

ANNEXURE III

OPERATIONAL DETAILS IN REGARD TO SELF-EMPLOYMENT (GROUP) THROUGH SETTING UP OF MICRO-ENTERPRISES UNDER UWSP

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1. Identification of Beneficiaries : Only those identified and listed on the basis of survey as suggested under Annexure I.
 2. Eligibility : Urban poor women living below the poverty line, in any city/town. Preferably, the senior and better-performing urban women self help groups having credit management abilities and having skills in the proposed activity may be accorded thrust.
 3. Age : Members should be of minimum 18 years at the time of the group applying for Bank Loan.
 4. Membership of the Group : Minimum number of women in a group is five.
 5. Defaulter : Should not be a defaulter to any nationalized bank/financial institution/cooperative bank.
 6. Nature of Activities : Any group activity/enterprise development for income generation by the urban poor women, including the activities mentioned for the Individual enterprises in Annexure-II.
 7. Project Cost : No maximum limit.
 8. Subsidy : Subsidy would be provided at the rate of 35% of the project cost subject to a ceiling of Rs. 3.00 lakhs or Rs. 60,000/- per beneficiary.
 9. Margin Money : Groups may be encouraged to contribute 5% of the project cost as margin money in cash.
 10. Loan : Loan (excluding the subsidy amount and margin money, if any, from the project cost) would be sanctioned by the banks at rates of interest applicable to such priority sector loans fixed by the Reserve Bank of India from time to time. The interest will
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be charged only on the loan amount.

11. Collateral Guarantee on Bank Loans : The loans would not require any collateral guarantee. Only assets created under the programme would be hypothecated/mortgaged/pledged to the bank advancing the loans.
12. Repayment : Repayment schedule ranges from 3 to 7 years after initial moratorium of 6 to 18 months as decided by bank.

The CDS/Town UPA Cells will extend help to bank for ensuring regular repayment of loans as per rules.
