Individual and Group Enterprises to be promoted and linked with banks for financial support.

Provision of Interest subsidy on loans for individual enterprises (Project Cost Rs 2 lacs max) and group enterprises (Project Cost Rs 10 lacs max).

The individual and group enterprises will get subsidized loans @ 7% p.a. subject to timely repayment and suitable certification from banks. Interest Subsidy amount (difference between prevailing rate and 7% pa) will be reimbursed to the banks.

Capacity Building of entrepreneurs through Entrepreneurship Development Program (EDP) of 3-7 days

Module development by SULM, EDP Training to be organized through RSETIs & reputed institutes.
Self Employment Programme
(Individual & Group Enterprise)

- Linkage with Credit Guarantee Fund Scheme of CGTMSE, M/o MSME for collateral free loans.
- **Facilitation of Credit cards** for individual entrepreneurs and street vendors for working capital requirement General Credit Card(GCC) scheme
- **A Task Force** may be constituted at ULB level for recommending cases. There could be more than 1 task force at ULB level depending upon the size/population of the ULB.

**Process**
- Beneficiaries identified by field functionaries/ RO’s/ Banks/ SHGs/ ALFs
- Beneficiary Applies to ULB receives acknowledgement → ULB generates a waiting list
- ULB arranges for filling up of application in order of waiting list
- ULB send the eligible case to Task Force for recommendation
- Task Force recommends the case (Interview beneficiary) → Recommended case sent Banks for processing (via ULB) - Beneficiary is intimated
- Banks send details of cases sanctioned and disbursed to ULB along with interest subsidy details- Beneficiary is intimated
- ULB releases subsidy to banks.
## Indicative Composition of TASK FORCE at ULB Level

<table>
<thead>
<tr>
<th>S NO</th>
<th>TASK Force at ULB level</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chief Executive Officer (CEO) ULB/ Municipal Commissioner of ULB/ or any representative authorised by CEO ULB</td>
<td>Chairman</td>
</tr>
<tr>
<td>2</td>
<td>Lead District Manager (LDM)</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>City Project Officer (CPO), ULB/ or any authorised representative of ULB</td>
<td>Member Convenor</td>
</tr>
<tr>
<td>4</td>
<td>Representative from District Industries Centre (DIC)</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>Senior Branch Managers (Max-2) of banks</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>Representatives(2) of Area Level Federation / City Level Federation</td>
<td>Member</td>
</tr>
</tbody>
</table>
Self Employment Programme (SHG Loans)

- **SHGs will be linked with banks** for loans: Loans will be provided @ 7% p.a. to all SHGs. Interest subsidy amount (difference between prevailing rate and 7% pa) will be reimbursed to the banks.
  - Provision of additional 3% p.a. interest subvention to Women SHGs (WSHGs) subject to timely repayment.
- The interest subsidy on SHGs is available based on timely repayment of loans and suitable certification by banks.
- The ULB through its field staff or Resource Organisation (ROs) will facilitate filling of loan applications for eligible SHGs. The **ULB will forward the Loan application to the concerned banks** with requisite documentation.
- The **banks will send the details of disbursed loan cases to the ULB** along with the details for claiming the interest subsidy amount.
- ULB releases the subsidy to banks
ISSUES FOR DISCUSSION

- Financial inclusion of urban poor
  - Enforcement of Know Your Customer (KYC) guidelines for opening up of basic saving bank deposit accounts for urban poor by banks through camps or other modes
  - Financial Literacy programme by banks in collaboration with state governments, SLBCs. Integration with Financial Literacy & Credit Counseling Centers (FLCCs) set up by banks in districts.
  - Opening of savings accounts for urban SHGs
  - Promoting financing for Urban Self Help Groups (SHGs) and their capacity building. Positive view toward financing of urban poor and its SHGs.
  - Capacity building of micro-enterprises (individual & group) of urban poor through linkage with RSETIs
  - Timely Processing of loan applications by banks under NULM
  - Separate agenda point to monitor NULM progress by banks in all SLBC and DCC meetings.
  - Active involvement with SMMU and CMMU at state and city level
  - Regular reporting of meeting reports to M/o HUPA and SULM by SLBC
  - No Collateral security for SEP loans- integration with CGTMSE for guarantee cover