

Workshop on SHG Bank Linkage and Interest Subvention

Uttarakhand State Rural Livelihood Mission, Dehradun

15TH December 2015, ICM, Rajpur, Dehradun

SN	Particulars/Training subject	Time	Lecture by
1	Registration	10:00 AM – 10:30 AM	Mr Narendra Rawat, Mr Bhanu Singh, Mr Ravikant Pandey and Amit Nautiyal
2	Opening Remarks	10:31 AM – 10:45 AM	Principal Secretary, RD & PR, Govt of Uttarakhand
3	Tea Break	10:46 AM – 11:00 AM	
4	Brief on NRLM	11:01 AM – 11:20 AM	CEO, USRLM
5	Presentation on NRLM Interest Subvention	11:21 AM – 01:30 PM	Mr Lokesh.B, Senior Mission Executive-FI, NMMU
6	Role of RBI on SHG Bank Linkages	01:31 PM – 01:35 PM	Representative of RBI
7	Role of NABARD on SHG Bank Linkages	01:36 PM – 01:40 PM	Representative of NABARD
8	Role of SLBC on SHG Bank Linkages	01:41 PM – 01:45 PM	Representative of SLBC
9	Lunch Break	01:31 PM – 02:15 PM	
10	Demo on the MoRD Bank linkage portal	02:16 PM – 03:15 PM	Mr Lokesh.B, Senior Mission Executive-FI, NMMU
11	Open discussion	03:16 PM – 04:00 PM	Dr. Prabhakar Bebni, Mr Ravikant Pandey, Mr Lokesh.B and all Participants
12	Tea Break	04:01 PM – 04:15 PM	
10	Action Plan and closing remarks	04:16 PM – 05:00 PM	CEO, USRLM



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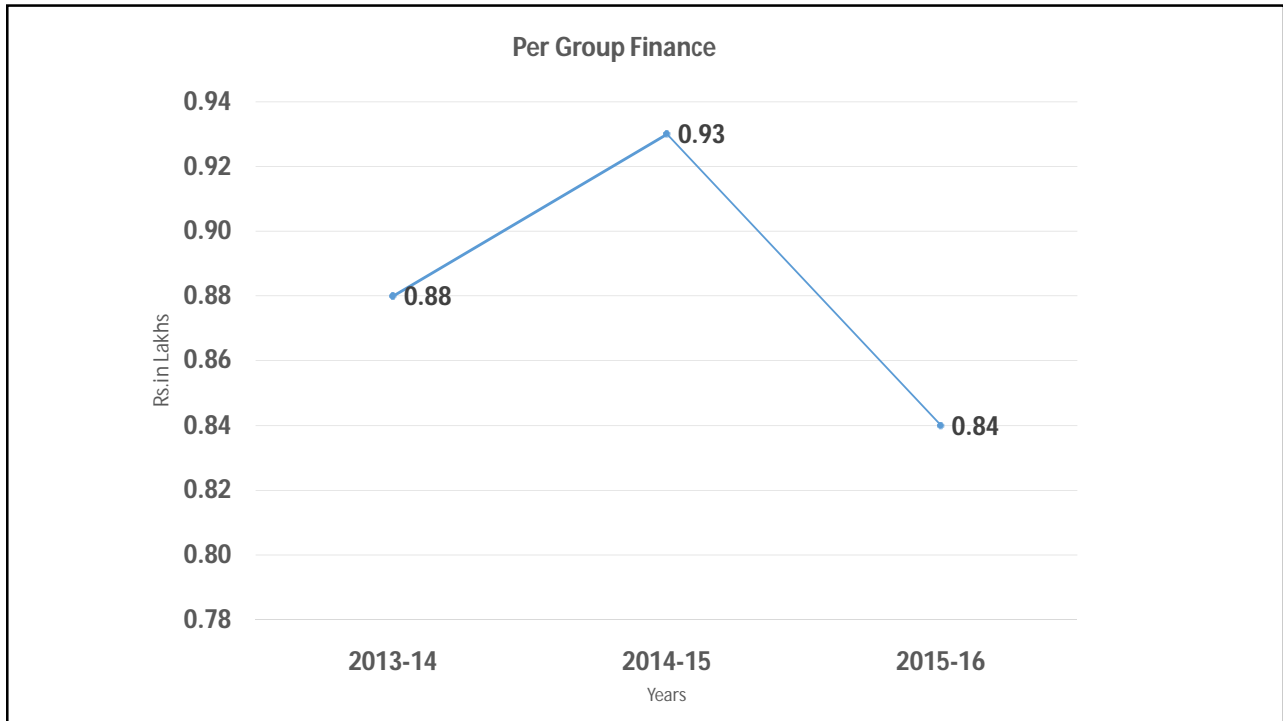


Bank Linkage Mandate under
NRLM

**“Each poor Household is able to access credit of
at least Rs 1 lakh in multiple doses (over 4-5
years)”**

SRLM::UTTARAKHAND							
Year on Year Comparison							
S.No	Bank Name	2013-14		2014-15		Growth/Decline	
		Loan A/cs	Amt in lakhs	Loan A/cs	Amt in lakhs	Loan A/cs	Amount
PUBLIC SECTOR BANKS							
1	STATE BANK OF INDIA	813	467.28	140	61.02	-83%	-87%
2	CANARA BANK	35	88.60	70	170.50	100%	92%
3	ALLAHABAD BANK	48	73.40	68	23.08	42%	-69%
4	PUNJAB NATIONAL BANK	64	58.49	28	26.21	-56%	-55%
5	UCO BANK	41	43.80	1	0.50	-98%	-99%
6	ORIENTAL BANK OF COM	56	25.29	4	8.25	-93%	-67%
7	UNION BANK OF INDIA	5	22.30	6	3.15	20%	-86%
8	BANK OF BARODA	9	6.02	23	18.50	156%	207%
9	PUNJAB AND SIND BANK	3	6.00	3	0.70	0%	-88%
10	INDIAN BANK	1	5.00	0	0.00	-100%	-100%
11	BANK OF INDIA	5	4.00	3	2.00	-40%	-50%
12	INDIAN OVERSEAS BANK	2	2.88	0	0.00	-100%	-100%
13	CENTRAL BANK OF INDIA	1	0.15	8	2.37	700%	1480%
14	SYNDICATE BANK	0	0.00	3	4.00		
REGIONAL RURAL BANKS							
1	UTTARAKHAND GRAMIN BANK	640	710.55	0	0.00	-100%	-100%
TOTAL		1,723	1,513.75	357	320.28	-79%	-79%

SRLM::UTTARAKHAND			
2015-16 Bank Wise Achievement			
Report up to October 2015			
S.No	Bank Name	Total SHGs	Total Amount (Rs.in Lakhs)
Public Sector Banks			
1	STATE BANK OF INDIA	67	36.15
2	ALLAHABAD BANK	28	26.67
3	CANARA BANK	20	51.50
4	BANK OF BARODA	14	12.25
5	PUNJAB NATIONAL BANK	11	3.70
6	CENTRAL BANK OF INDIA	9	3.52
7	PUNJAB AND SIND BANK	8	2.00
8	ORIENTAL BANK OF COMMERCE	4	1.40
9	UNION BANK OF INDIA	1	0.20
10	INDIAN OVERSEAS BANK	1	0.10
Total		163	137.49



Interest Subvention –category-1
150 backward districts

Key Features of the Scheme

- All women SHGs will be eligible for interest subvention on loans upto Rs. 3 lakhs at 7% per annum.
- Banks will lend to all the women SHGs at the rate of 7% in the 150 districts.
- Banks will be subvented to the extent of difference between the WAIC (*as specified by the DFS*) and 7% subject to the maximum limit of 5.5%.
- This subvention will be available to all the Banks on the condition that they make SHG credit available at 7% p.a. in the 150 districts.
- SHG availing capital subsidy under SGSY with loan outstanding will not be eligible for benefit under this scheme.

Key Features of the Scheme....

- SHGs will be provided with an **additional 3%** subvention on the **prompt repayment**.
- The banks should credit the amount of 3% to the eligible SHG account and seek the reimbursement.
- Criteria for determining Prompt Repayment

For Cash Credit Limit	For Term Loans
1. Outstanding balance shall not have been remained in excess of the limit/drawing power continuously for more than 30 days.	• 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, would be considered as an account having prompt payment.
2. 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.	
3. Customer induced credit should be sufficient to cover the interest debited during the month	

Roll out of the Scheme

PSBs

- Canara Bank is appointed as the nodal Bank to rollout IS of PSBs and MoU signed on---
- Canara Bank will manage web portal for receiving and processing claims from public sector banks.
- Canara Bank will submit claims to MoRD and settle claims of PSBs

RRBs and Cooperative banks

- RRBs and coop submits the claims (manual) to NABARD state office
- NABARD HO collects the claim from State counterparts and sends to MoRD.
- MoRD settles to NABARD and NABARD in turn settle the banks' claims.
- All BANKS submit the ANNUAL audit certificates

Role of Banks

- Banks will lend to all women SHGs at upfront 7% per annum (upto Rs 3 lakhs)
- Banks will also pay additional interest subvention of 3% to SHG loans accounts being serviced promptly
- Banks will upload the loan account wise information and claims on Canara bank portal on a monthly basis
- Every bank submits a certificate for the uploaded claims to be correct to Canara Banks and submits an ANNUAL audit certificate.

Role of MoRD & SRLMs

- MoRD will settle to Canara Bank and Canara Bank, in turn settle the banks' claims
- SRLMs will undertake initiatives for spreading on the scheme



Interest Subvention in category-2 districts

Key Features....

- ❖ This part of the scheme will be implemented by the State Rural Livelihood Mission (SRLM).
- ❖ SHGs under NRLM will eligible for Interest Subvention (IS).
- ❖ Banks will lend to women SHGs at regular lending rates.
- ❖ Prompt repayment SHGs will eligible for IS on credit up to Rs.3 lakhs.
- ❖ The difference between lending rate and 7% subject to maximum of 5.5% will be subvented in the loan accounts of the SHGs by the SRLMs.
- ❖ SHGs availed capital subsidy in their existing credit outstanding will not be eligible for benefit under this scheme. They will be eligible from next loan onwards.

Prompt Repayment means.....

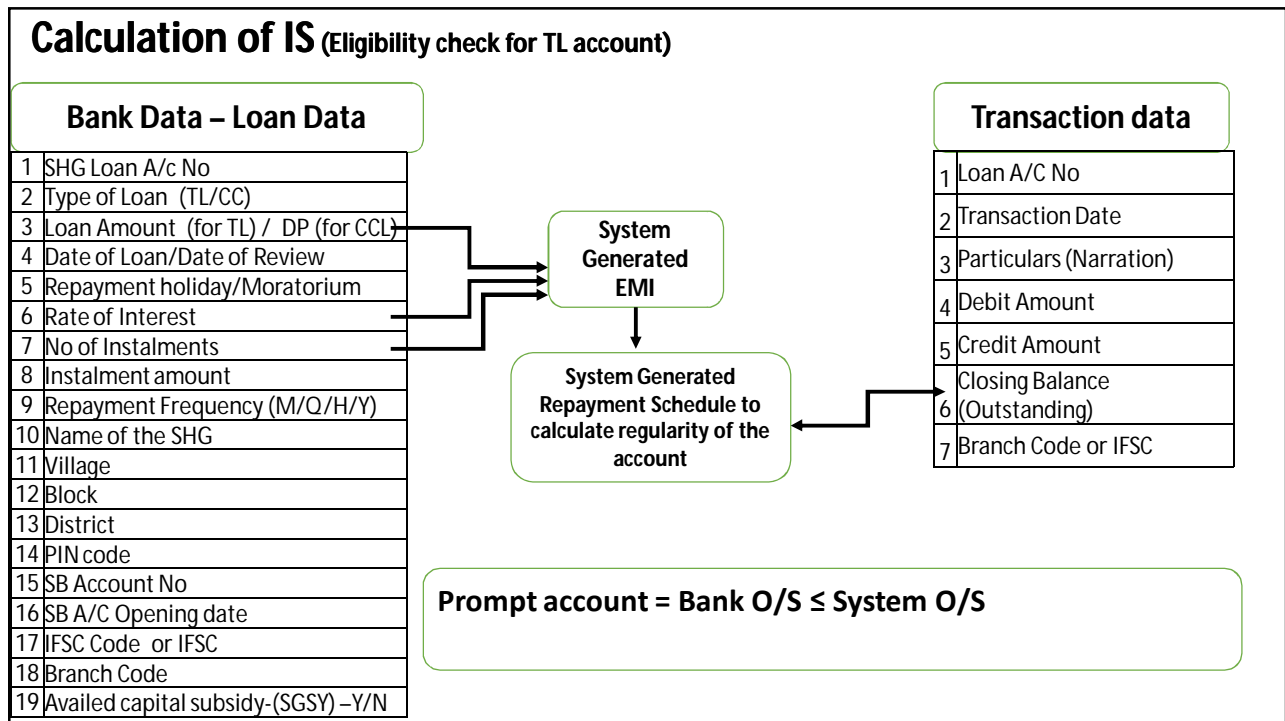
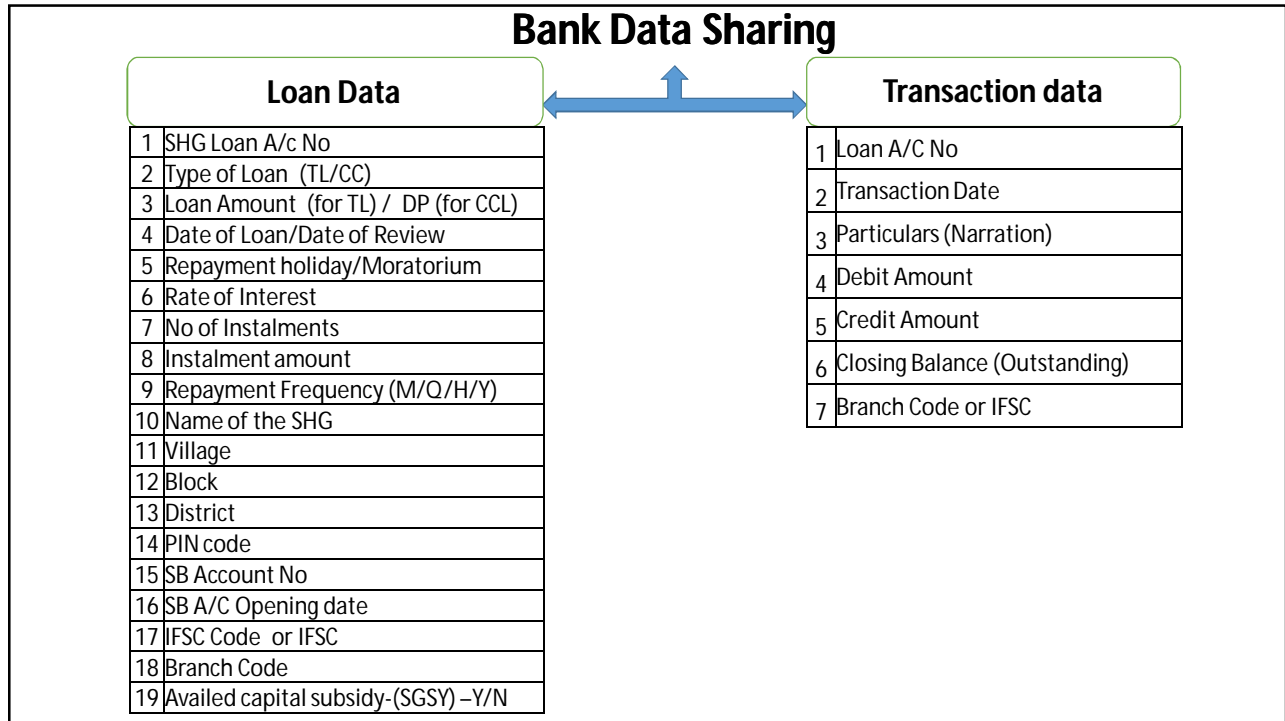
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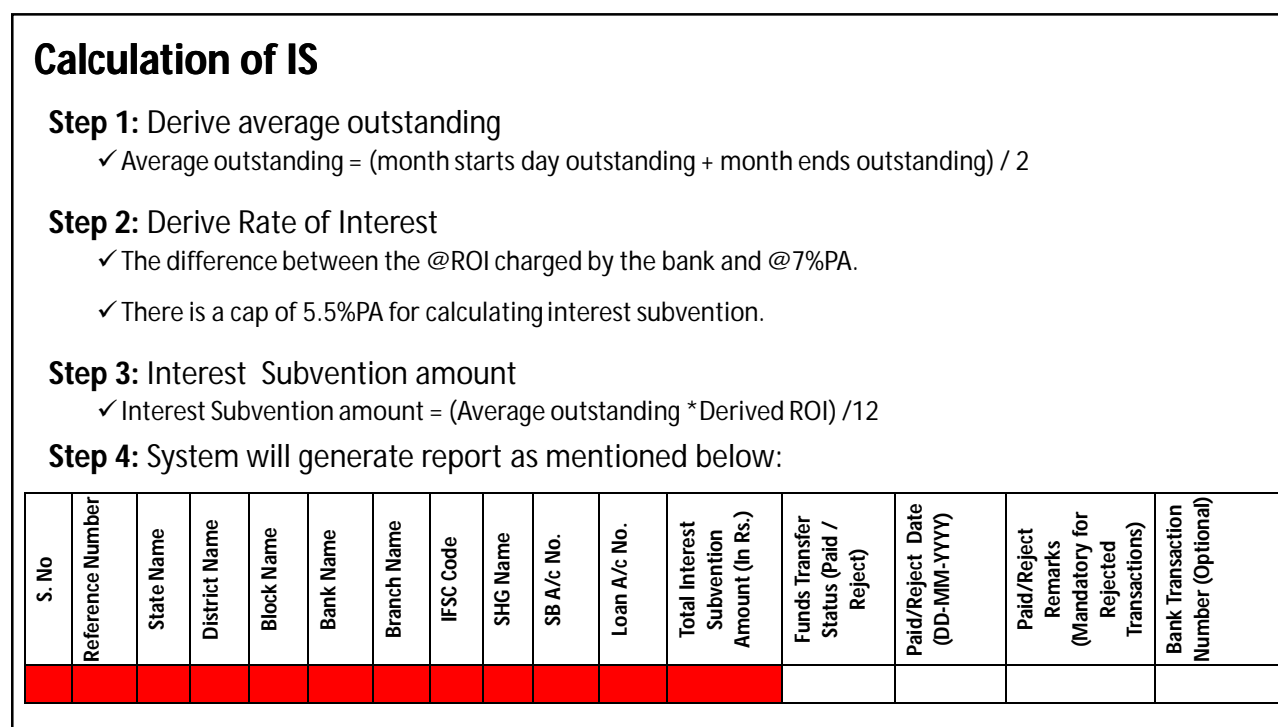
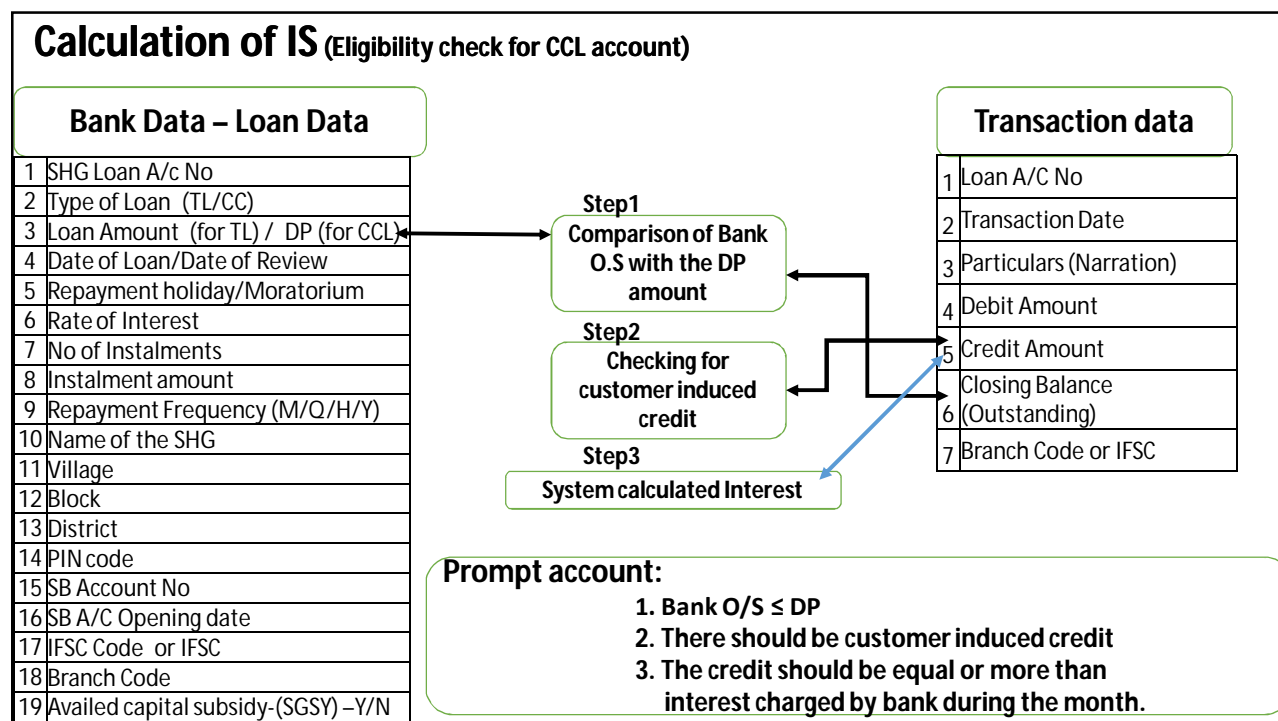
Role of Banks

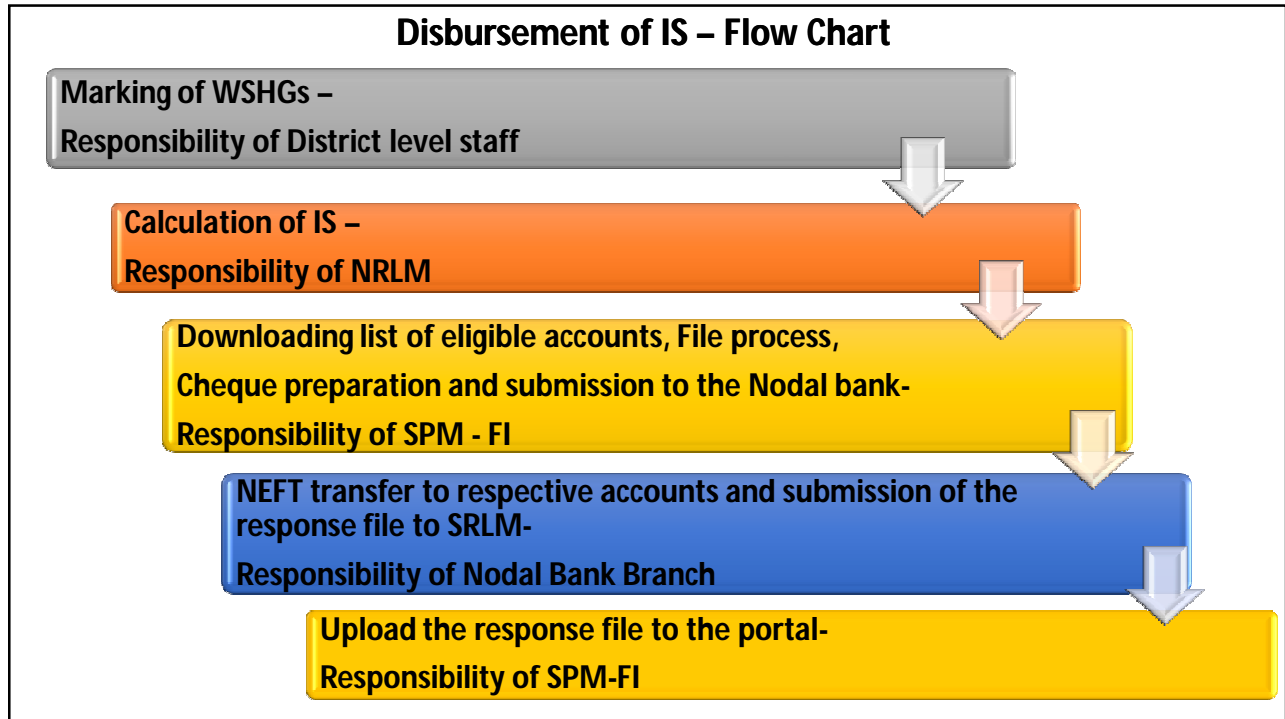
- Banks to regularly share data with NRLM on loans disbursed to women SHGs directly from CBS platform.

Role of SRLMs

- ▶ State Missions will identify 'NRLM Women SHGs'.
- ▶ Based on the data shared by banks, promptly repaying SHGs will be identified and calculated IS by the system at NMMU level.
- ▶ State Missions will transfer the amount of interest subvention directly to SHG loan a/c.







Sample Loan Account number

Demo on the Bank Linkage portal

www.nrlmbl.aajeevika.gov.in

Thank you