Enterprise loans @ 4% interest from CDS - Support to 2425 enterprises till date

We need to provide many supports to our entrepreneurs while encouraging them to start enterprises. Kudumbashree extend various services such as providing loans for those who start new enterprises. Also we give skill training to entrepreneurs. In addition, support is extended through Micro Enterprise Consultants (MECs) and many marketing opportunities are created for the products.

One of the key support important among these is to make available the needed loan for the enterprises. It's essential to get financial support on time without much difficulty. The important change that happened in Kudumbashree within the last 6 months is that we have laid the foundation to equip the CDSs (CDS- Panchayath level federation of NHGs) to arrange these enterprise loans on time. By including in the Rebuild Kerala Development Programme (RKDP), 524 CDSs in Kerala have been given a Community Enterprise Fund (CEF) of Rs 3 lakhs to Rs 15 lakhs. Our CDSs are empowered and equipped to make use of this amount to give loan to the enterprises. Considering the total amount we had given under this vertical in the last one year (from other sources as well), we have given an average of Rs 5 lakhs each to 1059 CDSs in Kerala.

If an enterprise is given an average of Rs 50,000 as loan, a CDS can give loan to 10 enterprises in their area quickly. On repayment of this, loan could be given to other enterprises and this process may be continued. As there is provision for all entrepreneurs to get financial support from their respective CDSs itself, the formation of enterprises could be done at the
earliest. So, it is expected that giving the capital to launch the enterprises at 4% interest through CDSs would make extensive results. About 6000 enterprises could be given loans using the amount given to the CDS from the RKDP funds. Until now, 2425 enterprises were given loans using this fund. As part of the 100 Day Programme of Kudumbashree, we have taken up the task of giving loans to maximum enterprises before 2 November 2020. So we expect to give loans to 6000 enterprises within this period. We have devised a special software for receiving, scrutinizing and approving the applications and for repayment of the same. Also, software will ensure online monitoring of this programme.

We hope that through this loan, which could be availed at 4% interest with simple procedures, a greater leap could be attained in the state in the enterprise sector through Kudumbashree. We hope that through this activity our CDS will get own income. This will strengthen them financially and will help them grow with added responsibilities and strength.