

## Segment -1 (Background)

### National Rural Livelihood Mission (NRLM):

National Rural Livelihood Mission (NRLM) was launched by Ministry of Rural Development, GoI by restructuring Swaranjayanti Gram Swarozgar Yojna (SGSY).

- The new scheme NRLM was implemented in a mission mode across the Country w.e.f. from 1<sup>st</sup> April 2013.
- NRLM is the flagship Program of GoI for promoting poverty reduction through building strong institutions of the poor, particularly women and enabling these institutions to access a range of financial services and livelihood services.
- NRLM is designed to be a highly intensive programme and focuses on intensive application of human and material resources in order to mobilize the poor into functionally effective community owned institutions, promote their financial inclusion and strengthen their livelihoods.
- NRLM complements these institutional platforms of the poor with services that include financial and capital services, production and productivity enhancement services, technology, knowledge, skills and inputs, market linkage, etc.
- The community institutions also offer a platform for convergence and partnerships with various stakeholders by building environment for the poor to access their rights and entitlements and public service.

### Key difference from SGSY

- NRLM is promoting a major shift from purely 'allocation based' strategy to a 'demand driven' strategy wherein states have the flexibility to develop their own plans for capacity building of women SHGs and Federations, infrastructure and marketing, and policy for financial assistance for the SHGs.
- NRLM will identify the target group of poor through a 'participatory identification of the poor' process instead of using the BPL list as was done in SGSY. This will ensure that the voiceless, poorest of poor are not ignored. In fact under NRLM, the first preference is given to the poorest of poor households.
- NRLM will promote the formation of women SHGs on the basis of affinity and not on the basis of a common activity, as it used to be under SGSY. It is definitely possible that members who come together on the basis of affinity could be having a common activity.
- Unlike SGSY, the NRLM has taken a saturation approach and will ensure all the poor in a village are covered and a woman from each poor family is motivated to join the SHG.
- NRLM will provide continuous hand-holding support to SHGs, and their federations. This was missing in SGSY. Under NRLM this support will be provided to a great extent by capacitating the SHG federations and by building a cadre of community

professionals from among the poor women. The federations and the community professionals will be imparted the necessary skills by the mission.

- The objective of NRLM is to ensure that SHG s are enabled to access repeat finance from Banks, till they attain sustainable livelihoods and decent living standards. This was missing in SGSY, where the emphasis was on one time support.
- NRLM would provide a Revolving Fund (RF) support to SHGs in existence for a minimum period of 3/6 months and follow the norms of good SHGs, i.e they follow 'Panchasutra' - regular meetings, regular savings, regular internal lending, regular recoveries and maintenance of proper books of accounts. Only such SHGs that have not received any RF earlier will be provided with RF, as corpus, with a minimum of Rs.10,000 and up to a maximum of Rs.15,000 per SHG. The purpose of RF is to strengthen their institutional and financial management capacity and build a good credit history within the group.
- Capital Subsidy has been discontinued under NRLM and no Capital Subsidy will be sanctioned to any SHG from the date of implementation of NRLM.

## **Segment -2 (Constitution of SLRM)**

### **Sub-Committee of SLBC for State Rural Livelihood Mission (SRLM)-Constitution & Composition**

The State Level Bankers' Committee in its 92<sup>nd</sup> meeting held on March, 10, 2014 has approved the constitution of **Sub-Committee of SLBC for State Rural Livelihood Mission (SRLM) on the recommendations of the** then Commissioner/Secretary to Government, Rural Development & Panchayat Raj Department, Govt. of Jammu & Kashmir.

**The proposal was approved by the house with the following members on board:**

<b>S. No</b>	<b>Designation/Address</b>	
1	CGM NABARD Regional Office Jammu	Chairman
2	Comm./ Secy. to Govt. Rural Dev.	To Co Chair
3	President (LBD/SLBC), J&K Bank	Convenor
4	President (A&AP),J&K Bank, Corporate Headquarters, Srinagar	Member
5	State Bank of India, Z. O. Rail Head Complex, Jammu.	Member
6	Punjab National Bank, Circle office, Jammu.	Member
7	Chairman, J&K Grameen Bank, H. O. Jammu	Member
8	Chairman, Ellaqai Dehati Bank, H. O, Srinagar	Member
9	State Mission Director for SLRM	Member
10	Additional Mission Director, SRLM for Jammu	Member
11	Additional Mission Director, SRLM for Kashmir	Member

## Umeed Project launched By J&K Government

- The Constitution of State-wise Sub-Committees of SLBC for SRLM across the County was the initiative mooted by MoRD, GOI and in compliance the **J&K State Government has constituted J&K State Rural Livelihood Mission (SRLM)** which is being run by the **J&K State Rural Livelihood Society** under the name “Umeed”.
- Umeed is an initiative that organizes the “Rural Women” into Self Help Groups (SHGs) and facilitates their access to credit for livelihood enhancement.
- GoI has approved the “Umeed” as a special project, with an outlay of ₹ 755 Crore for the State of J&K that mandates coverage of 66% of the rural households under the project. Over the next 5 years Project Umeed will be implemented in all the Gram Panchayats with a target of formation of 90,000 SHGs across the State.
- Umeed was launched in April 2013 in Jammu region and in Kashmir region the project was kick started in June 2013.

## Segment -3 (Coverage /Achievement)

The Umeed in the first stage was launched in the following four blocks of J&K on the pilot basis:

S. No	Name of the Block	District
1	Khansahib	Budgam
2	Lar	Ganderbal
3	Chenani	Udhampur
4	Bhasoli	Kathua

## Annual Action Plan under “Umeed” for the FY 2013-14 and 2014-15

	2013-14	2014-15	Total
Blocks to be Covered	8	14	22
SHGs to be formed	2304	6336	8640

## New Blocks covered under the project

S. No	Name of the Block	District
1	Ghagwal	Samba
2	Bishnah	Jammu
3	Gundna	Doda

## Block-wise achievement under Umeed (Position June 2014)

Name of the Block	Total House Holds	House Holds Covered	SHG Formed	Bank Account Opened	VOs formed	Vo Bank A/C Opened	Vo offices Set up
<b>Khansahib</b>	15373	5592	528	528	54	54	53
<b>Lar</b>	6181	2722	280	280	31	31	28
<b>Chenani</b>	15717	7932	567	557	57	57	57
<b>Bhasoli</b>	9470	5941	542	539	61	61	61
<b>Ghagwal</b>	8823	4010	387	377	New Blocks		
<b>Bishnah</b>	18993	5823	496	475			
<b>Gundna</b>	6066	1283	108	103			
<b>Total</b>	<b>80623</b>	<b>33303</b>	<b>2908</b>	<b>2859</b>			

## Segment - 4 (Thrust Areas/ Future Plans/Recommendations)

### Agenda Item No:1

#### Discussion on finalization of SHG bank linkage credit target 2014-15.

Till date no targets have been fixed for credit linkage of SHGs constituted under Umeed. However, the bank linkage of SHGs has started during the current year and out of 2500 SHGs constituted in the 4 pilot blocks i. e. Lar, Khansahab, Chenani and Basohli, 800 SHGs have been sanctioned credit by the various banks. It is expected that 1700 SHGs shall fall within "A" category and shall have to be linked to the banks for first dose of credit which shall, therefore, be the target for the current year. The Sub-Committee may approve the same.

**The forum may deliberate the issue and approve the targets for proving credit linkage to SHGs during the current financial year.**

### Agenda Item No.2:

RBI circular on SHG bank linkage has provided many relaxations to the SHGs under NRLM. The following are two important directions from RBI:-

#### **(a) The first SHG credit linkage should be minimum of ₹50,000/-.**

So far there has been no problem with regard to the minimum limit of credit and all the banks are providing the minimum of ₹50,000/- as first dose of credit. However, we need to reiterate this advisory to the various banks.

#### **(b) Relaxation in service area approach for SHGs bank linkage has been granted under RBI circular.**

All the banks need to be advised that while providing credit to the SHGs service area approach should be relaxed.

**The forum may deliberate the issue.**

### **Agenda item No: 3**

#### **Recommendation to the J&K Government for waiving the stamp duty for SHGs loan.**

Many State Governments have already waived of stamp duty of SHG loans. The State Government may be requested to consider remission of stamp duty for SHG loans to facilitate their bank linkage.

**The forum may deliberate the issue.**

### **Agenda Item No: 4**

#### **Nomination of J&K bank as the nodal Bank for Interest Subvention**

In the meeting of the Executing Council of Umeed it was decided that J&K Bank shall be the nodal bank for the purpose of interest subvention in category-II districts. State Government shall have to issue a Government order in this behalf in which the roles and responsibilities of the nodal bank as per the policy on interest subventions in category-II districts should be enunciated clearly. It would be the responsibility of the nodal bank to transfer interest subvention amount directly to SHG loan accounts through NEFT. SRLM will send the list of eligible SHGs alongwith amount of interest subvention to be disbursed with an instruction for transfer of funds to the respective loan accounts of SHGs through NEFT. In case of closed loan accounts the money will be credited to the saving bank account of SHG. It will also be responsibility of the nodal bank to furnish a report to SRLM alongwith a list of SHGs for successful transfer of interest subvention amount.

**The forum may deliberate the issue.**

### **Agenda item No: 5**

#### **Discussion on category-I districts on interest subvention.**

All women SHGs in category-I districts have to be provided loan at 7% interest rate upfront. The reimbursement claim has to be submitted to Ministry of Rural Development. In case of J&K State, Ganderbal, Budgam and Udhampur Districts fall in category-I districts. Therefore, strict instructions should be issued to the banks in the said category-I districts of the State to charge interest rate to the extent of 7% only. The balance interest upto a maximum of 5½% shall be reimbursed to the banks by the Ministry of Rural Development through Canara Bank which is the nodal bank at the national level for category-I districts.

**The forum may deliberate the issue.**

### **Agenda item No:6**

#### **Interest subvention scheme –Participation of Private Banks**

Government of India has now decided that for the purpose of interest subvention scheme even private banks should be included. Therefore, while claiming interest subvention, the private banks can also upload their claims on Canara Bank's portal which is the nodal bank at the national level for category-I districts for NRLM.

**The forum may deliberate the issue.**

## **Agenda item No: 7**

### **Reporting to Lead Banks.**

The branch heads are to be directed to furnish the progress report under various activities of NRLM in the format at **annexure-C and annexure-D** to the LDM every month for onward submission to the sub-committee of SLBC. Sub-Committee may issue necessary instructions in this regard.

**The forum may deliberate the issue.**

## **Agenda item No: 8**

### **Data sharing**

Banks need to share data through Sub-Committee of SLBC on SRLM for initiating various strategies including recovery etc. Sub-Committee may prepare a mutually agreed format and also decide the intervals at which the data sharing should take place.

**The forum may deliberate the issue.**

## **Agenda item No: 9**

### **Conducting workshop for LDMS/DDMS, NABARD, NRLM.**

This issue came up for discussion in a recently held conference on RSETIs. The Chairman & CEO, J&K Bank was pleased to consent holding of this workshop in the first or second week of August 2014. A date may be decided for conducting the workshop. In the workshop the participants will be sensitized regarding bank linkage of SHGs under Umeed.

**The forum may deliberate the issue.**

## **Agenda item No: 10**

### **Changing Convenorship in respect of Sub-Committee of SLBC for State Rural Livelihood Mission (SRLM) constituted by J&K SLBC in its 92<sup>nd</sup> Meeting held on March 10, 2014**

In view of SRLM being headed by full time Mission Director and two Additional Directors, one each for Jammu & Kashmir, who are very well versed with the project Umeed and are often holding workshops and awareness programmes on SRLM, it would be appropriate to bestow the covenorship of the sub-committee to the Mission Directorate of SRLM.

**The forum may deliberate the issue.**

Any other matter to be discussed with the permission of the Chair.

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## **Dropped Agenda Items**

### **Agenda item No: 7**

#### **Constitution of SHG bank linkage sub-committee at district level.**

As per the extant guidelines of RBI there should be a sub-committee for SHG bank linkage at DLRC. This committee should be chaired by the District Development Commissioner. It should meet once in a month with the mandate to resolve the issues related to bank linkage at the district level. Sub-Committee of SLBC on SRLM may issue instructions to the concerned for constituting these committees.

**The forum may deliberate the issue.**

### **Agenda item No:8**

#### **Block Level Bankers Committees**

The Block Level Bankers Committees should meet regularly and take up issues related to SHG bank linkage at the block level. The SHGs /their federations should be included as members to BLBCs to express their views/concerns. The branch wise status of SHG credit shall be monitored at the BLBC level.

**The forum may deliberate the issue.**