

Self Employment Programme (Individual & Group Enterprise)

- ❑ **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 Rs10 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.

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- ❑ 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.

Self Employment Programme (Individual & Group Loans)

Indicative Composition of TASK FORCE at ULB Level

| S NO | TASK Force at ULB level | |
|------|---|----------------------------|
| 1 | Chief Executive Officer (CEO) ULB/ Municipal Commissioner of ULB/ or any representative authorised by CEO ULB | Chairman |
| 2 | Lead District Manager (LDM) | Member |
| 3 | City Project Officer (CPO), ULB/ or any authorised representative of ULB | Member Convenor |
| 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 |

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