

Minutes of the meeting held under the Chairmanship of Divisional Commissioner, Jammu in his office chambers on 15-5-2014 at 3.00 PM with regard to implementation of National Rural Livelihood Mission (NRLM) in Jammu (J&K).

**Present S/Shri:**

1. Farooq Ahmed Peer, Mission Director, SRLM.
2. Yogita Rana, State Representative, NRLM
3. A.S.Jamwal, ADDC, Udhampur
4. Arun Manhas, Addl.MD, Umeed
5. Mir M.Latif, Dy.General Manager, PNB
6. S.K.Kapoor, Dy.General Manager, SBI
7. S.K.Wattal, AGM, RBI
8. S.K.Sonkar AGM, MCID
9. R.L.Lochan, GM,SBI
10. Manoj Sharma, A.M.NABARD
11. G.C.Sharma, GM, JCCB
12. B.K.Goswami Distt. Coordinator JK Bank
13. Rakesh Maini Asstt.Vice President, JK Bank
14. Manzoor Ahmed, RM EDB
15. K.L.Sharma, Sr.Manager, Grameen Bank
16. S.S.Chib, District Coordinator, PNB
17. S.P.Vans Branch Manager, Grameen Bank
18. Ravinder Kumar, Branch Head, Grameen Bank.

Initiating the discussion on the subject, the Divisional Commissioner, Jammu welcomed the participants and requested the Mission Director, NRLM J&K to tell the participants about the scheme, its implementation in the State and in the Jammu Division in particular. Accordingly, the Mission Director briefed the participants as under:-

- i) That NRLM is a GOI scheme from the Ministry of Rural Development. In J&K the implementation of the scheme has been entrusted to a "Society"(Govt) called Umeed and the Governing Body of same is headed by the Hon'ble Chief Minister.
- ii) That Umeed is an initiative that organises the "Rural Women" into Self Help Groups (SHGs) and facilitates their access to credit for livelihood enhancement.
- iii) That Govt. of India has approved it as a special project, with an outlay of 755 crores for the state of J&K that mandates coverage of 66% of the rural households under Umeed. Over the next 5 years, Umeed will be implemented in all the Gram Panchayats in the State and 90,000 SHGs would be formed in J&K.

- iv) That Umeed was in the first instance launched in four blocks of J&K i.e. Chenani (Udhampur) , Basohli (Kathua), Lar (Ganderbal) and Khansahib (Budgam)
- v) Around 1800 SHGs covering 17500 households have already been brought under Umeed in these resource blocks.
- vi) That 98% of the SHGs formed under Umeed, in these four resource blocks, have got their **Bank Accounts** opened and this is the **highest that has been achieved in the country.**
- vii) That cooperation extended by the banks to SHGs in facilitating opening of bank accounts which is the first step to access institutional credit has been exceptional.
- viii) SHGs are graded for their adherence to the principal of "Pancha Sutras" once in a quarter and their books of accounts are updated regularly.
- ix) SHGs graded as "A" have received Revolving Fund (RF) and the community Investment fund (CIF) from the project. Till now RF to the tune of Rs.1.42 crores and CIF to the tune of Rs.3.28 crores has been availed by the SHGs of Basohli and Chenani from Umeed. Their prompt repayment demonstrate the capability of women as a group to avail and repay loan in their effort to enhance their livelihood.
- x) SHGs that have been graded "A" and are active from last more than 10 months therefore are eligible for credit linkage from the banks in accordance with the guidelines issued by the RBI.
- xi) That around 830 SHGs from Basohli and Chenani are creditworthy. Since each SHG which is being proposed for bank linkage already has a corpus of 75,000 to 80,000 on account of their internal savings, RF and CIF.
- xii) That in our state bankers generally hesitates to provide institutional finance to the SHGs because of the fear of creating non performance assets. But under NRLM the habit of thrift, internal loaning and timely repayment is deeply ingrained and it is a matter of satisfaction that the **percentage of repayment by the**

**members who draw loans out of their own saving and revolving fund provided by the project is 100%.**

After the briefing by the MD, SRLM, a detailed discussion on the subject took place. State Representative, NRLM, GOI said that the banks need to finalize/notify a list of the documents for submission by the SHGs to enable the SHGs to get the financial linkage at the earliest. She also stated that banks need to minimise the costs of documents to be submitted by the SHGs to the banks as the groups involved are very poor. Reacting to what the State Representative said, the Divisional Commissioner asked the bankers to take the decisions required to expedite financial linkage of the eligible SHGs under Umeed. The issue of stamp duty of the Govt. was also discussed and it was felt that the Govt. should be approached for exemption of the same in the case of the SHGs. While underscoring the importance of bank linkage or sanction of loans, the MD, SRLM and Addl.MD said that the SHGs under Umeed have practically demonstrated financial discipline and the banks do not need to worry about creation of NPAs. The MD added that it will be pure business for the banks as far as Umeed SHGs are concerned.

District Coordinator, PNB stated that NRLM is a promising scheme and so far the work going on under the scheme has been exemplary. Some of the representatives of other banks also endorsed what District Coordinator, PNB said. The Divisional Commissioner was very pleased to note the positive feed back on the implementation of the scheme and requested the bankers to encourage and support the said SHGs by ensuring 100% financial linkage. After discussing all the important aspects of the issue/matter the following decisions were taken:-

1. Bankers shall immediately issue/notify the list of documents required from SHGs for availing financial linkage from the banks.
2. Considering the impressive performance of the SHGs groups under Umeed, the banks shall ensure 100% financial linkage for eligible groups.
3. Bankers shall sensitise their staff on the importance of Umeed with regard to livelihood generation for rural poor. Addl.Mission Director shall keep personal liaison with the heads of the banks involved in the implementation of Umeed.
4. Mission Director NRLM shall submit a proposal to the Divisional Commissioner, Jammu for exemption of Stamp Duty for SHGs for sanctioning of loan. The Divisional Commissioner's office shall

process the said proposal within a weeks time and submit the same to the Finance Department for necessary action.

5. Divisional Commissioner also stressed on the need of time bound disbursement of the loan amount to SHGs accounts. For this a time line/activity chart should be formulated in consultation of the Mission staff and bankers.

The meeting ended with a vote of thanks to the Chair.

  
Additional Commissioner  
Jam mu

No. 402/ES/Bank/14/200-300

Dated: 22/5/2014

Copy to:

1. Mission Director, NRLM J&K
2. State Representative for NRLM
3. Deputy Commissioner, Udhampur ✓
4. Deputy Commissioner, Kathua ✓
5. Addl. Mission Director, NRLM, J&K ✓
6. Chairman, Ellaquai Dehati Bank ✓
7. Chairman, J&K Grameen Bank ✓
8. Chairman, Central Coop. Bank ✓
9. Regional Director, Reserve Bank of India ✓
10. Chief General Manager, NABARD.
11. Deputy General Manager, State Bank of India ✓
12. Deputy General Manager, Punjab National Bank ✓
13. General Manager, J&K Bank ✓