

## GOVERNMENT SPONSORED CREDIT-LINKED SCHEMES

### **DEENDAYAL ANTYODAYA YOJANA – NATIONAL RURAL LIVELIHOODS MISSION (DAY-NRLM)**

#### EVOLUTION

- The Ministry of Rural Development (MoRD), Government of India launched a new program known as National Rural Livelihoods Mission (NRLM)
- DAY-NRLM is a **Centrally Sponsored Scheme**, and the financing of the programme would be shared between the Centre and the States in the ratio of **75:25** (90:10 in case of North Eastern States including Sikkim).

Swarnjayanti Gram Swarojgar Yojana

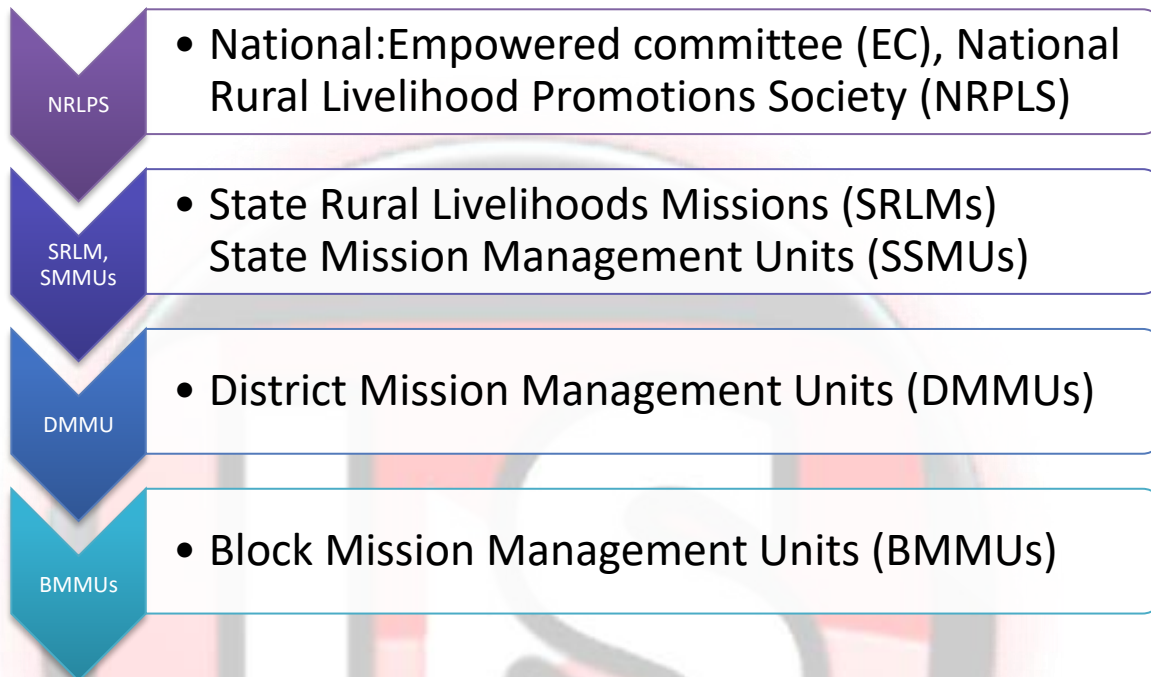
National Rural Livelihoods Mission (NRLM) -April  
01,2013

DAY-NRLM (Deendayal Antyodaya Yojana - National  
Rural Livelihoods Mission) -Mar 29,2016

## **OBJECTIVES**

- The scheme **focuses on building, nurturing and strengthening the institutions of the poor women**, including their self-help groups as well as their Federations at village levels.
- The mission **provides a continuous hand-holding support** to the institutions of poor for a period of 5-7 years till they come out of abject poverty.
- The aim of DAY-NRLM is to ensure that **at least one member from each identified rural poor household**, preferably a woman, is brought under the Self Help Group (SHG) network in a time bound manner.
- Also, **coverage of vulnerable sections of the society** such that 50% of the beneficiaries are SC/STs, 15% are minorities and 3% are persons with disability, while keeping in view the ultimate target of 100% coverage of BPL families DAY-NRLM promotes affinity based women Self-help groups.

## State Specific Poverty Reduction Action Plans



- DAY-NRLM enables the State rural livelihoods missions to professionalize their human resources at State, district and block level.
- The State missions are capacitated to **deliver a wide range of quality services to the rural poor.**
- DAY-NRLM emphasizes continuous capacity building, imparting requisite skills and creating **linkages with livelihoods opportunities for the poor**, including those emerging in the organized sector, and **monitoring against targets of poverty reduction outcomes.**

- The blocks and districts in which all the components of DAY-NRLM **will be implemented, either through the SRLMs or partner institutions or NGOs**, will be the intensive blocks and districts, whereas remaining will be non-intensive blocks and districts.
- The selections of intensive districts are done by the states based on the **demographic vulnerabilities**.
- It will be rolled out in a phased manner over the next 7-8 years. All the blocks in the country will **become intensive blocks** over a period of time.

### ***Women SHGs and their Federations***

**DAY-NRLM** focuses on **building, nurturing and strengthening the institutions of the poor women**, including the SHGs and their Federations at village and higher levels.

DAY-NRLM promotes **livelihood institutions of rural poor**.

- The mission provides a continuous hand-holding support to the institutions of poor for a period of 5-7 years till they come out of abject poverty.
- **Women SHGs** consist of 10-20 women.
- **Minimum can be 5 persons for groups** formed in difficult areas, groups with disabled persons, and groups formed in remote tribal areas.
- All women SHGs, **comprising of more than 70% BPL or rural poor members** are regarded as SHGS under DAY-NRLM.

- Only for groups formed by persons **with disabilities, and others like elders, transgender**, DAY-NRLM will have both men and women.
- **Registration of SHG** under Societies Act, State cooperative Act or a partnership firm is not mandatory
- SHG is an **informal group and registration under any Societies Act, State cooperative Act or a partnership firm is not mandatory**
- However, Federations of Self-Help Groups formed at **village, Gram Panchayat, Cluster or higher level** may be registered under appropriate acts prevailing in their States.

### ***Financial Assistance to the SHGs***

#### ***Revolving Fund (RF):***

- A RF is provided to SHGs as an incentive to inculcate the habit of thrift and accumulate their own funds towards meeting their credit needs in the long-run and immediate consumption needs in the short-term.
- **DAY-NRLM provides Revolving Fund support to SHGs** in existence for a minimum period of 6/3 months and follows the 'Panchasutra'.

#### ***Panchsutra of SHG:***

- Regular meetings
- Regular savings
- Regular internal lending
- Regular recovery and

- Maintenance of proper books of accounts
- Only those SHGS that have not received any RF earlier will be provided with RF, as corpus, in the range of Rs. 10000-15000.

### ***Capital Subsidy has been discontinued under DAY-NRLM:***

No Capital Subsidy will be sanctioned to any SHG from the date of implementation of DAY-NRLM.

### ***Community Investment support Fund (CIF)***

- CIF will be provided to the SHGs in the intensive blocks, routed through the Village level/Cluster level Federations, to be maintained in perpetuity by the Federations.
- The CIF will be used, by the Federations, to advance loans to the SHGs and/or to undertake the common/collective socio-economic activities.

### ***Interest subvention scheme for Women SHGs***

Interest subvention scheme on Credit to Women SHG for all Commercial Banks (only Public Sector Banks, Private Sector Banks and Regional Rural Banks) and Co-operative banks in **250 districts:**

- **In identified districts**, banks lend to the all women SHGs @ 7% p.a up to advance of Rs.3,00,000/- (CC/OD/CC+OD). Difference between the lending rates and 7% (subjected to a maximum limit of 5.5%) is subvented by the State Rural Livelihood Mission.
- The **SHGs also get additional interest subvention** of 3% on prompt repayment, reducing the effective rate of interest to **4%**.
- The **role of banks** commences with opening of Accounts for SHGs including members with disability and the Federations of the SHGs.
- For the purpose of Interest Subvention of additional 3% on prompt repayment, an **SHG account will be considered prompt payee if it satisfies** the following criterion.
  - a) **For Cash Credit Limit:**
    - Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days.
    - There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month
    - Customer induced credit should be sufficient to cover the interest debited during the month.
  - b) **For Term loans**
    - A term loan account where all of the interest payments and/or instalments of principal **were paid within 30 days of the due date during the tenure of the loan**

The Interest Subvention scheme has been implemented for all commercial banks (excluding RRBs) through a Nodal Bank selected by the Ministry of Rural Development.



- For the RRBs and Co-operative Banks the scheme will be operationalized by NABARD similar to the short-term crop loan scheme.
- All Commercial Banks (including the PSBs, Private Banks and RRBs) who are operating on the Core Banking Solutions (CBS) can avail the interest subvention under the scheme.

***Interest subvention scheme for Category II Districts Other than 250 districts).***

For category II districts, comprising of districts other than the above 250 districts, all women SHGs under DAY-NRLM will continue to be eligible for interest subvention to avail the loan facility at an interest rate of 7%.

***Role of Banks In The Implementation Of DAY-NRLM***

***Opening of Savings account of SHGs:*** The role of banks would commence with **opening of accounts for all the Women SHGs** including members with disability and the Federations of the SHGs.

- The 'Know Your Customer' (KYC) norms regarding SHGs as specified from time to time by Reserve Bank of India will be applicable.
- Banks are advised to maintain separate Savings and loan account for Self Help Groups.



***Opening of Savings account of Federation of SHGs:*** Banks are advised to open savings account of Federations of SHGs at **village, Gram Panchayat, Cluster or higher level.**

- These accounts may be categorized as savings account for Association of persons.
- The 'Know Your Customer' (KYC) norms for the signatories of such accounts as specified from time to time by Reserve Bank of India will be applicable.

***Transaction in Savings account of SHGs and Federation of SHGs:***

- SHGs and their federations may be **encouraged to transact through their respective saving account on regular basis.**
- To facilitate this, banks have been advised to enable transactions in **jointly operated savings account of SHGs and their federations** at retail outlets managed by Business Correspondent Agents.
- Banks have also been advised to extend all such services to SHGs and their federations through Business Correspondent agents

***ELIGIBILITY CRITERIA FOR THE SHGS TO AVAIL LOANS***

- SHG should be in **active existence at least since last 6 months** as per the books of account of SHGs and not from the date of opening of SB a/c.
- **SHG should be practicing 'Panchasutra'** - Regular meetings; Regular savings; Regular inter-lending; Timely repayment; and Up-to-date books of accounts:

- Qualified as per grading norms fixed by NABARD.

***SHGs can avail either Term Loan or a Cash Credit Limit or both based on the need.***

- **DP for First Year:** 6 times of the existing corpus or minimum of Rs 1 lakh whichever is higher.
- **DP for Second Year:** 8 times of the corpus at the time review/enhancement or minimum of Rs 2 lakh, whichever is higher.
- **DP for Third Year:** Minimum of Rs 3 lakhs based on the Micro credit plan prepared by SHG and appraised by the Federations/Support agency and the previous credit History.
- **DP for Fourth Year onwards:** Minimum of Rs 5 lakhs based on the Micro credit plan prepared by SHG and appraised by the Federations/Support agency and the previous credit History.

***Purpose of loan and repayment***

- **The First year/first dose** of loan will be repaid in 6-12 months in monthly/ quarterly instalments.
- **The Second year/Second dose** of loan will be repaid in 12-24 months in monthly/quarterly instalments.
- **The Third year/Third dose of loan** will be repaid in 24-36 months in monthly/ quarterly instalments.



- **The loan from Fourth year/Fourth dose** onwards has to be repaid between 3-6 years based on the cash flow in monthly/quarterly instalments.

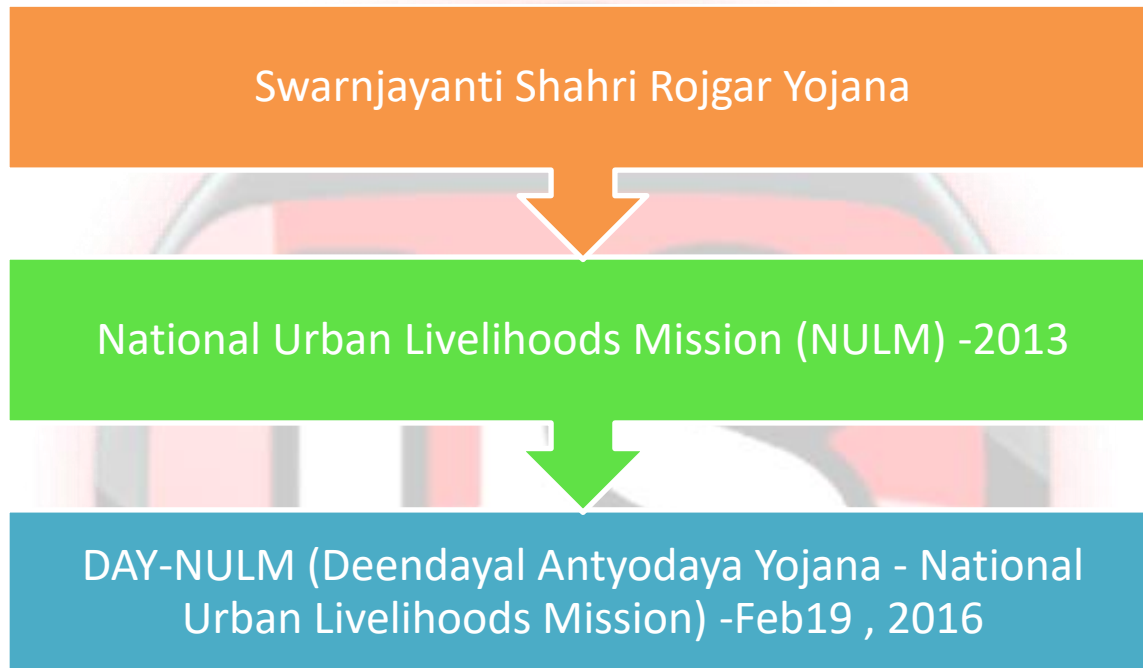
### ***SECURITY And Margin***

- Up to Rs. 10 lac finance to the SHGs, no collateral or margin is stipulated.
- No Margin for loan up to 10 Lakh
- No lien should be Marked against savings bank account of SHGs. No deposits should be insisted upon while sanctioning loans.

### ***Supervision and monitoring of the Scheme***

Banks may set-up DAY-NRLM cells at Regional/Zonal offices. These cells should periodically monitor and review the flow of credit to the SHGs, ensure the implementation of the guidelines to the scheme, collect data from the branches and make available consolidated data to the Head office and the DAY-NRLM units at the districts/blocks.

## **DEENDAYAL ANTYODAYA YOJANA – NATIONAL URBAN LIVELIHOODS MISSION (DAY-NULM)**



- **The Government of India, Ministry of Housing and Urban Poverty Alleviation (MoHUPA),** restructured the existing Swarna Jayanti Shahari Rojgar Yojana (SJ SRY) and launched the National Urban Livelihoods Mission (NULM) in 2013.
- **NULM has been under implementation with effect from September 24, 2013 in all district headquarters (irrespective of population) and all the cities with population of 1 lakh or more.**

- The Mission with enhanced scope was renamed as "Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM)" with effect from February, 2016.
- The scheme covers loans of **individual enterprise (SEP-I), Group enterprise (SEP-G) and Self-Help Groups.**
- This scheme has global coverage and **all urban poor, homeless persons, street vendors,** etc. to want to join the entrepreneurial revolution in India.

### ***Selection of Beneficiary***

Community Organizer (COs) and professionals from Urban Local Body (ULB) will identify the perspective beneficiaries from among the urban poor.

### ***Educational Qualifications:***

- No minimum educational qualification.

### ***Pattern of Financial Assistance***

- Capital subsidy is not provided
- The financial assistance available to urban poor in setting up individual and group enterprises will be in the form **of Interest subsidy on the bank loans over and above 7% of interest available on a bank loan.**
- The difference between 7% p.and the prevailing rate of interest will be provided to banks under NULM.

### ***Individual Enterprise (SEP-I)***

- **Age:** The beneficiary should have attained the age of 18 years
- **Project Cost (Project):** The maximum unit project cost is 2 Lacs.
- **Collateral on Bank Loan:** No collateral required. Banks may seek guarantee under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
- **Repayment:** Repayment schedule ranges from 5 to 7 years after initial moratorium of 6-18 months as per norms of bank

### ***Group Enterprises (SEP-G)***

- **Eligibility:**
  - The group enterprise should have minimum 3 members with a minimum of 70% members from urban poor families
  - The applications be preferably referred by the community structures viz: SHG / ALF formed under NULM.
- **Age:** Members of the group should have attained an age of 18 years.
- **Project Cost (PC):** The maximum unit project cost for a group enterprise is Rs 1000000 (Rs. Ten lacs).
- **Loan:** Project cost less the beneficiary contribution would be made available as loan amount to the group enterprise by the bank.
- **Collateral Guarantee on Bank Loan:** No collateral security required. Banks may opt for guarantee cover under CGTMSE.

**Repayment** 5 to 7 years with a moratorium of 6 to 18 months, where necessary.

**Implementing** • Urban Local Bodies / Municipal Committee.

**AGENCY** • They are to carry home to home Survey for identification of beneficiaries.

**Target**

- Women - 30%
- Disabled - 3%
- SC / ST-Pro - rata to local population

***The indicative composition of the Task Force is as follows:***

Sr. No.	TASK Force at ULB level	Role
1.	Chief Executive Officer (CEO) ULB/Municipal Commissioner of ULB/or any representative authorized by CEO ULB	Chairman
2.	Lead District Manager (LDM)	Member
3.	City Project Officer (CPO), ULB/or any authorized representative Member of ULB	Member Convener
4.	Representative from District Industries Centre (DIC)	Member
5.	Senior Branch Managers (Max-2) of banks	Member
6.	Representatives (2) of Area Level Federation/City Level Federation	Member

## ***PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME (PMEGP)***

***LAUNCHED ON:*** 10 October-2008 by merging **PMRY** (Pradhan Mantri Rozgar Yojana) and **REGP** (Rural Employment Generation Programme) administered by Ministry of Micro Small and Medium Enterprises (**MMSME**) and implementing agency is **KVIC (khadi and village industries commission)**

### ***OBJECTIVES***

- To **generate employment opportunities** in rural urban India through new self-employment projects, micro enterprises.
- To bring together widely dispersed traditional artisans / rural & urban unemployed youth and **give self-employment opportunities** to the extent possible at their place.

***APPLICABLE:*** Both urban and rural areas throughout the country.

### ***ELIGIBILITY NORMS***

- a. Any individual, above 18 years of age. There is no income ceiling for PMEGP.
- b. At least VIII standard pass for.
  - Rs. 50 lacs for Manufacturing and
  - Rs.20 lac in Business & Service

Only one person from one family is eligible.



### ***The 'family' includes self & spouse.***

SHG eligible for assistance include those belonging to BPL provided they have not availed benefits under any other Scheme

### ***MAXIMUM PROJECT COST***

Manufacturing sector: unlimited

Business sector & Service sector: unlimited .

Cost of the land should not be included in the Project cost.

Cost of the ready built as well as long lease or rental Work-shed Workshop can be included in the project cost.

Project cost to include Capital Expenditure and one cycle of Working Capital.

Projects without Capital Expenditure are not eligible for financing under the Scheme.

### ***SUBSIDY***

	Urban	Rural
General Category	15%	25%



Special Category	25%	35%
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**Special Category:** SC/ ST/ OBC/ Minorities/ Women, Ex-servicemen, physically handicapped, Hill, Border area etc.

- Subsidy should be held as a Term Deposit for 3 years.
- No interest should be paid on the TDR. No interest on loan on the corresponding amount.

**Margin:** General Category - 10%, Special Category - 5%.

**Interest Rate:** Nominal rate of interest

**Security:** No collateral security for loans up to Rs.10 lac.

**Repayment:** Between 3 to 7 years after an initial moratorium as prescribed by bank.

