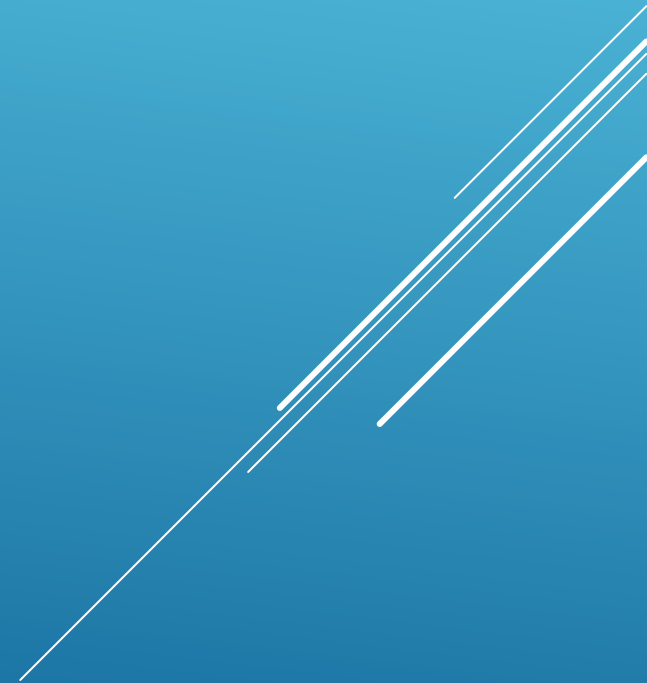


▶ **DR.T.GIRIJA BAI**

▶ **PRINCIPLES OF ECONOMICS**

▶ **I B.A. HISTORY**



MICRO FINANCE

The provision of financial service(micro credit)
to poor people help them to engage them in productive
activities

(or) grow very small business.

Micro credit is the extension of very small loans to those in
poverty

designed to spur entrepreneurship.


FEATURES OF MICRO FINANCE

- ▶ **Beneficiaries are from low income group.**
- ▶ **Loan are of small amount.**
- ▶ **Short duration loans.**
- ▶ **Loans are offered without collateral.**
- ▶ **Loans are generally taken for income generation purpose.**

MICRO FINANCE INSTITUTIONS

- ▶ **NABARD**
 - ▶ **Small industries Development Bank of India (SIDBI)**
 - ▶ **Rashtriya mahila khos (RMK)**
 - ▶ **Commercial Banks**
 - ▶ **Regional Rural Banks(RRB)**
 - ▶ **Co-operative Banks**
- 

BENEFICIARIES OF MICRO FINANCE CLIENTS

- ▶ **Poor and low income people**
 - ▶ **Usually self-employed**
 - ▶ **Micro-entrepreneurs**
 - ▶ **Near the poverty line, both above and below**
 - ▶ **Women: majority of clients**
- 

IMPORTANCE OF MICRO FINANCE

- ▶ India's poverty estimates range from 26% to 50%. Out of these, 87% don't have access to credit.
- ▶ Only 5% people in rural India have access to micro finance. Even deposit account facility is out of reach by 70% of rural poor

CONCLUSION

- ▶ **Micro finance has an important role to play low income group among the rural people micro enterprise has the objective of poverty alleviation and creation of empowerment opportunities for the rural poor. Therefore, In India poor people who are enjoying the social and economic status through starting their own business.**