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Priority Sector Lending/Government Sponsored schemes/NABARD Schemes

CCP CHAPTER 16 Part 2 MODULE D

Securitized Assets & Direct Assignments Under PSL

✓ Banks investing in securitized assets or outright purchases of loan pools qualify for PSL if:

 Condition	 Requirement
 Loan Origination	Must be PSL-eligible before securitization.
 Interest Cap	Cannot exceed MCLR+10% or EBLR+14%.
 Exclusion	Loans against gold jewelry NOT PSL-eligible.

Inter-Bank Participation Certificates (IBPCs) & PSLCs

✓ IBPCs allow banks to meet PSL targets by buying exposure in PSL loans.

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✓ **Priority Sector Lending Certificates (PSLCs)** let banks **purchase PSL compliance** without actually lending.

💡 **Example:**

A bank short on MSME PSL lending buys ₹50 crore PSLCs, fulfilling PSL compliance **without additional lending**.

 **On-Lending to NBFCs & HFCs Under PSL**

✓ **Banks can extend PSL loans to NBFCs & HFCs for on-lending.**

 Loan Type	 Max Loan Limit Per Borrower
 Agriculture (Term Lending by NBFCs)	Up to ₹10 lakh
 Micro & Small Enterprises (MSEs)	Up to ₹20 lakh
 HFC On-Lending (Affordable Housing)	Up to ₹20 lakh

💡 **Example:**

A NBFC receiving ₹40 crore in on-lending funds can only lend up to ₹10 lakh per farm borrower under PSL.

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Co-Lending Model (CLM) for PSL

- ✓ SCBs (excluding SFBs, RRBs, UCBs & LABs) can co-lend with NBFCs & HFCs.
- ✓ NBFCs retain at least 20% of loan share.

Example:

A bank-NBFC partnership co-lends a ₹50 lakh MSME loan, with ₹40 lakh on the bank's books & ₹10 lakh on the NBFC's books.

PSL Monitoring & Non-Compliance Consequences

- ✓ Quarterly monitoring of PSL compliance.
- ✓ Shortfall in PSL lending leads to contributions to RIDF/NABARD/NHB/SIDBI/MUDRA.
- ✓ Regulatory approvals may be withheld for non-compliant banks.

Example:

A bank missing MSME PSL targets contributes ₹100 crore to RIDF.

16.9 Government Sponsored Schemes

- ✓ India's government runs various poverty alleviation schemes that involve subsidies & bank financing.
- ✓ These schemes help uplift weaker sections by providing easy access

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to credit.

✓ Banks play a crucial role in implementing these schemes by financing eligible beneficiaries.

 **Key Government Schemes Under PSL** 



Deendayal Antyodaya Yojana - NRLM (DAY-NRLM)

✓ DAY-NRLM promotes poverty reduction by building Self-Help Groups (SHGs) and providing them financial support.





✓ State Governments implement NRLM through State Rural Livelihoods Missions (SRLMs).

✓ **Women SHGs Under DAY-NRLM**





✓ **Group Size:**

-  **10-20 members** (normal areas).
-  **5-10 members** (tribal/difficult areas, disabled/transgender SHGs).

✓ **Financial Support to SHGs**

 Support Type	 Amount	 Purpose
Revolving Fund (RF)	₹10,000 - ₹15,000 per SHG	Strengthens financial management & credit history
Community Investment Support Fund (CIF)	 Directly provided to Federations of SHGs	Used for loans & economic activities

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 Support Type	 Amount	 Purpose
Interest Subvention (Loan ≤ ₹3 lakh)	 7% Interest Rate (Subsidy on Bank Rate)	Reduces loan cost for SHGs

Role of Banks in DAY-NRLM

Opening SHG Bank Accounts






✓ SHGs can open savings accounts with only office bearers' KYC verification.

✓ PAN not mandatory; banks may accept Form 60.

✓ Business Correspondents (BCs) can open accounts after verification.

Lending Norms for SHGs

✓ Eligibility:

- Must be active for 6 months.
- Follow "Panchsutra" (5 Principles):
 -  Regular Meetings
 -  Regular Savings
 -  Internal Lending
 -  Timely Repayment
 -  Proper Bookkeeping

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✓ **Loan Application:**

- **Common Loan Application Form** recommended by IBA.
- Loan processing through **State Rural Livelihoods Mission (SRLMs)**.

💰 **Loan Limits for SHGs**

◆ Loan Type	💰 Loan Limit	📅 17 Repayment Period
🏠 First Loan Dose	₹1 lakh or 6X SHG Corpus (whichever is higher)	24-36 months
👛 Second Loan Dose	₹2 lakh or 8X Corpus	36-48 months
🏗️ Third Loan Dose	Minimum ₹6 lakh	48-60 months
🚀 Fourth Loan Dose	Above ₹6 lakh	60-84 months

✓ **50%-85% of loans must be used for income-generating activities.**

💡 **Example:**

An SHG with ₹50,000 corpus receives ₹3 lakh in loans, using ₹2.5 lakh for dairy farming, ensuring PSL compliance.

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◆ **Security & Default Management in DAY-NRLM Loans**

✓ No collateral or margin required for loans up to ₹10 lakh.

✓ Defaulters:

- Wilful defaulters NOT eligible for NRLM loans.
- Genuine defaulters may get loan restructuring options.

✓ Loan Recovery Strategies:

- Personal contact
- Joint recovery camps with **District Rural Development Agencies (DRDAs)**

💡 Example:

A SHG defaults due to a flood disaster. The bank restructures repayment, allowing lower EMI for 6 months.

 **DAY-NRLM Credit Target Planning & Monitoring**

✓ Credit targets set by SLBC/DCC committees.

✓ Branch-wise targets assigned to ensure full PSL coverage.

✓ Online tracking of SHG loan applications through NRLM portals.

📌 **16.9.2 Deendayal Antyodaya Yojana - NULM (DAY-NULM)**

✓ Similar to NRLM but for urban poor.

✓ Focus on self-employment, urban livelihoods & skill development.

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 **Example:**

A street vendor in Mumbai gets a ₹2 lakh microloan to expand his vegetable stall under DAY-NULM.

 **16.9.3 Prime Minister's Employment Generation Programme (PMEGP)**

✓ **Objective:** Generate employment by financing micro enterprises.

✓ **Loan Limits:**

- Manufacturing: ₹25 lakh
- Service Sector: ₹10 lakh

✓ **Subsidy:**

- General Category: 15-25% subsidy.
- SC/ST/Women/Minorities: 25-35% subsidy.

 **16.9.4 Self-Employment Scheme for Rehabilitation of Manual Scavengers (SMS)**

✓ **Objective:** Provide self-employment support to manual scavengers.

✓ **Loan up to ₹10 lakh.**

✓ **100% interest subsidy for first 2 years.**

💡 Example:

A former manual scavenger uses a ₹5 lakh loan to start a sanitation service business, free of interest for 2 years.

👥 16.9.5 Credit Facilities for SC/ST Entrepreneurs

- ✓ Special credit assistance for SC/ST entrepreneurs.
- ✓ Low-interest microfinance loans.

🚀 Supervision & Monitoring of DAY-NRLM

- ✓ Effective supervision ensures smooth implementation and efficient credit flow to Self-Help Groups (SHGs).
- ✓ Banks, SLBC, DCC & BLBC play key roles in monitoring, reporting & policy implementation.

🏛️ Key Monitoring Committees & Responsibilities

◆ Committee	📌 Responsibilities	👥 Key Members
🛡️ SHG Cells (Bank Regional/Zonal Offices)	📊 Monitor SHG credit flow, Review Scheme Guidelines, 📈 Collect & report consolidated data	📌 Bank Officials

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◆ Committee	📌 Responsibilities	👥 Key Members
🏛️ State Level Bankers' Committee (SLBC)	📊 Set SHG loan targets, Address constraints, Review SHG-Bank Linkage	◆ RBI, NABARD, SRLM CEO, Bank Representatives, Govt. Officials
📍 District Coordination Committee (DCC)	📈 Monitor SHG credit at district level, 🏗️ Resolve credit flow issues	◆ Lead District Managers (LDMs), NABARD AGM, Bank District Coordinators
📌 Block Level Bankers Committee (BLBC)	🏗️ Review SHG bank linkage at the block level, 📢 Include SHG Federations as members	◆ SHG Federation Leaders, Bank Branch Managers
📄 Reporting to Lead District Managers (LDMs)	📝 Submit progress reports & delinquency reports	◆ Bank Branches
📄 Reporting to RBI/NABARD	📊 Quarterly reports on SHG credit performance	◆ Banks (State-wise Consolidated Reports)

📖 16.9.9 Financial Literacy Under DAY-NRLM

✓ Financial Literacy is crucial to empower SHG members with **banking knowledge, savings habits & loan awareness.**

✓ Key Financial Literacy Initiatives




✓ Community Resource Persons (FL-CRPs)

- 🏠 Trained local women conduct village-level literacy camps.
- 📊 Teach SHGs about savings, loans, insurance & credit planning.


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✓ Financial Literacy Centers (FLCs)

-  Set up by Banks,  Coordinate with SRLMs.
-  Use FL-CRPs to educate SHGs on financial products & claim settlements.





✓ Example:

 A women's SHG in Rajasthan attended a Financial Literacy Camp and learned about Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). As a result, **50% of the SHG members enrolled** in the scheme.

 **16.9.10 Data Sharing & Digital Banking**





- ✓ Banks must regularly share SHG loan data with DAY-NRLM/SRLMs.
- ✓ Encouraging Digital Banking & BC Points

✓ **What Data Should Banks Share?**


 Data Type	 Purpose
✓ SHG Loan Data	 Credit flow monitoring & strategy building
✓ PMJJBY & PMSBY Enrollment Data	 Increase SHG insurance coverage

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 Data Type	 Purpose
 SHG Transactions via Business Correspondents (BCs)	 Track digital financial inclusion progress

 **Example:**


 **A Bank in Karnataka** shared SHG transaction data with SRLM. This led to **targeted financial literacy drives**, increasing **loan repayment rates** by 15%.

 **16.9.11 Support for Bankers Under DAY-NRLM**

 **State Rural Livelihood Missions (SRLMs) assist banks in:**

-  **Financial Literacy & Counselling** for SHGs.
-  **Training on Micro-Investment Planning.**
-  **Bank Mitras (Customer Relationship Managers) assist in SHG banking.**
-  **Helping banks recover overdue loans.**

 **Example:**



 **A Bank Mitra in Jharkhand** helped an SHG clear loan documentation issues, leading to **faster loan approvals.**

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16.9.12 Community-Based Repayment Mechanism (CBRM)

✓ Banks & SHG Federations collaborate to ensure loan utilization & timely repayment.

✓ Village-Level Committees meet monthly to:

-  Track SHG loan utilization.
-  Ensure smooth repayment & reduce NPAs.

 Example:

 A community repayment meeting in Odisha helped recover ₹1.2 lakh in overdue SHG loans.

◆ **16.9.13 Key Features of DAY-NRLM**

◆ **1. Universal Social Mobilization**

✓ Every rural poor family joins SHG movement.

✓  50% SC/ST, 15% Minorities & 3% Differently-abled coverage.

◆ **2. Participatory Identification of Poor (PIP)**

✓ Identifies poor households beyond the BPL list.

✓ Community-based process ensures accurate targeting.

◆ **3. Strengthening SHG Federations**

- ✓ Builds SHG federations to sustain micro-enterprises.
- ✓ 📌 Focus on livelihood-based institutions like farmers' collectives.

◆ **4. Financial & Digital Inclusion**

- ✓ 📱 Promotes digital transactions via BCs & SHG Bank Mitras.
- ✓ 🏦 Encourages SHG members to use mobile banking & insurance schemes.

🏦 **16.9.14 Interest Subvention Scheme for Women SHGs**
















- ✓ Interest subvention for SHG loans up to ₹3 lakh.
- ✓ Women SHGs in 250 districts get an effective 4% loan rate.

✓ **Eligibility for 3% Interest Subvention**

📌 Loan Type	✓ Eligibility Criteria for Interest Subvention
Cash Credit Loans	🏦 Regular deposits, No excess borrowing beyond 30 days
Term Loans	📅 Timely repayment within 30 days of due date

 **Reporting & Compliance**

 **Banks Must Submit Reports To:**

 Institution	 Report Type	 Frequency
 SLBC Sub-Committee	 SHG Loan Performance	 Quarterly
 District Coordination Committee (DCC)	 District-Level SHG Credit Review	 Monthly
 RBI/NABARD	 State-Level SHG Credit Reports	 Quarterly
 Lead District Managers (LDMs)	 Branch-Wise Credit Reports	 Monthly

 **Interest Subvention Scheme for Category II Districts**

Category II Districts (Other than the **250 select districts**) have a different operational model for interest subvention under **DAY-NRLM**.

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Instead of direct **7% interest loans**, banks charge their **regular lending rates**, and the **State Rural Livelihoods Missions (SRLMs)** provide **subvention support**.

(A) Role of Banks

✓ **Banks must furnish details of:**


- ◆ **Credit disbursement** to SHGs.
- ◆ **Outstanding loans** across all districts.
- ◆ **Interest charged** on SHG loans.

✓ **Reporting & Submission:**

- ◆ **Format:** As per MoRD guidelines.
- ◆ **Source:** Directly from the **CBS Platform**.
- ◆ **Frequency:** **Monthly Reporting** to **MoRD & SRLMs** via **FTP** or

Interface.

 **Example:**

 **A rural bank in Bihar** successfully reduced **SHG loan processing time** by **automating CBS reports**, ensuring **timely interest subvention disbursal**.

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(B) Role of State Governments (SRLMs)


✓ SRLMs implement the Interest Subvention Scheme, ensuring SHGs:

- ◆ Receive 7% interest rate on loans up to ₹3 lakh.
- ◆ Are reimbursed the difference between bank interest rates & 7% (max 5.5%).
- ◆ Get funds transferred directly to their loan accounts (or savings accounts if loan is closed).

✓ Funding Source:

- ◆ Central Allocation + State Contribution as per Gol norms.
- ◆ Utilization Certificates (UCs) submitted quarterly.


 Example:

 A State Livelihood Mission in Madhya Pradesh used direct e-transfers for over 20,000 SHGs, ensuring instant credit in loan accounts.

◆ Eligibility for Interest Subvention



- ✓ Only Women SHGs from Rural Areas Under DAY-NRLM.
- ✓ SHGs must maintain "Prompt Payee" Status.
- ✓ Capital Subsidy Beneficiaries (SGSY) are Ineligible.
- ✓ Quarterly Reports Must Be Submitted by SRLMs.

 Example:


 An SHG in Assam received ₹15,000 in interest subvention for maintaining **prompt repayment** for 6 months.

 **Criteria for "Prompt Payee" Status**



 (1) Cash Credit Limit (CCL) Accounts

 Requirement	 Condition to Maintain Prompt Payee Status
1] No Excess Borrowing	Outstanding balance must not exceed limit for more than 30 days .
2] Regular Transactions	Must have at least one credit/debit per month.
3] Interest Coverage	Customer must cover the interest debited each month.


 Example:

 A Women SHG in Maharashtra repaid **monthly interest** on time, maintaining **eligibility** for subvention benefits.

 (2) Term Loans (TL) Accounts

 Requirement	 Condition to Maintain Prompt Payee Status
Timely Payments	All EMIs & interest must be paid within 30 days of the due date.


 Example:

 An SHG in Tamil Nadu repaid their loan installment within 30 days, ensuring ₹8,000 interest subvention benefit.

 (C) SRLM Interest Subvention Transfer Process

- ✓ Monthly/Quarterly e-Transfers to SHG Loan Accounts.
- ✓ If loan is closed, amount is transferred to SHG savings account.
- ✓ State Livelihood Missions must submit UCs quarterly.

 Example:

 An SHG in Odisha repaid its loan early; ₹4,500 subvention amount was credited to their savings account instead.

 (D) Harmonization with State-Specific Schemes

- ✓ States running separate subvention schemes must align them with the Central Interest Subvention Scheme for uniformity.

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✓ This avoids duplication and ensures SHGs benefit from a standardized framework.

💡 Example:

📌 Karnataka merged its SHG Interest Subvention Program with DAY-NRLM to ensure higher and streamlined benefits.

🏢 **Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM)**

✓ **Launched:** September 24, 2013

✓ **Implemented By:** Ministry of Housing and Urban Poverty Alleviation (MOHUPA)

✓ **Coverage:**

- ◆ All district headquarters
- ◆ All cities with a population of 1 lakh or more

📌 **Objective:**

Provide **gainful employment** to **urban unemployed/underemployed** through:






✓ **Self-employment ventures**

✓ **Wage employment opportunities**


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◆ **Self Employment Program (SEP) Components**

SEP replaces capital subsidy with interest subsidy on loans for:

 Component	 Target Beneficiaries
SEP-I	 Individual Enterprises
SEP-G	 Group Enterprises
SHGs	 Self-Help Groups

 **Example:**

 An urban SHG in Mumbai accessed ₹3 lakh loan under SEP for a tailoring business. With interest subvention, their effective rate dropped to 7%.

 **Expansion of NULM (2016)**

✓ **Mission renamed as:** "Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM)"

✓ **Enhanced scope:**

✓ **Technology & Marketing Support** for Urban Micro-enterprises.


✓ **Credit Cards for Working Capital Needs.**

 **Example:**

A group of **street vendors in Delhi** received financial aid **through SEP-G**, allowing them to **expand their food cart business**.

 **Selection Process & Eligibility**

✓ **Who selects beneficiaries?**

 **Community Organizers (COs) & Urban Local Bodies (ULBs)**

✓ **Criteria for SHGs & Beneficiaries:**


- ◆ **No minimum educational qualification** is required.
- ◆ **Training is mandatory** if micro-enterprise requires specific skills.
- ◆ **Mandatory Entrepreneurship Development Programme (EDP)** (3-7 days).

✓ **Women Empowerment & Social Inclusion Targets:**

- ✓ **At least 30% of SEP beneficiaries** must be **women**.
- ✓ **SCs/STs** must be covered in **proportion** to their population.
- ✓ **5% reserved** for **differently-abled** persons.
- ✓ **15% allocation** for **minorities**.


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 **Example:**

 **A self-help group of differently-abled artisans in Bengaluru secured a ₹4 lakh loan under DAY-NULM to set up a handmade craft business.**

 **Financial Assistance & Interest Subvention**

✓ **How does the interest subsidy work?**


 **Difference between 7% p.a. and the actual interest rate is reimbursed.**

 **Only applicable if loans are repaid on time.**


✓ **Additional Interest Subvention for Women SHGs (WSHG):**

- ◆ **+3% extra interest subvention** for timely repayment.
- ◆ **Final effective interest rate = 4%.**

✓ **Who processes the claims?**

 **Banks submit interest subsidy claims monthly to Urban Local Bodies (ULBs), which then settle claims quarterly.**

 **Example:**

 **A Women SHG in Jaipur repaid their loan on time, reducing their effective loan interest to 4% after claiming the 3% subvention.**


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 **Eligibility for Loan & Subsidy (₹)**

Beneficiary Type	Loan Amount (₹)	Subsidy Type
Individual Enterprise (SEP-I)	Up to ₹2 lakh	Interest subvention on timely repayment
Group Enterprise (SEP-G)	Up to ₹10 lakh	Interest subvention on timely repayment
SHGs	As per bank norms	Additional 3% subvention for women SHGs

 **Example:**

 **An individual entrepreneur in Kolkata took a ₹1.5 lakh loan under SEP-I to start a digital printing business. Their interest rate reduced from 11% to 7% after subvention.**

 **Monitoring & Reporting**

 **Implemented by:**

- ✓ **State Mission Management Unit (SMMU) (State level).**
- ✓ **City Mission Management Unit (CMMU) (Urban Local Bodies).**
- ✓ **Role of ULBs & SMMUs:**

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 **Regularly monitor and report progress.**

 **Evaluate targets, fund utilization, and impact.**

 **Example:**

 **A city-level monitoring committee in Chennai reported 85% utilization of funds, allowing expansion of credit support to more urban poor.**

 **Prime Minister's Employment Generation Programme (PMEGP)**

 **Launched by:** Government of India

 **Nodal Agency:** Khadi and Village Industries Commission (KVIC)

 **Objective:**

 **Generate self-employment opportunities in rural & urban areas.**

 **Support first-time entrepreneurs in setting up micro enterprises.**

 **Example:**

A young entrepreneur in Lucknow secured ₹10 lakh under PMEGP to set up a food processing unit with 25% subsidy.

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🎯 Who Can Apply? (Eligibility Conditions)



- ✓ **Individuals** above 18 years of age setting up new projects.
- ✓ **Institutions** registered under:
 - ◆ Societies Registration Act
 - ◆ Charitable Trusts
- ✓ **Self Help Groups** (*if they have not availed benefits under other schemes*).
- ✓ **One person per family** (*includes spouse & self*).
- ✓ **Educational Qualification Requirement**
- 📌 **Minimum Class 8th Pass** is required for projects:
 - ◆ Above ₹10 Lakh (Manufacturing Sector)
 - ◆ Above ₹5 Lakh (Business/Service Sector)
- ✗ **Who is NOT Eligible?**
- 🚫 Existing units that have already availed subsidy under any other scheme.
- 🚫 Projects from the Negative List of Village Industries.

💡 Example:

- 📌 A graduate in Hyderabad started a handicrafts business under PMEGP with a ₹15 lakh loan, 25% subsidy, and no collateral.

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 **Project Cost & Funding**

Sector	Maximum Project Cost	Margin Money Contribution
 Manufacturing	₹50 Lakh	10% (General Category) 5% (Special Category)
 Business/Service	₹20 Lakh	Same as above

 Project cost includes:

- ✓ Capital Expenditure
- ✓ One Cycle of Working Capital
- ✗ Land cost is NOT included.





 Example:

 A small dairy farm in Rajasthan availed ₹8 lakh funding under PMEGP with ₹80,000 (10%) margin money contribution.


 **Subsidy Structure**

✓ Based on location & category:

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Category	Subsidy (Urban Areas)	Subsidy (Rural Areas)
General Category	 15%	 25%
Special Category (SC/ST/OBC/Women/Minorities/Ex-Servicemen/Differently-Abled/North-East Region, etc.)	 25%	 35%


 **Example:**

 A woman entrepreneur in Kerala secured ₹5 lakh funding under PMEGP with ₹1.25 lakh (25%) subsidy.

 **Loan Repayment & Interest**

- ✓ **Interest Rate:** As per bank norms (linked to MCLR).
- ✓ **Repayment Period:** 3 to 7 years (including moratorium).
- ✓ **Collateral-Free Loan:** No collateral for loans up to ₹10 lakh (as per RBI guidelines for MSMEs).

 **Example:**

 A small furniture business in Gujarat got ₹7 lakh funding, repaid in 5 years with 2-year moratorium.

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 **Nodal & Implementing Agencies**

 **National Level: Khadi & Village Industries Commission (KVIC)**

 **Rural Areas: KVIC & Khadi & Village Industries Board (KVIB)**

 **Urban & Rural Areas: District Industries Centers (DICs)**

 **Example:**

 **A weaver in Tamil Nadu received ₹3 lakh PMEGP loan via KVIC, which also provided training.**


 **Mandatory Training**

✓ **Entrepreneurship Development Programme (EDP)**

✓ **Duration: 10 days**

✓ **Arranged by: Sponsoring agency**












 **Example:**

 **An aspiring baker in Punjab completed 10-day EDP training before getting ₹5 lakh PMEGP funding.**

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📌 Summary Table: Key PMEGP Features

Feature	Details
 Sectors Covered	Manufacturing & Service Sectors
 Eligible Beneficiaries	Individuals, Institutions, SHGs, Societies, Trusts
 Education Requirement	Min. 8th pass (for projects above ₹10L in Manufacturing, ₹5L in Service)
 Max. Loan Amount	₹50 Lakh (Manufacturing), ₹20 Lakh (Business/Service)
 Subsidy (Urban)	General: 15%, Special Category: 25%
 Subsidy (Rural)	General: 25%, Special Category: 35%
 Margin Money Contribution	General: 10%, Special Category: 5%
 Interest Rate	As per bank norms
 Repayment Period	3 to 7 years
 Collateral-Free Loans	Up to ₹10 Lakh (for MSMEs under RBI guidelines)
 Training Requirement	10-day EDP mandatory

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Feature	Details
 Nodal Agency	KVIC (National), KVIB (Rural), DIC (Urban & Rural)

Key Benefits of PMEGP

- ✓ Encourages First-Time Entrepreneurs
- ✓ High Subsidy (up to 35%) for Rural Special Category
- ✓ No Collateral Required (up to ₹10 lakh loans)
- ✓ Wide Coverage – Urban & Rural Areas
- ✓ Empowers Women, SC/ST, Minorities, Differently-Abled
- ✓ Creates Employment & Strengthens MSMEs

Here's an **organized, structured, and visually enhanced** version of your document for better clarity, engagement, and ease of understanding.

Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)

Objective:

- ✓ To rehabilitate **manual scavengers** & their **dependents** into alternative occupations.
- ✓ Provide **capital subsidy, training, and credit support** for sustainable livelihood.

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 **Example:**

A former manual scavenger in Uttar Pradesh started a grocery shop under SRMS with ₹5 lakh loan & ₹3.25 lakh subsidy.

 **Who Can Apply? (Eligibility Criteria)**

✓ Identified manual scavengers & their dependents, irrespective of income.

✓ As per the Prohibition of Employment as Manual Scavengers Act, 2013.

✓ Unemployed children (18+ years) of manual scavengers.

✗ **Not Eligible:**

⊘ Those who are already employed in non-scavenging occupations.

 **Financial Assistance (Subsidy & Loan Details)**

Feature	Old Scheme	Revised Scheme (Post-April 2021)
Capital Subsidy (Max.)	₹3.25 Lakh	₹5 Lakh
Subsidy Type	Back-ended (disbursed later)	Upfront (immediate support)

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Feature	Old Scheme	Revised Scheme (Post-April 2021)
Eligible Business	General & Sanitation Projects	All categories
Group Projects Eligible?	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
Loan Repayment	As per bank norms	Same

 **Example:**

A beneficiary in Tamil Nadu received ₹4 lakh funding upfront for starting a tailoring unit under SRMS.

Training & Skill Development


- ✓ **Objective:** Provide new skills & entrepreneurship training for sustainable income.
- ✓ **Training Providers:** Government agencies, NGOs, & specialized institutions.
- ✓ **Course Duration:** Up to 2 years
- ✓ **Monthly Stipend:** ₹3,000/month during training.

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 **Example:**

A **SRMS beneficiary in Bihar** completed **6-months mobile repairing training** before starting his **own mobile shop**.

 **Flow of Credit to SCs/STs**

 **Special Emphasis:** Improve credit access for Scheduled Castes (SCs) & Scheduled Tribes (STs).

✓ **Loan Rejection Protocol:**

- ◆ If an SC/ST loan application is **rejected at branch level**, it **must be reviewed at a higher level**.
- ◆ **Clear reasons must be given** for rejection.

 **Example:**

A **ST entrepreneur in Assam** was initially rejected but got **loan approval at a higher level** under the SC/ST scheme.

 **Challenges in Priority Sector Lending**

- ✓ **High NPAs (Non-Performing Assets)** due to weak repayment.
- ✓ **Government-sponsored loans are often misunderstood** as grants.
- ✓ **Borrowers expect loan waivers**, affecting repayment discipline.
- ✓ **Solution:**
 - ◆ **Active monitoring & follow-ups.**

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- ◆ Better financial literacy & credit counselling.
- ◆ Priority Sector Loan Guarantee Scheme (*like CGTMSE for MSMEs*).

 **Example:**

A **SHG** in **Madhya Pradesh** started a **vegetable farming unit** but struggled with repayments. **Bankers intervened, restructured the loan, and provided additional training.** Now, it's a **profitable business.**

Key Government Schemes & Target Groups

Scheme	Target Beneficiaries	Focus Area
DAY-NRLM	BPL Families (Rural)	Self-Help Groups, Women Entrepreneurs
DAY-NULM	Urban Poor	Micro-Enterprise & Wage Employment
PMEGP	First-Time Entrepreneurs	Micro Enterprises (₹50L Max.)
SRMS	Manual Scavengers & Dependents	Rehabilitation via Alternative Livelihoods

✓ **Holistic Coverage:** Women, SCs/STs, Minorities, Differently Abled, Urban & Rural Poor.

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 **Example:**

A tribal entrepreneur in Jharkhand started a **handicraft business** under PMEGP (₹10L Loan & 35% Subsidy).

 **Role of Banks in Loan Disbursement & Monitoring**

✓ **Bankers' Role Beyond Loans:**

- ◆ Selection of Beneficiaries.
- ◆ Credit Counselling & Financial Literacy.
- ◆ Disbursement & Recovery Monitoring.

✓ **Key Actions for Banks:**

- ◆ Prioritize lending to SC/ST applicants.
- ◆ Ensure timely loan disbursement & interest subsidy benefits.
- ◆ Coordinate with SRLM & ULBs for DAY-NRLM/NULM implementation.

 **Example:**

A **bank branch** in Rajasthan conducted a **credit camp** for SC/ST applicants under PMEGP, ensuring **100% disbursement in 2 months**.

 **Conclusion: Banking for Social Impact**

✓ **Government schemes aim at financial inclusion & poverty eradication.**

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✓ Banks play a critical role in implementation, monitoring, and credit delivery.

✓ Active engagement & proper execution can uplift millions from poverty.

💡 **Final Thought:**

📌 A farmer in Maharashtra averted poverty by starting a dairy farm with ₹5L PMEGP loan & ₹1.25L subsidy.

💡 **Key Takeaways for Bankers**

✓ Understand the role beyond loan disbursement—focus on impact!

✓ Ensure faster approvals & financial inclusion.

✓ Engage in follow-ups, credit literacy, and NPA control.

✓ Coordinate with government bodies for smooth execution.

📌 **NABARD SCHEMES: Empowering Rural India**

🚀 **Agriculture, Rural Development & NABARD**

🌱 **NABARD: A Catalyst for Rural Development**

✓ **Established: 12 July 1982** (by transferring RBI's agricultural credit functions).

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- ✓ **Dedicated to the nation: 5 November 1982** (by the then Prime Minister).
- ✓ **Current Capital: ₹15,080 crore (March 31, 2021)**
- ✓ **Ownership: 100% owned by the Government of India.**



Key Focus Areas:


- ◆ **Providing Refinance Support** to banks.
 - ◆ **Building Rural Infrastructure.**
 - ◆ **Guiding & Supervising Cooperative Banks & Regional Rural Banks (RRBs).**
 - ◆ **Designing & Implementing Government Development Schemes.**
 - ◆ **Promoting SHG (Self-Help Group) Bank Linkage Programs.**
 - ◆ **Developing Sustainable Agriculture & Climate Resilient Initiatives.**
- 📌 **Example: NABARD funded 1/5th of India's rural infrastructure projects**, supporting irrigation, rural roads, warehousing, & rural drinking water.

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NABARD's Three Pillars of Development

Category	Functions
Financial	◆ Refinance to banks for rural lending ◆ Direct lending to projects
Developmental	◆ Training & capacity-building for farmers ◆ Watershed & Climate-Resilient Farming
Supervision	◆ Regulating Cooperative Banks & RRBs ◆ Ensuring sound banking practices



 **Example:** NABARD designed the **Kisan Credit Card (KCC)**, providing hassle-free credit access to **crores of farmers**.


NABARD's Landmark Programs

Program	Impact
SHG-Bank Linkage (1992)	 World's largest microfinance project
Kisan Credit Card (KCC)	 Easy credit access for farmers
Rural Infrastructure Development Fund (RIDF)	 ₹3 lakh crore disbursed for rural roads, irrigation, etc.

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Program	Impact
Watershed Development	 Climate-resilient farming models across India
Cooperative Bank Digitization	 Brought RRBs & Cooperative Banks onto CBS platform

 **Example:** NABARD-funded **cold storage facilities** in Punjab, benefiting thousands of small farmers.

Government-Sponsored NABARD Schemes

- ◆ **Objective:** Promote **capital investment, sustainable income, and employment** in rural areas.

- ◆ **Categories: Farm Sector & Non-Farm Sector**


 Farm Sector NABARD Schemes

① Dairy Entrepreneurship Development Scheme (DEDS)

- ✓ **Purpose:** Setting up **modern dairy farms** & value-addition.

- ✓ **Subsidy:** **25% for General Category & 33.33% for SC/ST/Farmers**

- ✓ **Loan Limit:** **₹7 Lakh per unit** (10 cows/buffaloes)

 **Example:** A **Tamil Nadu dairy farmer** received **₹6 lakh loan & 33% subsidy**, doubling milk production.

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2 Agriculture Infrastructure Fund (AIF)

- ✓ **Objective:** Develop warehouses, cold storage, grading units, irrigation, etc.
- ✓ **Interest Subvention:** 3% per annum (for 7 years)
- ✓ **Credit Guarantee:** Up to ₹2 Crore

📌 **Example:** A Farmer Producer Organization (FPO) in Maharashtra built a cold storage facility with ₹50 lakh AIF support.

3 Farm Mechanization Scheme


- ✓ **Purpose:** Promote mechanized farming (tractors, harvesters, drones).
- ✓ **Subsidy:** 40-50% for farmers.
- ✓ **Loan Limit:** ₹10-25 Lakh (depending on equipment).

📌 **Example:** A farmer in Punjab purchased a high-tech harvester with 50% NABARD subsidy.

Non-Farm Sector NABARD Schemes


1 Rural Non-Farm Sector (RNFS) Program

- ✓ **Supports:** Handicrafts, handlooms, agro-processing, rural industries.
- ✓ **Loan Limit:** Up to ₹50 Lakh for micro-enterprises.
- ✓ **Interest Subvention:** 3% per annum.

 **Example:** A woman entrepreneur in Rajasthan started a handicraft business with NABARD support.

2 Skill Development & Entrepreneurship Training

- ✓ **Target:** Rural youth & artisans.
- ✓ **Training Areas:** Dairy, food processing, digital marketing, handicrafts.
- ✓ **Support:** ₹15,000 - ₹50,000 per trainee.

 **Example:** NABARD trained 500 women in Jharkhand for organic farming, generating sustainable income.

3 Credit-Linked Capital Subsidy Scheme (CLCSS)

✓ **Objective:** Technology upgradation for MSMEs.

✓ **Subsidy:** 15% on loans up to ₹1 Crore.

📌 **Example:** A textile unit in Gujarat upgraded to automated looms with NABARD's ₹15 lakh subsidy.

🌱 How to Apply for NABARD Schemes?

◆ Visit nearest bank branch (RRB, Cooperative Bank, Commercial Bank).

◆ Prepare DPR (Detailed Project Report).

◆ Get approval & loan sanction.

◆ Subsidy disbursed after project completion.

📌 **Example:** A group of farmers in Odisha got a ₹10 Lakh NABARD loan for a fishery project.