclosed)

c) Financial details of NGOs to whom loan would be provided by Franchisee.

Name of the NGOs	LIABILITIES					ASSETS			
	Capital	Surplus / Deficit	Loans	Others	Total	Fixed	Current	Loans	Other total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

8. Organisational Set-up and Training

- a) No. of trained staff
No. of untrained staff
- b) Trained staff:
Details regarding training programme attended, name of the training institution.

NB: Please attach Xerox copies of certificate of each trained staff
- c) Other infrastructure :
 - i) Training material / programme
 - ii) Training hall
 - iii) Resource persons
 - iv) Computer and other equipment
 - v) Vehicle
- d) Details regarding
Bio-data of all staff and MC members and nodal officers
- e) Experience if any as a nodal agency/ mother NGO/ Franchisee of any other funding organisation

9. Check List

S No	Details of Enclosures	Yes/No	Page No.
1.	Attested Copy of the Registration Certificate/Renewal		
2.	Attested copy of MOA & Bye-laws		
3.	Indicate the provision to borrow from outside agency		
4.	Detailed Objectives of the Organization		
5.	Details of Bio-data of the Chief Functionary experience in social sector		
6.	List of current Managing Committee members duly attested		
7.	Resolution for seeking credit assistance from RMK		
8.	Consolidated audited accounts for the last 3 years		
9	Annual Reports for the last 3 years		
10	Copies of sanctions received from funding agencies/Govt. Departments etc		
11.	Utilisation certificate received for funding agencies		
12.	Undertaking to charge rate of interest not more than 18% NGO to SHG to ultimately beneficiary on reducing balance		
13.	Undertaking to keep the registration of the organization alive during the currency of RMK loan		
14.	Undertaking that office bearers should not be elected members of any political party		
15.	Undertaking to inform RMK in case of changing address.		
16.	If borrowed from other organizations, No Dues / Overdues certificate from funding agencies		
17.	Details of Socio-Economic development activities implemented during the last 2/3 years		
18.	Passport size photographs of the President, Secretary & Treasurer of the organization duly attested by a Gazetted Officer each photo to be attested individually.		
19.	Certificate regarding proof of residence of the President, Secretary and Treasurer with their present and permanent address duly attested by a Gazetted Officer		
20.	Details of arrangements available for organizing training for its Staff/SHGs		
21.	Copy of resolution in case of dissolution of the organisation / Undertaking ₹50/- for dissolution clause		
22.	Clause of 2/3rd quorum in MOA byelaws.		
23.	DCB for the last three years		

DECLARATION

I _____ (FULL NAME WITH DESIGNATION) certify that the facts and figures furnished in the application form and the annexures are correct and tally with the records of our Organisation and any concealment of facts/misrepresentation/indulgence in illegitimate practices which are violative of the terms of sanction and as a consequence thereof, the Rashtriya Mahila Kosh is put to monetary loss, will render me liable to be proceeded against under the relevant provisions of the law of the land.

Place:

Date:

Encl.:

(Signature with official stamp)
Name & Designation of chief Executive

RASHTRIYA MAHILA KOSH
1, Abul Fazal Road, New Delhi - 110001

APPLICATION FORM FOR NODAL AGENCY SCHEME

1. Name of the organization
2. Address
3. Phone No., Fax No., Email
4. Nearest Railway Station
5. Registration No. of the organization
6. Date of registration/Date of renewal
7. Area of operation
 - i) As per MOA
 - ii) For implementation of Progress
8. Name of the Bank of the organization and Account No.:
9. Name & Designation of the Chief Functionary :
10. Details of Socio-economic development program implemented by the organization during last 3 years:

<u>Year</u>	<u>Name of the prog.</u>	<u>Funded by</u>	<u>Amount Recd.</u>	<u>Achievement</u>
Year I				
Year II		Separate sheet may be attached :	Attached	
Year III				

11. Experience of the organization in credit activities: (for last 3 years)

- (a) Internal loaning of SHGs promoted.:
- (b) Directly funded by the NGO to SHG. :
- (c) Indirect experience in credit(As a facilitator for Bank/Other funding agencies)

Year of finance	No. of SHGs Financed	No. of borrowers financed	Amount disbursed during the year (as on 31.3.)	Amount of demand during the year (as on 31.3.)	Amount of actual recovery during the year (as on 31.3.)	Amount of overdue during the year (as on 31.3.)	% of recovery (as on 31.3.)	Source of fund

(Separate sheet may be attached)

12. Experience of the organization in thrift/savings and internal loaning as on 31st March.....

S. No.	Name & Address of SHG	Date of Formation	No. of Members	Savings Mobilised (Cumulative)	Loans Given out of Savings (Cumulative)	Amount Outstanding

(Separate sheet may be attached)

13. Financial Position of the organization for last 3 years:

- (a). Liabilities Assets
- Year I
- Year II Separate sheet may be attached.
- Year III

- (b). Borrowing if any: as on 31st March..

Name of the lending Institution	Date of loan	Amount of loan	Amount repaid	Overdue	Balance Outstanding

(Separate sheet may be attached)

14. Organizational set up:
- (a). No. of trained staff :
No. of untrained staff :
- (b). Trained staff:
Details regarding training programme attended, name of the trainer, name of the training institution.
N.B. Please attach Xerox copies of certificate of each trained staff.
- (c). Other infrastructure:
- Training material/Programme :
 - Training hall:
 - Resource persons :
 - Computer and other equipment :
 - Vehicle:
- (d). Details regarding
Bio-data of all staff and MC members and nodal officers.
- (e). Experience if any as a nodal agency / mother NGO of any other funding organization.

Check list:

S No	Details of Enclosures	Yes/No	Page No.
1.	Attested copy of the original Registration Certificate / Renewals		
2.	Attested copy of Memorandum of Association / Bye Laws		
3.	Bio-data of the Chief Functionary		
4.	Composition of the current Managing Committee with name, designation and address of the members, (with relevant copy of resolution of general body)		
5	Copy of the Audited Account and Balance Sheet of the organization for the last three years.		
6	Copy of the resolution passed by the Management Committee to act as nodal agency of RMK		
7	Copies of Annual Reports for last three years.		
8	Copies of testimonials received from funding agencies / Govt. departments etc., if any		
9	Passport size photograph of 3 members of the managing committee duly attested by the Gazetted officer (Chief Functionary, Second Member, Nodal Officer)		
10	Residential address of the members of the managing committee and Nodal officer both temporary and permanent address with proof of the same.		
11	Undertaking to inform Rashtriya Mahila Kosh of any change in Address of the organization.		
12	Undertaking to keep the registration of the organization alive during the currency of the Rashtriya Mahila Kosh loan.		
13	NGOs who have already availed loan from other organizations should also furnish to the Rashtriya Mahila Kosh a certificate of satisfactory conduct of the loan account with them.		

DECLARATION

I _____(FULL NAME WITH DESIGNATION) certify that the facts and figures furnished in the application form and the annexures are correct and tally with the records of our Organization and any concealment of facts / misrepresentation / indulgence in illegitimate practices which are violative of the terms of sanction and as a consequence thereof, the Rashtriya Mahila Kosh is put to monetary loss, will render me liable to be proceeded against under the relevant provisions of the law of the land.

Place:
Date:

(Signature with official stamp)
Name & Designation of chief Executive

Encl.:



Above brand name is being developed in November, 2013
to create a better marketability for the products made by Women-Self Help Group

RMK's Presence



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RASHTRIYA MAHILA KOSH

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