Bulk Loan of Rs 93 crores

We explained about the various microfinance activities we implement aiming at the ‘financial empowerment’ of the NHG members and aiming at ‘local economic development’ in ‘Making an Impact’ Articles - 32, 48, 85 etc. Providing Bulk Loan is one of the important activities among these. During the financial year 2019-20, various CDS in Kerala were provided with Bulk Loan of Rs 93.01 crores. Compared to the previous years, our CDSs availed higher volume of Bulk Loan during 2019-20. The total Bulk Loan availed by the CDSs in all the previous financial years (before 2019-20) together is Rs 230.52 crores.

Bulk Loan is given to Kudumbashree CDSs mainly by Kerala State Backward Classes Development Corporation Ltd (KSBCDC). The programme aims at giving loans to the NHG members at lower interest rates and make them engaged in income generating activities. A CDS would be given Bulk Loan of upto Rs 2 crores. KSBCDC would charge 3.50 % as interest for this loan. The CDS would give this amount as loan to the NHGs for starting enterprises or for various other activities. NHGs would be given a maximum of Rs 5 lakhs as loan from this. The CDSs charge interest upto 5 % from the NHGs.

36 months is the repayment tenure of the bulk loan. The NHGs which has 75% of its members from OBC/ minority communities would only be eligible for this loan. Other conditions for NHGs to avail the
Till date, 329 CDSs in Kerala have availed the facility of Bulk Loans. A total of Rs 323.53 crores is availed from KSBCDC as bulk loan. Our CDS would have taken an average of Rs 1 crore as loan. KSBCDC ensures the regular repayment of this loan. Through this Bulk Loan with nominal interest rates, it is possible to make the CDSs self-sustainable. Moreover financial empowerment of our NHG s are also happening in the process.

loan are 1) There should be at least ten members in the NHG for availing the loan 2) The applicants should be of 18-55 years of age. When the NHGs repay the loan, the CDSs would get an interest amount. After paying the interest to KSBCDC, each CDSs would get a small income of their own from this bulk loan lending process. Our CDSs coordinate the activities of providing bulk loan in their jurisdiction (local body level)