

## **Scheme of Micro Finance Programme**

1. The Government launched a Scheme of Micro Finance Programme in 2003-04. The scheme has been tied up with the existing programme of SIDBI by way of contributing towards security deposits required from the MFIs/NGOs to get loan from SIDBI. The scheme is being operated in underserved States and underserved pockets/ districts of other States.

2. The Government of India provide funds for Micro-Finance Programme to SIDBI, which is called 'Portfolio Risk Fund' (PRF). At present SIDBI takes fixed deposit equal to 10% of the loan amount. The share of MFIs/NGOs is 2.5% of the loan amount (i.e. 25% of security deposit) and balance 7.5% (i.e. 75% of security deposit) is adjusted from the funds provided by the Government of India.

3. So far, the Government has released an amount of Rs.116.10 crore towards 'Portfolio Risk Fund' (PRF). Moreover, a sum of Rs.57.72 crore, as available at FY2013 on account of repayments of disbursements made to MFIs in the past years, has been redeployed towards PRF.

4. As on 31<sup>st</sup> August, 2014, cumulative loan amount of Rs.2084.86 crore has been provided to MFIs/NGOs under the Scheme benefiting approximately 26.5 lakh persons.

The scheme guidelines indicating its salient features is provided in O.M.No. E-20(2)/2003 dated 17<sup>th</sup> March, 2004.