Chapter V

Working of Lead Bank Scheme in Kolhapur District

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Chapter V

Working of Lead Bank Scheme in Kolhapur District

5.1 Introduction

This chapter discussed the development programmes in the Kolhapur District, Central Government Sponsored Programs, Kisan Credit Cards Scheme, Self Help Group, Financial inclusion, Development Corporation Ltd.

5.2 Development Programmes in the Kolhapur District

Following important Credit Linked Government sponsored Schemes/Programs are being implemented in Kolhapur District and Review of which in being taken in Standing Committee / DLCC /DLRC meeting at District Leven and BLBC / BLCC meeting at blocks level.

<table>
<thead>
<tr>
<th>Government Agency/Department</th>
<th>Schemes/Programmes</th>
</tr>
</thead>
</table>
| I) District Rural Development Agency (DRDA) | a) MS-RLM  
b) Loan and subsidy scheme for Rural Housing |
| II ) Zilla Parishad | a) Bio Gas Development Program  
b) Special Component Plan  
c) Sprinkler Irrigation  
d) Drip Irrigation G.O.I. scheme, G.O.M. Scheme, DPDC scheme  
e) Power Threshers to Jowar & Ragi Growers  
f) Scheme of electric motor / pump sets (SCP)  
g) National Oil Seed Development Program |
| III ) District Industrial Centre | a) Seed Money Scheme  
b) PMEGP (Urban)  
c) Special Component Plan  
f) Margin Money Scheme  
g) Single Window |
| IV ) K.V.I.B. / K.V.I.C. | a) Bio Gas Development Program  
b) Special Component Plan  
c) Margin Money Scheme  
d) PMEGP- (Rural & Semi Urban) |
|--------------------------|------------------------------------------------------------------|
| V) MPBCDC Ltd.           | a) Special Component Plan Scheme  
b) Seed Money Scheme |
| VI) Sant Rohidas Charmodyog & Charmkar Vikas Mahamandal Ltd. | a) Special Component Scheme  
b) Margin Money Scheme |
| VII) VNVJNT Development Corporation | a) Margin money assistance |
| VIII ) Lokshahir Annabhau Sathe Development Corporation Ltd. | a) Special Component Plan (Subsidy)  
b) Margin Money assistance |
| IX) Other Backward Class Development Corporation. | a) Seed Money Scheme 20% Seed Money  
b) Margin Money Scheme 45% |
| X) Social Welfare Department | a) Self employment for physically handicapped |
b) DWCUA Group Financing.  
c) Urban Self employment programme.  
d) Urban women self help programme  
e) ISHUP |
| XII) Department of Animal Husbandry | a) Supply of milch animals under special component plan |
| XIII) Maharashtra Energy Development Agency | a) Solar Energy Home Lighting System |
| XIV) Mahila Arthik Vikas Mahamandal | a) Interest Subsidy scheme for SHG (APL) |

**Source:** Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2013-14
5.3 Major Central Government Sponsored Programmes

5.3.1 Swarnajayanti Gram Swarojgar Yojana (SGSY) / NRLM:-

Swarnajayanti Gram Swarojgar Yojana (SSGY), the principal poverty alleviation programme was launched in 1999 through merger of various poverty alleviation programmes. It is conceived as a holistic programme covering all aspects of self employment such as organization of the poor into self help group (SHGs), training, technology up gradation, infrastructure and marketing. The programme aims at providing access to productive resources that enable the Swarojgaris to increase their earnings, obtain goods and services they need, improving participation of Swarojgaris in the development process and decisions that affect them. Income generating assets are provided to BPL families, to enable them to raise their income to cross the poverty line within a predetermined period of three years. This is a credit-cum-subsidy programme envisaging greater involvement of banks, line departments and DRDA in planning and preparation of projects, identification of clusters and key activities, infrastructure planning, capacity building, selection of Swarojgaris Pre-credit activities and post-credit monitoring.

a) Activities covered under SGSY. Training for skill up-gradation

The key activities based on the village cluster are identified in each block of the district. Animal husbandry activity has been identified in all blocks of the district, as there is much scope for this activity in every block.

Other key activities identified in various blocks are Minor irrigation, sheep and goat rearing, general and kirana store, brick making, leather works etc. non-key activities cover other important predominant activities in the block. Both key and non-key activities are selected keeping in view the clusters of villages identified for that particular activity in the block. The SGSY lays stress on cluster approach that is instead of finding diverse activities each block should concentrate on few select activities and attend to all aspects of these activities, so that the Swarojgaris can draw sustainable income from their investments. Likewise the clusters are identified viz. Kolhapuri Chappals making, chili powder and masala making, brick activity, silver ornaments etc. SSGY lays emphasis on group approach. Group activity is given preference and progressively majority of the funding would be through self help
groups. It is therefore needed that the group should be nurtured and strengthened properly. Savings by the members and linkage of group savings with the borrowings from the bank need to be given its due importance. It is, therefore, required that sufficient funds should be made available to District Rural Development Agency on account of subsidy, training, infrastructure creation etc. to achieve the targets set in stipulated period. DRDA provides training to the Swarojgaris in respect of the activity chosen by them with active support from the line department and NGOs. In view of developing the skills / technologies available in the target groups vis-à-vis requirement of the economic activity, capacity building of the NGOs and SHGs should be scaled up.

Table No: 5.1

Sanction Ratio of SGSY/MS-NRLM in Kolhapur District (2002-03 to 2011-12)

(₹. in Lacs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Financial Amount</th>
<th>No of applications</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sent</td>
<td>Sanctioned</td>
<td>Return/Reject</td>
<td>Pending</td>
</tr>
<tr>
<td>2002-03</td>
<td>423.24</td>
<td>1214 (100)</td>
<td>1176 (96.87)</td>
<td>1 (0.08)</td>
<td>37 (3.05)</td>
</tr>
<tr>
<td>2003-04</td>
<td>353.98</td>
<td>715 (100)</td>
<td>696 (97.34)</td>
<td>3 (0.42)</td>
<td>16 (2.24)</td>
</tr>
<tr>
<td>2004-05</td>
<td>406.57</td>
<td>680 (100)</td>
<td>638 (93.82)</td>
<td>-</td>
<td>42 (6.18)</td>
</tr>
<tr>
<td>2005-06</td>
<td>406.57</td>
<td>742 (100)</td>
<td>742 (100)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006-07</td>
<td>476.15</td>
<td>632 (100)</td>
<td>632 (100)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007-08</td>
<td>631.13</td>
<td>745 (100)</td>
<td>703 (94.36)</td>
<td>42 (5.64)</td>
<td>-</td>
</tr>
<tr>
<td>2008-09</td>
<td>659.05</td>
<td>1045 (100)</td>
<td>1033 (98.85)</td>
<td>12 (1.15)</td>
<td>-</td>
</tr>
<tr>
<td>2009-10</td>
<td>281.33</td>
<td>1286 (100)</td>
<td>1276 (99.22)</td>
<td>-</td>
<td>10 (0.78)</td>
</tr>
<tr>
<td>2010-11</td>
<td>320.94</td>
<td>1538 (100)</td>
<td>1240 (80.62)</td>
<td>126 (8.19)</td>
<td>172 (11.18)</td>
</tr>
<tr>
<td>2011-12</td>
<td>293.16</td>
<td>953 (100)</td>
<td>919 (96.43)</td>
<td>-</td>
<td>34 (3.57)</td>
</tr>
<tr>
<td>Average</td>
<td>425.21</td>
<td>955</td>
<td>905.50</td>
<td>36.80</td>
<td>51.83</td>
</tr>
</tbody>
</table>

Source: Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2002-03 to 2013-14
In the year 2002-03 the financial amount of target of SGSY/MS-NRLM was 423.24 lack for which 1214 applications were sent out of this application number 1176 were sanctioned where as 1 were rejected and 37 were pending. In the year 2011-12 the financial amount of target was 293.16 lacs. In this year 953 applications were sent, whereas sanctioned number of application was 919, 34 applications were pending.

In the year 2010-11 sanctioned rate of percentage was lowest as 80.62, and in the year 2005-06 and 2006-07 sanctioned rate of percentage was highest as 100. The target average amount was 425.21 lacs. The average sent number of 955 and sanctioned application average number of 905.50.

5.3.2 Prime Minister Employment Generation Programme (PMEGP)

Government of India has come out with the introduction of new scheme by merging Prime Minister Rojgar Yojana (PMRY) & Rural Employment Generation Programme (REGP). The new scheme is being implemented by Khadi and Village Industries Commission (KVIC) District Industries Centre (DIC) and Banks.

a) Objectives:

1. To generate employment opportunities in rural / urban areas though setting up of new self-employment ventures.
2. To bring together widely dispersed traditional artisans/rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.
3. To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.
4. To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.
b) Quantum and Nature of Financial Assistance Levels of funding under PMEGP:

<table>
<thead>
<tr>
<th>Categories of beneficiaries under PMEGP</th>
<th>Beneficiary’s contribution (of project cost)</th>
<th>Rate of Subsidy (of project cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (location of project/unit)</td>
<td>-</td>
<td>Urban</td>
</tr>
<tr>
<td>General Category</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Rural</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>SC/ST/OBC/Minorities/Women, Ex-servicemen, Hill and Border areas Physically handicapped, etc.</td>
<td>5%</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>35%</td>
</tr>
</tbody>
</table>

c) Note:
1. The Maximum cost of the project/unit admissible under manufacturing sector in Rs. 25 lakh.
2. The Maximum cost of the project/unit admissible under business/service sector is Rs. 10 lakh.
3. The balance amount of the total project cost will be provided by Banks as term loan.

d) Eligibility:
1. Any individual above 18 years of age.
2. There will be no income ceiling for assistance under the scheme.
3. The beneficiaries should pose at least VIII std. pass education qualification in case of following.
   a) Project above 10 lakh in manufacturing sector.
   b) Projects above 5 lakh in business/Service sector.
4. Assistance is available any to new projects.
5. Self Help Groups (including BPL) not availed benefit under any other scheme.
7. The unit that have availed Government subsidy under any other scheme of Government of India/State Government are not eligible.

d) Entrepreneurs Development Programme (EDP) Training:
For Entrepreneurs Development Programme the Government has relaxed condition of training prior to disbursement, in deserving cases.
e) Rajiv Gandhi Gramin Nivara No. 2
This is one of the ambitious programmes declared by State Government. There are housing schemes of families living below poverty line.

However citizens slightly above BPL they are deprived of this benefit though their income have merge. In order to include such families are to construct their houses. State Government has come out with this scheme.

f) The silent features are as under:

1. **Eligibility:** Family living just above BPL, having low income not more than Rs. 96000/-
2. a) **Project Cost** : Rs. 100000
   c) **Beneficiaries Contribution** : Rs. 10000
   d) **Bank Finance** : Rs. 90000
3. **Repayment period:** 10 years including moratorium period of one year.
4. **Security:** Mortgage of dwelling unit – including piece of land.

**Table No: 5.2**

Sanction Ratio of PMRY/PMEGP in Kolhapur District (2002-03 to 2011-12)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>No of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phy. No</td>
<td>Sent</td>
</tr>
<tr>
<td>2002-03</td>
<td>1375</td>
<td>1986 (100)</td>
</tr>
<tr>
<td>2003-04</td>
<td>1240</td>
<td>2007 (100)</td>
</tr>
<tr>
<td>2004-05</td>
<td>2164</td>
<td>2812 (100)</td>
</tr>
<tr>
<td>2005-06</td>
<td>1926</td>
<td>3304 (100)</td>
</tr>
<tr>
<td>2006-07</td>
<td>2044</td>
<td>3784 (100)</td>
</tr>
<tr>
<td>2007-08</td>
<td>1926</td>
<td>3574 (100)</td>
</tr>
<tr>
<td>2008-09</td>
<td>292</td>
<td>277 (100)</td>
</tr>
<tr>
<td>2009-10</td>
<td>N.A</td>
<td>N.A</td>
</tr>
<tr>
<td>2010-11</td>
<td>93</td>
<td>379 (100)</td>
</tr>
<tr>
<td>2011-12</td>
<td>47</td>
<td>402 (100)</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>1234.11</strong></td>
<td><strong>2058.33</strong></td>
</tr>
</tbody>
</table>

**Source:** Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2002-03 to 2013-14

*NA* - Not Available
In the year 2002-03 the physical number of target of PMRY/PMEGP was 1375 for which 1986 applications were sent out of this application number 1483 were sanctioned where as 324 were rejected and 179 were pending. In the year 2011-12 the physical number of target was 47. In this year 402 applications were sent, whereas sanctioned number of application was 262, out of which 43 were rejected. 97 applications were pending.

In the year 2009-10 sanctioned rate of percentage was lowest as 0, and in the year 2002-03 sanctioned rate of percentage was highest as 74.67. The target average number of 1234.11. The average sent number of 2058.33 and sanctioned application average number of 1294.90.

5.3.3 Swarna Jayanti Shahari Rojgar Yojana (SJSRY):

The SJSRY scheme was launched in 1997. In order to overcome bottlenecks in the scheme guidelines are revised w.e.f. 1/4/2009. The SJSRY seeks to provide gainful employment to the urban poor (living below the urban poverty line) unemployed or underemployed through setting up of self employment ventures. The programme is implemented jointly by the banks and urban local bodies in the district. The entrepreneurs selected under the scheme would be provided training and other entrepreneurial development assistance by Government Training is a compulsory input before disbursement of the loan under the scheme.

a) Salient features:-

1) Objective: - addressing urban poverty alleviation through gainfully employment to the unemployed and underemployed poor to set up self employment ventures.

2) To import skill development training to urban poor for assessing employment opportunities. As for undertaking self employment.

3) To tackle the issues of urban poverty through self managed structures like Neighborhood Groups (NHG), Neighborhood Committees (NHC), Community Development Society (CDS)
A) **SJSRY will have 5 major components**

1) Urban Self Employment Help Programme (USEP)
2) Urban Women Self Help Programme (UWSP)
3) Skill training for employment promotion amongst urban poor (STEP-UP)
4) Urban Wage Employment Programme (UWEP)
5) Urban Community Development Network (UCDN)

Out of above the following are banking related schemes.

1) **Urban Self Employment Programme (USEP)**

The programme has been made applicable to all urban towns with a special emphasis on urban poverty line as defined from time to time. To avoid an overlap with the ongoing PMRY scheme, this scheme is confined to the beneficiaries who have got education upto ninth standard. The maximum unit cost of project to be financed will be Rs. 2,00,000/- with a subsidy of 25% of the project cost maximum upto Rs.50,000/- the beneficiary is required to contribute 5% of the project cost as margin money.

i) **Urban self employment programme**

   i) Assistance to individuals for setting up gainfully self employment ventures. (Loan and subsidy)

   ii) Technology of marketing infrastructure and other support.

   a) **Coverage:**

   The programme will be applicable to all cities or towns.

   b) **Target group:**

   Urban poor with special focus on women, SC, ST.

   c) **Educational qualification:**

   No minimum or maximum educational qualification is prescribed.

   Maximum project cost Rs. 2 lacs.

   Subsidy- maximum 25% of project cost subject to Rs. 50,000/- maximum

   Margin – 5% of project cost.

   Collateral –no collateral required.
2) Urban Women Self Help Programme (UWSP)

The DWCUA scheme is extended to urban poor women who decide to set up self employment project in a group. The group of urban poor women can take up an economic activity suited to their skill, training aptitude for generation of income and making them empowered to provide self employment. The DWCUA group / society is entitled to get subsidy of Rs. 1.25 lacs or 50% of the cost of project whichever is less. The group is also entitled to get lump sum grant of Rs. 25,000/- as revolving fund at the rate of Rs. 1000/- per women member. The DWCUA group should consist of at least 10 urban poor women and these group will be encouraged to set itself as a thrift and credit society.

I) Urban Women Self Help Programme: (U.W.S.P)

There are 2 sub components.

1) Assistance to urban poor women for setting up gainful self employment, venture (Loan and subsidy)

2) Revolving funds for SHG/TRIFT and CREDIT society formed by the urban poor women (Revolving fund)

a) UWSP (Loan and subsidy)

The scheme in basically applicable to the groups of urban poor women for setting up self employment ventures.

The UWSP group should consist of at least 5 members to be eligible for subsidy.

Groups enterprises they shall be entitled subsidy of Rs. 3 lacs or 35 % of the project cost or Rs. 60,000/- per member whichever is less. Remaining amount will be mobilized as bank loan and margin.

b) U.W.S.P. (Revolving fund)

The self help group of thrift or credit society shall be entitled to a lump sum grant of Rs. 25,000/- as revolving fund @ Rs. 2,000/- maximum per member. This fund is meant for day to day operational expenses relating to the commercial activity.
Table No: 5.3

Sanction Ratio of SJSRY in Kolhapur District (2002-03 to 2011-12)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Phy. No</th>
<th>Target Sent No</th>
<th>Sanctioned</th>
<th>Return/Reject</th>
<th>Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>825 (100)</td>
<td>980 (100)</td>
<td>290 (29.59)</td>
<td>362 (36.94)</td>
<td>328 (33.47)</td>
</tr>
<tr>
<td>2003-04</td>
<td>261 (100)</td>
<td>693 (100)</td>
<td>321 (46.32)</td>
<td>150 (21.65)</td>
<td>222 (32.03)</td>
</tr>
<tr>
<td>2004-05</td>
<td>294 (100)</td>
<td>490 (100)</td>
<td>228 (46.53)</td>
<td>111 (22.65)</td>
<td>151 (30.82)</td>
</tr>
<tr>
<td>2005-06</td>
<td>294 (100)</td>
<td>594 (100)</td>
<td>255 (42.93)</td>
<td>157 (26.43)</td>
<td>182 (30.64)</td>
</tr>
<tr>
<td>2006-07</td>
<td>36 (100)</td>
<td>244 (100)</td>
<td>108 (44.26)</td>
<td>54 (22.13)</td>
<td>82 (33.61)</td>
</tr>
<tr>
<td>2007-08</td>
<td>599 (100)</td>
<td>554 (100)</td>
<td>240 (43.32)</td>
<td>83 (14.98)</td>
<td>231 (41.70)</td>
</tr>
<tr>
<td>2008-09</td>
<td>142 (100)</td>
<td>496 (100)</td>
<td>275 (55.44)</td>
<td>54 (10.89)</td>
<td>167 (33.67)</td>
</tr>
<tr>
<td>2009-10</td>
<td>250 (100)</td>
<td>217 (100)</td>
<td>115 (53.00)</td>
<td>53 (24.42)</td>
<td>49 (22.58)</td>
</tr>
<tr>
<td>2010-11</td>
<td>305 (100)</td>
<td>575 (100)</td>
<td>267 (46.43)</td>
<td>69 (12.00)</td>
<td>239 (41.57)</td>
</tr>
<tr>
<td>2011-12</td>
<td>490 (100)</td>
<td>972 (100)</td>
<td>407 (41.87)</td>
<td>202 (20.78)</td>
<td>363 (37.35)</td>
</tr>
<tr>
<td>Average</td>
<td>349.60</td>
<td>581.50</td>
<td>250.60</td>
<td>129.50</td>
<td>201.40</td>
</tr>
</tbody>
</table>

**Source:** Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2002-03 to 2013-14

In the year 2002-03 the physical number of target of SJSRY was 825 for which 980 applications were sent out of this application number 290 were sanctioned whereas 365 were rejected and 328 were pending. In the year 2011-12 the physical number of target was 490. In this year 972 applications were sent, whereas sanctioned number of application was 407, out of which 202 were rejected. 363 applications were pending.

In the year 2002-03 sanctioned rate of percentage was lowest as 29.59, and in the year 2008-09 sanctioned rate of percentage was highest as 55.44. The target average number of 349.60. The average sent number of 581.50 and sanctioned application average number of 250.60.
5.4 Credit Card Scheme

5.4.1 Swarojagar Credit Card (SCC) Scheme

Reserve Bank of India / NABARD have introduced this new scheme for providing adequate and timely credit i.e. working / fixed capital or both, to small artisans, handloom weavers, service sector, fishermen, Self employment persons, rickshaw owners and other micro-entrepreneurs. The scheme is to be implemented w.e.f. September 2003 by commercial banks, RRB & Dist cooperative banks. The quantum of loan facility will be upto Rs. 25,000/- per borrower as a composite loan. The term loan will be provided as per fixed investment requirements and the revolving cash credit / working capital will be worked out taking into account the operating cycles / nature of investment. The beneficiaries under this scheme will be issued with a laminated credit card and a pass book which will serve as an identity card from them as well as to facilitate recording loan transactions on an ongoing basis. The pass book would contain the repayment schedule of the term loan along with a passport size photograph of the beneficiary. Such pass books can also be issued to self help groups (SHGs) in the name of group and they will be liable jointly and severally for repayment. The security, margin, rate of interest and prudential norms are applicable as per prevailing RBI norms. The revolving cash credit limit with be renewed within the overall limit of Rs. 25000/- on annual basis and drawals will be allowed subject to satisfactory repayment performance.

5.4.2 Shramjivi Yojana

Hon. Chief Minister of Maharashtra state had convened a meeting of chairmen of all nationalized banks, RBI, NABARD on 8th October 2002 to discuss about important aspects of employment generation and poverty alleviation programme. The meeting was also attended by the IBA chairman and executive director of RBI. As decided in the said meeting, NABARD/SLBC has formulated a “SHRAMJIVI YOJANA” i.e. scheme for financing to service Cooperative Societies (Seva Societies) of Unemployed Youth. The objective of the scheme is to create employment opportunities for unemployed youth by exploring the potentials for service sector especially in urban area through bank credit for the working capital requirement of the cooperative societies of the unemployed youth. The credit will be extended to society in the form of term loan, working capital or composite loan. The credit limit will be worked out as Ten times of the net owned funds (Share capitals + free reserves) of the society maximum up to Rs. 2.00 lacs. In
case the loan amount is more than Rs. 2.00 lacs, then the society should have sanctioned work orders in that proportion. The society will contribute their margin of 5% upto credit limit Rs. 2.00 lacs and 15% for credit limit above Rs. 2.00 lacs. The bank will charge the rate of interest as decided by their own Bank or as per RBI guidelines. The loan will be secured by hypothecation of assets created out of bank loan / book debts and guarantee by all members of the society in their personal capacity.

5.4.3 Artisan Credit Cards (ACC) Scheme

Indian bank’s association (IBA) has advised to all banks to consider introducing “Artisan Credit Card (ACC) Scheme” on the lines of the model scheme prepared in consultation with NABARD. The objective of the scheme is to provide adequate and timely credit assistance to the artisans to meet their investment as well as working capital needs in a flexible and cost effective manner. The scheme will be implemented both in rural and urban areas. The artisans involved in production / manufacturing process would be eligible under this scheme. However thrust will be give in financing cluster of artisans who have joined to form their Self Help Groups (SHGs). The beneficiaries covered under other Government sponsored loan schemes will not be eligible under this ACC schemes.

The credit limit would be worked out on their fixed investment and working capital requirements i.e.20% of anticipated turnover. The maximum limit to be sanctioned under the scheme would be Rs.2.00 lacs. The margin will be stipulated as per RBI guidelines or bank’s policy in this regard. The beneficiaries under this scheme will be issued with a photo card / pass book incorporating name, address, credit limit, validity period etc. the photo card would serve as identity card of the beneficiary under this scheme. The credit limit is normally be valid for 3 years and also reviewed on yearly basis, depending upon the performance of the borrower. The assets financed will be hypothecated and towards this necessary security documents will be obtained as per norms.

5.4.4 Kisan Credit Cards Scheme (KCC)

Kisan Credit Card (KCC) emerged as an innovative credit delivery mechanism for meeting the production credit requirements of the farmers in timely and adequate manner. Realizing its potential for simplification of loan procedure and in reducing
cumbersome documentation, govt. of India has advised the banks for issue of Kisan Credit Card to farmers on the basis of their holdings so that farmers may use them readily to purchase agricultural inputs such as seeds, fertilizers, pesticides etc. and draw Cash for their needs. The progress of issuance of Kisan Credit Card to farmers is being monitored through B.L.B.C./D.L.C.C./D.L.R.C. forum. Personal Accident Insurance Scheme has since been finalized by General Insurance Association (Public Sector) and efforts are taken to cover all existing KCC holders under the insurance scheme.

Table No: 5.4

Kisan Credit Cards issued in Kolhapur District (2002 to 2011)

(₹ Crore)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Commercial Bank (KCC)</th>
<th>Amount</th>
<th>Co-operative Bank (KCC)</th>
<th>Amount</th>
<th>Total (KCC)</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>2180</td>
<td>9.99</td>
<td>0</td>
<td>0</td>
<td>2180</td>
<td>9.99</td>
</tr>
<tr>
<td>2005</td>
<td>3700</td>
<td>16.38</td>
<td>15000</td>
<td>15.23</td>
<td>18700</td>
<td>31.61</td>
</tr>
<tr>
<td>2006</td>
<td>5235</td>
<td>23.16</td>
<td>16000</td>
<td>16.60</td>
<td>21235</td>
<td>39.76</td>
</tr>
<tr>
<td>2007</td>
<td>4818</td>
<td>14.04</td>
<td>5640</td>
<td>0.56</td>
<td>10458</td>
<td>14.61</td>
</tr>
<tr>
<td>2008</td>
<td>3364</td>
<td>21.59</td>
<td>5640</td>
<td>0.56</td>
<td>9004</td>
<td>22.15</td>
</tr>
<tr>
<td>2009</td>
<td>5297</td>
<td>61.87</td>
<td>1785</td>
<td>3.11</td>
<td>7082</td>
<td>64.98</td>
</tr>
<tr>
<td>2010</td>
<td>8712</td>
<td>86.46</td>
<td>48000</td>
<td>6.67</td>
<td>56712</td>
<td>93.12</td>
</tr>
<tr>
<td>2011</td>
<td>35523</td>
<td>311.99</td>
<td>291595</td>
<td>557.44</td>
<td>327118</td>
<td>869.43</td>
</tr>
<tr>
<td>Average</td>
<td>8604</td>
<td>68.19</td>
<td>47958</td>
<td>75.02</td>
<td>56561</td>
<td>143.21</td>
</tr>
</tbody>
</table>

Source: Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2002-03 to 2013-14

Table no 5.4 shows the Kisan Credit Cards issued in Kolhapur District. Commercial bank distributed KCC on average 8604, from year 2004 to 2011. In average amount distributed was 68.19 crore. Co-oprative bank distributed KCC on average 47958, from year 2004 to 2011. In average amount distributed was 75.02 crore.

5.4.5 General Credit Card (GCC)

RBI decided (dec27, 2005) that banks can introduce a General Credit Card (GCC) scheme for their constituents in rural and semi-urban areas. Banks may utilize the services of local post offices, schools, primary health centers, local government functionaries farmers’ association/club, B/C, well-established community-based agencies and civil society organizations for sourcing of borrowers for issuing GCC.
The scheme shall cover general credit needs of bank constituents in rural and semi-urban areas and referred to as the ‘General Credit Card Scheme’. The objective of the scheme is to provide hassle-free credit to banks’ customers based on the assessment of cash flow without insistence on security, purpose or end-use of the credit. This is in the nature of overdraft of cash-credit with no end-use stipulations.

The credit facility extended under the scheme will be in the nature of revolving credit the GCC-holder will be entitled to draw cash from the specified branch of bank up to the limit sanctioned and in fact, this may be the only feasible mechanism in many cases quantum of limit. Banks would have flexibility in fixing the limit based on the assessment of income and cash flow of the entire household however, the total credit facility under GCC for an individual should not exceed Rs. 25,000/-

Priority sector lending status: 100% of credit outstanding under GCC up to Rs. 25,000/- will be eligible for being treated as indirect agricultural financing.

Form of GCC: It is not necessary that GCC should be linked to purchase. GCC can be issued in the form of a pass book also, if the holder of GCC desires to operate cash withdrawals from bank-branch.

5.5 Agricultural Programme

5.5.1 National Horticulture Mission:

Horticulture is seen as a guaranteed and permanent source of income for farmers and ensures economic stability of the farmers.

The scheme of national horticulture mission has been launched in Maharashtra during 2005-06. The directorate of horticulture, GOM is the nodal agency for implementing various programmes. With pomegranate, grapes and onion identified as eligible crops under Agri-export zone (AEZ) in Kolhapur district, there is a need to popularize NHM components amongst the farmers, entrepreneurs and banks. The scheme also takes care of establishing post harvest management facilities and activities through loans like cold storage, refrigerated vans etc.
5.5.2 Agri Technology and Management Agency (ATMA)

The agency operates from the collector office. District Collector and Chief Executive Officer, Zilla Parishad are the Chairman and Vice Chairman respectively, of the agency.

As the names indicate, “ATMA” works as a facilitator for development of agriculture in the district with decided aims as under:-

1) To ascertain the definite local needs of farmers for farm systems / practices based agricultural development.

2) To ascertain priorities for permanent agri development based on agri system / practices.

3) To apprise and guide all agency participants about various extension and research programmes being carried on.

4) To scrutinize and approve the annual action plans submitted by agency participants.

5) To accept and review the annual progress report submitted by agency participants.

6) To disburse the subsidy approved for project scheme for research, extension and other related activities.

7) To encourage formation of voluntary ‘farmers’ groups, farmers’ development groups and farmers’ organizations.

8) To endeavour maximum participation by private institutions, NGOs for making available technical, services, agri produce processing and supply, marketing.

9) To encourage institutions financing agriculture.

10) To enter into agreements for development of agri related activities.

11) To arrange revolving funds for agency participants.

12) To look out for different resources for economic cooperation resulting in enhanced finance.

13) The agricultural representation on the regulatory body of ATMA shall consist of such representation.
5.5.3 Agriclinics & Agribusiness Centers

The ministry of agricultural, government of India in association with NABARD has launched this programme to tap the expertise available in the large pool of agriculture graduates.

Such centers are to provide paid services for enhancement of agricultural production and income of farmers. They would advise farmers on crop selection, best farm practices, post harvest value added options, crop insurances, credit and input access as well as critical sanitary and phyto sanitary considerations, which the farmers have to keep in mind.

2 months’ free of cost specialized training to be provided to Agriculture Graduates interested in setting up such a center, by select institutes across the country.

Graduates in agriculture or any subject allied to agriculture like Horticulture, Sericulture, Veterinary Sciences, Forestry, Diary, Poultry Farming, Fisheries etc. are eligible.

There are a number of areas from which the project can be selected which include soil, water quality and input testing laboratory service center, plan protection service center, maintenance etc.

I) Bank loans available

- Bank loans are available for this activity.
- An individual or a group of individuals (one of them can be a management graduate out of five individuals), is eligible for availing of these loans. The outer ceiling for the cost of project by individuals is Rs. 10 lacs and for joint/group projects, the ceiling is Rs. 50 lacs, pro-rata.
- Depending on the type of venture, the loan can be repaid with 5-10 years (with moratorium upto 2 years), in easy installment.
- The rate of interest, margin and security on loans is as per scheme of individual bank under RBI norms. Refinance 100% from NABARD.
- NABARD provides margin money upto 50% of margin requirement at NIL interest, under soft loan assistance, for project cost above Rs. 5 lacs where margin requirement is 25%
- Collateral security and margin requirement has been waived for loans up to Rs. 5 lacs (as per RBI May 2004 credit policy). Margin above Rs. 5 lacs is 25%.

5.5.4 Farmers’ Club Programme in Kolhapur District

1. Mission

Development through credit, technology transfer, awareness and capacity building by formation of Farmers Club in all 1217 villages of Kolhapur District.

2. Features of the club

The broad feature of the Farmers’ Club would be as under:

a. **Size of the Club:** No restriction of the upper limit but the minimum size should be 10 members.

b. **Membership:** All villagers except willful defaulters can become members of the club.

c. **Office Bearers:** Each Club will have two office bearers viz. Chief Coordinator (President) and Associate coordinator (Secretary)

d. **Operational Area:** Should be preferable one village or a group of 2-3 villages on continuous basis.

e. **Registration:** Not required.

f. **Bank Linkage:** All the clubs should have savings bank account with the bank in the joint name of the office bearers.

g. **Books of Accounts:** All the clubs should essentially maintain the following books of accounts

   I. Membership Register
   II. Minutes Books of the meetings
   III. Cash Register

(Depending upon the need, they can also maintain Library Register, Visit Register etc.)
3. **Functions of the Club:**

   1. Enroll the farmers in the village as Club Members maintaining Club Accounts, draw up annual calendar of various agriculture events.
   2. Hold minimum one meeting per month. Non member can also be invited to attend the meetings.
   3. Coordinate with banks to ensure credit flow among its members and forge better bank borrower relationship.
   4. Interface with subject matter specialists in the various fields of agriculture and allied activities etc., extension personnel of Agriculture Universities, Development Departments and other related agencies of technical know how up-gradation. For guest lectures, even experienced farmers who are non members from the village / neighboring village could be invited.
   5. Liaise with input suppliers to procure bulk inputs.
   6. Organize / facilitate joint activities like value addition, processing, collective farm produce marketing etc. for the benefit of members.
   7. Undertake socio-economic developmental activities like community works, education, health, environment and natural resource management etc.
   8. Make efforts for starting rural hat and marketing of farm produce directly to consumers.
   9. The clubs can undertake certain business activities such as bulk procurement of agriculture inputs and collective marketing of their agriculture produce etc. and earn income by way of commission / better prices.
   10. The club should open account with bank as SHG and also avail bank loan for income generation activity of club.

4. **Annual maintenance expenses for the Club**

   At present, NABARD provides Rs. 10000/- per annum to the club for 3 to 5 years towards annual maintenance.

   Rs. 5000 for formation and inaugural function of Club

   Rs. 2000 for maintenance

   Rs. 3000 Two programmes to meet with experts

   If through NGO then Farmers Club will receive Rs. 8000 and NGO will get Rs. 2000.
5.6 Activity Based Groups (ABGs) / Joint Liability Groups (JLGs) –

A large component of the labour force in the economy is engaged in very small scale production activities or on small and marginal farms. Due to demographic factors and wide changes in the economy, the number of small, marginal and tenant farmers are increasing every year. In future, the production of food grains may get concentrated in small, marginal and un-irrigated farms, when the better endowed farms switch to more profitable commercial crops having a ready urban or export market. Some of these forces impacting agriculture may require that, in future, a significant part of the responsibility of ensuring national food security may fall on these small and tenant operated farms. Operators of the small farms also form a large proportion of those who do not have access to formal banking services. These small farms have the potential to increase their production, realize better incomes and contribute to the national economy to their full potential if they can develop better access to markets and credit.

It is therefore imperative to organize activity based entrepreneurs engaged in similar and very small scale economic activities such as small and marginal farmers, tenant farmers, hand-loom weavers, craftsmen, fishermen or others to improve the efficiency of their production and for getting better terms from the market through economics of aggregation and scale. NABARD has therefore, decided to introduce a product for supporting activity based groups (also known as Joint Liability Groups) wherein capacity building, production and investment credit, and market related support are combined. Formation of ABGs/JLGs would reduce risk and transaction costs for the banks and also introduce a greater degree of flexibility for the credit user to determine credit needs and priorities.

A Joint Liability Group (JLG) is an informal group comprising of 4-10 individuals coming together for the purpose of availing bank loan on individual basis or through group mechanism against mutual guarantee. Generally, the members of a JLG would engage in a similar type of economic activity in the Agriculture and Allied Sector. The members would offer a joint undertaking to the bank that enables them to avail loans. JLG members are expected to provide support to each other in carrying out occupational and social activities.
5.6.1 Criteria for Membership:

i. Members should belong to similar socio-economic status, background and environment carrying out farming and allied activities and who agree to function as a joint liability group. This way the groups would be homogeneous and organized by likeminded farmers/individuals and develop mutual trust and respect.

ii. The member should be residing in the same village/area/neighborhood and should know and trust each other well enough to take up joint liability for group/individual loans.

iii. Member who have defaulted to any other formal financial institution in the past, are debarred from the Group Membership.

iv. More than one person from the same family should not be included in the same JLG.

5.6.2 Who can from JLGs

business facilitators, NGOs, farmers clubs, farmers associations, Panchayat Raj Institutions (PRIs), Krishi Vikas Kendras (KVKS), State Agriculture Universities (SAUs), Agriculture Technology Management Agency (ATMA), bank branches, PACS, other cooperative, govt. depts., individuals, input dealers, and document writers (in cooperative banks), MFIs/MFOs, etc.

Keeping in view the potential for promotion and financing of JLGs/ABGs in the district, a modest projection of 500 JLGs/ABGs has been envisaged for the district for the year 2012-2013.

Table No. 5.5
JLG promoted and finance in the Kolhapur district (2011 to 2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of JLGs/ABGs</th>
<th>(₹. Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To be Promoted</td>
<td>To be linked</td>
</tr>
<tr>
<td>2011</td>
<td>177</td>
<td>177</td>
</tr>
<tr>
<td>2012</td>
<td>402</td>
<td>402</td>
</tr>
<tr>
<td>2013</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>2014</td>
<td>2500</td>
<td>2500</td>
</tr>
<tr>
<td>Average</td>
<td>895</td>
<td>895</td>
</tr>
</tbody>
</table>

Source: Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2012-13, 2013-14
- Ratnakar bank is doing commendable job in JLG area.
- Nabard MRO has sanctioned JLG proposal to Wainganga Krishna Gramina Bank for the formation of 50 JLG on 1-2-2011

Table no 5.4 shows the Joint Liability Group promoted and finance in Kolhapur District. In the year 2011 the JLGs linked was 177 group and 2500 JLGs linked in the year 2014. The average of promoted and linked JLG was 895. The average amount of JLG was 6.51 crore.

5.7 Schemes for Micro Finance Institutions (MFIs)

In order to promote linkage between banks and MFIs so that the poor can have better access to financial services by MFIs, NABARD has introduced the following promotional/refinance schemes:

a. Capacity building of the partner agencies like NGOs, Banks, Govt. Officials
b. Capacity building of SHG leaders/members through training/MEDPs.
c. Exposure visits to banks/institutions pioneering in MF initiatives
d. Field visits to nearby SHGs for officials of block level banker’s committee during 2010-2011, quantum of grant assistance provided and the number of members/benefitted in the district may be mentioned).
e. Various training programmes proposed to be conducted in the district for capacity building SHG members, other stake holders, MEDPs etc. which would facilitate more number of SHGs credit linked to banks may be mentioned briefly.

Banks and NGOs /MFIs may take advantage of the promotional/ liberal refinance assistance provided under the new initiative.

5.8 SELF HELP GROUP (SHG):

SHG is homogeneous group of people voluntarily formed to save whatever amount they can conveniently save out of their earning and mutually agree to contribute to common fund of the group, to be lent to the member for meeting their productive and emergent credit needs.

Concept of SHG has taken strong roots in rural area and the programme has by now devolved into massive people’s movement. SHG linkage approach has today been
accepted widely as a sustainable mechanism to ensure the reach of various financial services to the poor. This has also helpful to banks in many ways and minimize operational problems at rural branches viz. 1) reduction in transaction cost by way of externalization of a part of the credit cycle, 2) mobilization of small savings. 3) Assured and timely repayment leading to faster recycling of funds 4) an opportunity for expansion of business and coverage of poor clientele. 5) Prospects of future quality clients.

Tararani Federation of SHGs at Gargoti Taluka-Bhudargad is functioning in the district since 2006. The federation had conducted various training programmes such as book keeping, cooking and catering, tailoring, beauty parlor for the women members of SHGs. The federation had covered 87 SHGs working in Bhudargad taluka.

Another Chetana Mahila Bachatgat Co-op. Sanstha (Federation) had been registered at Gadhinglaj in the month of Feb. 2010. The Federation had 120 SHGs in its fold spread over the villages in Gadhinglaj Taluka.

Table No: 5.6


<table>
<thead>
<tr>
<th>Year</th>
<th>Formed</th>
<th>Gradation Complete</th>
<th>Eligible</th>
<th>Linked</th>
<th>Sanctioned Amount</th>
<th>disbursed Amount</th>
<th>present outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>21178</td>
<td>16709</td>
<td>13038</td>
<td>14105</td>
<td>19.33</td>
<td>18.55</td>
<td>13.94</td>
</tr>
<tr>
<td>2008</td>
<td>26727</td>
<td>22345</td>
<td>17235</td>
<td>20591</td>
<td>27.77</td>
<td>26.9</td>
<td>19.32</td>
</tr>
<tr>
<td>2009</td>
<td>30931</td>
<td>25549</td>
<td>20088</td>
<td>23252</td>
<td>32.59</td>
<td>31.02</td>
<td>29.36</td>
</tr>
<tr>
<td>2010</td>
<td>36182</td>
<td>29897</td>
<td>24860</td>
<td>26587</td>
<td>45.53</td>
<td>41.65</td>
<td>32.81</td>
</tr>
<tr>
<td>2011</td>
<td>38766</td>
<td>36118</td>
<td>30924</td>
<td>31330</td>
<td>63.01</td>
<td>57.19</td>
<td>36.04</td>
</tr>
<tr>
<td>2012</td>
<td>43569</td>
<td>38103</td>
<td>33116</td>
<td>34896</td>
<td>86.77</td>
<td>80.51</td>
<td>42.08</td>
</tr>
<tr>
<td>Average</td>
<td>32892</td>
<td>28120</td>
<td>23210</td>
<td>25127</td>
<td>45.83</td>
<td>42.64</td>
<td>28.93</td>
</tr>
</tbody>
</table>

Source: Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2007-08 to 2013-14

Table no. 5.6 indicates that the bank linked Self Help Group in Kolhapur district. The no. of self help group linked with bank was 14105 in the year 2007. It reached on 34896 upto the year 2012 shill it has been increasing. The average amount sanctioned by bank for self help group was 45.83 crore. The average amount disbursed by bank
for self help group was 42.64 crore. The average amount outstanding by bank for self help group was 28.93 crore.

5.9 Mahila Arthik Vikas Mahamandal (MAVIM)

Mahila Arthik Vikas Mahamandal is undertaking of Government of Maharashtra, it was established on 24th February 1975. On the occasion of international Women’s year. It is registered under companies act 1956 (Section 25 C) MAVIM has been declared as NODAL Agency by Government of Maharashtra on 20th January 2003, to implement various women empowerment programs in the state which is recognition to MAVIM’s proven contribution in the sector of women empowerment.

5.9.1 Goal:

To establish social economic and political justice for women thought Sustainable Development.

5.9.2 Objective:

- To organize women through Self Help Groups.
- To build the overall capacities of women.
- To enhance self confidence amongst women.
- Entrepreneurial development.
- To synchronize employment opportunities and market linkages.
- To promote women’s initiative for equal opportunities, prosperity and participation in government.
- To build grassroots institutions over SHGs as a way forward to sustainable development.

5.9.3 Features of the functioning of MAVIM

- To perform as a state level nodal agency to implement various women empowerment schemes aided by the central & state government.
- To converge with concerned departments of Governments, financial institutions, NGOs and Self Help Group to meet to demands.
Table No: 5.7

MAVIM Credit Plan of Target in Kolhapur District

(₹ in Lakh)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Bank</th>
<th>2012-2013</th>
<th></th>
<th></th>
<th>2013-14</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SHG</td>
<td>SHG %</td>
<td>Loan</td>
<td>Loan %</td>
<td>SHG</td>
<td>SHG %</td>
</tr>
<tr>
<td>1</td>
<td>SBI</td>
<td>18</td>
<td>3.50</td>
<td>5.2</td>
<td>1.24</td>
<td>10</td>
<td>1.92</td>
</tr>
<tr>
<td>2</td>
<td>DCCB</td>
<td>153</td>
<td>29.77</td>
<td>45.9</td>
<td>10.92</td>
<td>77</td>
<td>14.75</td>
</tr>
<tr>
<td>3</td>
<td>BOI</td>
<td>34</td>
<td>6.61</td>
<td>8.8</td>
<td>2.09</td>
<td>4</td>
<td>0.77</td>
</tr>
<tr>
<td>4</td>
<td>BOM</td>
<td>32</td>
<td>6.23</td>
<td>181.1</td>
<td>43.09</td>
<td>10</td>
<td>1.92</td>
</tr>
<tr>
<td>5</td>
<td>ICICI</td>
<td>236</td>
<td>45.91</td>
<td>165.2</td>
<td>39.31</td>
<td>417</td>
<td>79.89</td>
</tr>
<tr>
<td>6</td>
<td>WKGB</td>
<td>30</td>
<td>5.84</td>
<td>11.1</td>
<td>2.64</td>
<td>4</td>
<td>0.77</td>
</tr>
<tr>
<td>7</td>
<td>IDBI</td>
<td>3</td>
<td>0.58</td>
<td>0.75</td>
<td>0.18</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>8</td>
<td>Other</td>
<td>8</td>
<td>1.56</td>
<td>2.25</td>
<td>0.54</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>514</td>
<td>100</td>
<td>420.3</td>
<td>100</td>
<td>522</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2012-13, 2013-14

Table no. 5.6 indicate that the MAVIM Credit Plan Target in Kolhapur District. In the year 2012-13 the highest target amount of Bank of Maharashtra it was 181.1 lakh. And lowest target amount of IDBI bank it was 0.75 lakh. In the year 2013-14 the highest target amount of ICICI bank it was 564 lakh. And no target amount of IDBI bank other banks.

5.9.4 Special Scheme for Woman

Each bank must sanction at least 33% loan to women beneficiary out of their total sanction in the year 2012-13, with concession in rate of interest ranging from 1/2 to 1% as per their bank policy.

5.10 Rural Self Employment Training Institutes (RSETIs)

Lakhs of youths are entering the job market every year but are unable to find suitable employment. The huge unemployment is a grave concern before the country. In such a scenario the need for promoting self employment for the unemployed rural youth particularly those who below the poverty line and periodic skill upgradation to keep them abreast of latest technology need not be overestimated.

The govt. of India has been providing sustainable income to rural BPL families through SHGs and bank credit/subsidy. However for want of proper skill development
facilities it is becoming difficult to provide profitable self employment ventures to the BPL youth. Thus it is need of hour that doses of skill up gradation is a must in an increasingly competitive environment.

5.10.1 Objectives:

1. Training offered will be demand driven
2. The rural BPL youth will given priority
3. Area of training as per aptitude of the candidate
4. Trained youth will be provided with credit
5. Minimum 2 years monitoring to ensure sustainability of micro enterprises
6. Provide intensive short-term residential self employment training programme with free food and accommodation

During 2011-13, RSETI Kolhapur arranged 53 awareness & sensitizations programme and imparted training to 305 beneficiaries.

RSETI has prepared AAP for 2013-14 of Rs. 49.70 lacs to cover 750 beneficiaries.

The plan for construction of RSETI premises on the allotted land has been finalized and construction work will begin shortly.

5.11 Financial inclusion

The “Financial Inclusion” is defined by many experts time to time in several contexts. In the Indian contest Rangarajan Committee (2008) defines it as “the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. “The financial services include loans, Insurance, credit, savings, payments etc.” By Financial Inclusion we mean the delivery of banking and credit services at an affordable cost to the vast sections of disadvantaged and low income groups. The various financial services include, savings Loans, insurance, payments, remittance facilities and financial counseling/ advisory services by the formal financial system Financial Inclusion should be viewed as availability of banking and financial services to the entire population without discrimination of any type. Financial inclusion is more about the knowledge of fair and transparent financial products and a focus on financial literacy. It is a question of both access to financial products and knowledge
about their fairness and transparency. For promoting financial exclusion we have to address the issue of financial exclusion. The people who desire to use the financial services and who need the services for their economic growth but are denied to access the same are the target groups for financial inclusion. In a country like India where a large segment of population resides in rural and remote areas away from the urban financial centers, the financial inclusion has a geographic dimension. In addition the aspect of social exclusion is to be considered for promotion of financial inclusion. When socially backward people do not get access to financial services, special efforts are needed to promote financial inclusion of these people.

After bank nationalization economy has witnessed impressive performance. There is substantial advancement in the financial sector reforms. But benefits of the financial sector reform have not been passed on to the vast section of the population. Only 27% of rural households receive credit from banking sector. Hence there is a need to promote financial inclusion to look after excluded one – marginal farmers, landless labourers, micro enterprises in the unorganized sector, urban slum dwellers, migrants, minorities and socially excluded groups, senior citizens and women.

Financial inclusion is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. In other words, it aims at providing access to savings, payment and remittance facilities, loans. Insurance etc. by the formal financial system to those who are excluded. There are many reasons for financial exclusion which include lack of awareness, low income/assets, social exclusion and illiteracy, distance from branch, branch timings, cumbersome credit sanctions procedures and documentation, unsuitable products, language, and staff attitude.

5.11.1 Benefit of financial inclusion

With the financial inclusion those excluded will have access to financial products and services, low cost borrowing, fair practices in dealing with banks, and safety in operations. Similarly banks are going to be benefited in generating more business and thus become more society friendly.
5.12 Financial Literacy Centre (FLC)
The FLC centre is opened in Kolhapur District on 31/03/2012 at Lead District Office, Kolhapur, 2728 Vinayak Apt. Mahadwar Road. Kolhapur with following objective of FLC.

5.12.1 Objectives
The broad, objective of the FLC will be to provide free financial literacy/education and credit counseling. The specific objectives of, the FLC would be:

1) To provide financial counseling services through face-to-face interaction as well through other available media like e-mail, fax, mobile, etc. as per convenience of the interested persons, education on responsible borrowing, proactive and early savings, and offering debt counseling to individuals who are indebted to formal and/or informal financial sectors;

2) To educate the people in rural and urban areas with regard to various financial products and services available from the formal financial sector.

3) To make the people aware of the advantages of being connected with the formal financial sector.

4) To formulate debt restructuring, plans for borrowers in distress and recommend the, same to formal financial institutions, including, cooperatives, for consideration

5) To take up any such activity that promotes financial literacy, awareness of the banking services, financial planning and amelioration of debt-related distress of an individual;

FLC should not, however, act as investment advice centres / marketing centres for products of any particular bank/banks. Counselors may refrain from marketing/ providing advice regarding investment in insurance policies, investment in securities, value of securities, purchase/sale of securities ,etc, or promoting investments only in bank’s own products

5.12.2 Types of credit counseling
Debt counseling/credit counseling can be both preventive and curative. In case of preventive counseling, the centers could provide awareness regarding cost of credit, availability of backward and forward linkages, where warranted, etc. The clients
could be encouraged to avail of credit on the basis of their repaying capacity. Preventive counseling can be through the media, workshops and seminars.

FLC may consider introducing a generic financial education module in vernacular language. Broadly, the module content can include the need for savings, budgeting, advantages of banking with formal financial institutions, concept of risk and rewards and time value of money, various products offered by banks, insurance companies, etc. The module may also cover aspects relating to deposits and various other financial products, the method of calculation of interest on S.B A/c, fixed deposits, etc, and method of compounding time value money could be emphasized in the module.

Since promoting awareness is one of the primary objectives, the FLC should give due emphasis to customers’ rights under fair practice code, benefits of nomination facilities, operation of accounts, etc.

In the case of curative counseling, the clients may approach the counseling centers to work out individual debt, management plans for resolving their unmanageable debt portfolio. Hero, the centers could work out effective debt restructuring plans that could include repayment of debt to informal sources, if necessary, in consultation with the bank branch.

Preventive counseling may be made mandatory for individual borrowers based on their income level or size of loan. Such mandatory credit counseling could be made a part of fair lending practice of banks.

While the FLC centers would provide financial literacy and credit counseling, the activities of the rural self employed training institutes (R-SETI) towards skill development/capacity building could be dovetailed with FLC initiatives, for increasing the earnings/debt repaying ability of the distressed borrowers’ families.

5.13 Road Map for Providing Banking Services in villages having population below 2000

The high level committee under the chairmanship of Smt. Usha Thorat, Deputy Governor has submitted its report on various facets of Lead Bank Scheme. Amongst the various recommendations total financial inclusion and providing banking services
in unbanked villages having population of 2000 and below are of significant importance for banks. 100% completed in this area, now we enclose herewith list of unbanked villages having population below 2000 in district.

The important features of the road map are as under.

1. To provide banking services through a banking outlet in every village having population of below 2000 by march, 2015 through a brick and mortar branch but through any of the various forms of ICT–based models including through BCs.
2. The focus should on information and communication technology for rendering to unbanked and under banked areas.
3. Business correspondent model should be effectively utilized
4. The plan should indicate process of vendor selection, infrastructural arrangement cost structure, fees etc.
5. The No Frill accounts now renamed as BSBDA (Basic Savings Bank Deposit A/c) should have an inbuilt facility of overdraft. Each household must have either a KCC or GCC.
6. There should be definite plan for extension of non banking financial facilities like remittances, insurance and other services/products.

Table No: 5.8

Block-wise Unbanked list in Kolhapur District

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Block</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shaduwadi</td>
<td>106</td>
<td>14.30</td>
</tr>
<tr>
<td>2</td>
<td>Panhala</td>
<td>88</td>
<td>11.88</td>
</tr>
<tr>
<td>3</td>
<td>Hatkanangale</td>
<td>10</td>
<td>1.35</td>
</tr>
<tr>
<td>4</td>
<td>Shirol</td>
<td>3</td>
<td>0.40</td>
</tr>
<tr>
<td>5</td>
<td>Karveer</td>
<td>44</td>
<td>5.94</td>
</tr>
<tr>
<td>6</td>
<td>Gaganbawada</td>
<td>35</td>
<td>4.72</td>
</tr>
<tr>
<td>7</td>
<td>Radhanagari</td>
<td>77</td>
<td>10.39</td>
</tr>
<tr>
<td>8</td>
<td>Kagal</td>
<td>39</td>
<td>5.26</td>
</tr>
<tr>
<td>9</td>
<td>Bhudargad</td>
<td>85</td>
<td>11.47</td>
</tr>
<tr>
<td>10</td>
<td>Ajara</td>
<td>76</td>
<td>10.26</td>
</tr>
<tr>
<td>11</td>
<td>Gadhinglaj</td>
<td>54</td>
<td>7.29</td>
</tr>
<tr>
<td>12</td>
<td>Chandgad</td>
<td>124</td>
<td>16.73</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>741</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Lead Bank Report in Kolhapur District 2013-14
Above table shows that the Block-wise unbanked list having population less than 2000. Highest 124 Villages population less than 2000 in Chandgad Taluka and lowest 03 Villages population less than 2000 in Shirol Talula. Total 741 Villages population less than 2000 in Kolhapur District.

Table No: 5.9
Unbanked villages allotted to Banks in Kolhapur District

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Bank Name</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Bank</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>2</td>
<td>Bank of India</td>
<td>251</td>
<td>33.87</td>
</tr>
<tr>
<td>3</td>
<td>Bank of Baroda</td>
<td>29</td>
<td>3.91</td>
</tr>
<tr>
<td>4</td>
<td>Bank of Maharashtra</td>
<td>244</td>
<td>32.93</td>
</tr>
<tr>
<td>5</td>
<td>Central Bank</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>6</td>
<td>Corporation Bank</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>7</td>
<td>Canara Bank</td>
<td>15</td>
<td>2.02</td>
</tr>
<tr>
<td>8</td>
<td>Dena Bank</td>
<td>32</td>
<td>4.32</td>
</tr>
<tr>
<td>9</td>
<td>ICICI Bank</td>
<td>39</td>
<td>5.26</td>
</tr>
<tr>
<td>10</td>
<td>Indian Overseas Bank</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>11</td>
<td>IDBI Bank</td>
<td>15</td>
<td>2.02</td>
</tr>
<tr>
<td>12</td>
<td>Ratnakar Bank</td>
<td>17</td>
<td>2.29</td>
</tr>
<tr>
<td>13</td>
<td>Syndicate Bank</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>14</td>
<td>State Bank of India</td>
<td>51</td>
<td>6.88</td>
</tr>
<tr>
<td>15</td>
<td>Union Bank of India</td>
<td>43</td>
<td>5.80</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>741</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Lead Bank Report in Kolhapur District 2013-14

Above table shows the unbanked villages allotted to Banks in Kolhapur District. Bank of India is 251 Villages and Bank of Maharashtra is 244 Villages service facility provided. Andhra Bank, Central Bank, Corporation Bank, Indian Overseas Bank and Syndicate Bank each bank only one Village provides the service. Total 741 unbanked Villages 15 Banks Branches attached and provided the financially service facility.
5.14 Scheme for financing installation of Solar Energy Home Lighting System

1. **Objective**-
   To provide renewable source of energy to rural/semi-urban people by using solar energy

2. **Purpose**-
   To consider finance for installation of Solar Energy Home Lighting System with necessary accessories from reputed manufacturers/suppliers/authorized dealers.

3. **Eligibility**-
   Households in rural/semi-urban centres, small business establishments, hotels, hospitals restaurants, etc. which have an assured source of income.

4. **Type of Loan**-
   Medium Term Loan repayable in installments.

5. **Project Cost**-
   On the basis of the product specification and requirement of the customer, the system should be selected and project cost should be arrived as per the module.

6. **Quantum of Loan**-
   75% to 85% of the project cost which includes costs of the system, accessories, transportation, installation and commissioning.

7. **Margin**-
   15% to 25% of the project cost.

8. **Security**-
   **Upto a limit of Rs.50,000/-**
   -hypothecation of solar energy Home Lighting System.

   **Limit above Rs.50,000/-**
   a) Hypothecation of Solar Energy Home Lighting System; and
   b) Mortgage of land or collateral security in the form of LIC policy/NSC/Term deposits, etc.
   c) Suitable third party guarantee wherever necessary.
9) **Repayment** –
Advance to be repaid in monthly/yearly installments in 5-7 years. Interest should be serviced as and when applied.

10) **Disbursement**-
Disbursement should be made directly to the suppliers of solar lighting system after installation of the unit.

11) **Classification**-

   a) Advance considered for Solar Energy Home Lighting System should be classified as priority sector advance.

   b) The limits considered to the farmers as part of KCC should be classified as Direct Finance to Agriculture.

5.15 **Differential Rate of Interest (DRI)**

   1. **Main Objective**
      
      To assist poorest of the poor and to bring them above the poverty line.

   2. **Eligibility Norms**
      
      Individuals whose family income not to exceed Rs. 18000/- p.a. in Rural Rs. 24000/- in Urban areas.

   3. **Implementing Agencies**
      
      Banks

   4. **Purpose of Loan**
      
      For productive Activities, pursuing higher, education by indigent, students purchase of artificial limbs, hearing aids, wheel chair by physically handicapped.

   5. **Quantum of Loan**
      
      Maximum Rs. 15000/- For physically handicapped additional loan Rs. 5000/- for artificial limbs/ Braille typewriter.
6. **Target**

   Minimum 40% to SC/ST beneficiaries 2/3\textsuperscript{rd} to be routed through rural & semi-urban branches.

7. **Classification**

   Weaker section advances

8. **Subsidy**

   No Subsidy

9. **Margin**

   No Margin

10. **Rate of Interest**

   4\% simple interest

11. **Security**

   Hypothecation of assets created out of bank loan. No collateral security.

12. **Repayment**

   Depending upon income generated Maximum 5 years including grace period upto 2 years depending upon the type of activity & income generation.

13. **Miscellaneous**

   Loan up to Rs. 20000 for housing to SC/ST and under Indira Awas Yojana can be allowed under DRI.

5.16 **Development Corporation**

5.16.1 **Vasantrao Naik Vimukta Jatis & Nomadic Tribes Development Corporation Ltd.**

This corporation is established by the Govt. of Maharashtra as a Company registered under the Companies Act, 1956 for economic upliftment of the persons belonging to Vimukta Jatis & Nomadic Tribes on 8\textsuperscript{th} February, 1984. In 1993 the Government of Maharashtra had Nominated Vasantrao Naik Vimukta Jatis & Nomadic Tribes
Development Corporation Ltd as a Channelizing Agency obtain financial assistance from N.B.C.F.D.C.

a) Aim of corporation

The Aim of this Corporation is economic upliftment of the persons belonging to Vimukta Jatis & Nomadic Tribes by giving loan to this people on concessional rate.

b) Margin money scheme

Under this Scheme loan of Rs. 5.00 lakhs is made available in following format.
Bank Share- 75%
Corporation's Share- 25%
The rate of interest @ 4% is charged on Corporation's share. The period of repayment of loan is 5 years and recovery of loan is made simultaneously with Bank Installment.

c) Direct loan scheme

Under this scheme corporation sanctions easy loan in the proposals for small mobile business up to Rs. 25,000/- at the interest of 2% for the eligible persons.

d) Subsidy scheme

The Corporation sanctions 50% of the project cost or Rs. 5,000/- whichever is less as subsidy to the project of which the project cost does not exceeds Rs. 12,000/-

e) Stipend :

i) Rs. 150/- per month in case beneficiary resides in the Village / Town were there is facility of such training is available.
ii) Rs. 250/- per month in case beneficiary resides in the area covered under any Municipal Corporation.
iii) Rs. 300/- per month in case were there is facility of such training is available other then the are beneficiary is resides.
iv) The Corporation is also paid Rs. 3200/- for Computer Training of 6 months duration.
f) Financial Assistance to purchase Share of Co-Operative Societies

i) The Corporation sanctions 50% Subsidy for purchase of Share Up to Rs. 2000/- each of Co-op. Sugar Factory after the proposal is duly sanctioned by the bank.

ii) The Corporation sanctions 50% Subsidy for purchase of Share Up to Rs. 1000/- each of Co-op. Cotton Mill after the proposal is duly sanctioned by the bank.

iii) Loan of Rs. 200/- is given @ 4% interest for purchase of share of Productive Co-Operative Society.

Note: The Corporation has not received any fund from State Government under Subsidy Scheme since 1991-92.

g) Criteria for a beneficiary

1. Should be a domicile of Maharastra State.

2. Beneficiaries should belong to Vimukta Jatis, Nomadic Tribes or Special Backward Class classes.

3. Age should be between 18 and 50 years.

4. Should not a defaulter of any of the banks, Corporations or any financial organization.

5. Beneficiary from rural area should have an annual income in the limit of Rs. 39,308 and from urban area should have an annual income in the limit of Rs. 54,494.

6. Only one person per family can take the benefit of the loan facility.

7. Loan terms and conditions should be as per the Corporation.

Table No: 5.10

Progress of Vasantrao Naik Vimukta Jatis & Nomadic Tribes Development Corporation Ltd. (2002-03 to 2011-12)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Phy. No</th>
<th>No of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sent</td>
<td>Sanctioned</td>
</tr>
<tr>
<td>2002-03</td>
<td>50</td>
<td>83 (100)</td>
</tr>
<tr>
<td>2003-04</td>
<td>50</td>
<td>158 (100)</td>
</tr>
<tr>
<td>2004-05</td>
<td>50</td>
<td>120 (100)</td>
</tr>
<tr>
<td>2005-06</td>
<td>50</td>
<td>132 (100)</td>
</tr>
<tr>
<td>Year</td>
<td>Target</td>
<td>Application Sent</td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
<td>------------------</td>
</tr>
<tr>
<td>2006-07</td>
<td>100</td>
<td>149 (100)</td>
</tr>
<tr>
<td>2007-08</td>
<td>50</td>
<td>105 (100)</td>
</tr>
<tr>
<td>2008-09</td>
<td>41</td>
<td>114 (100)</td>
</tr>
<tr>
<td>2009-10</td>
<td>50</td>
<td>92 (100)</td>
</tr>
<tr>
<td>2010-11</td>
<td>49</td>
<td>39 (100)</td>
</tr>
<tr>
<td>2011-12</td>
<td>54</td>
<td>41 (100)</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>54.40</td>
</tr>
</tbody>
</table>

**Source:** Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2002-03 to 2013-14

In the year 2002-03 the physical number of target of VNVJNTD was 50 for which 83 applications were sent out of this application number 30 were sanctioned where as 20 were rejected and 33 were pending. In the year 2011-12 the physical number of target was 54. In this year 41 applications were sent, whereas sanctioned number of application was 20, out of which 8 were rejected. 13 applications were pending.

In the year 2003-04 sanctioned rate of percentage was lowest as 32.28, and in the year 2010-11 sanctioned rate of percentage was highest as 61.54. The target average number of 54.40. The average sent number of 103.30 and sanctioned application average number of 42.70.

### 5.16.2 Mahatma Phule Backward Class Development Corporation Ltd.

In Maharashtra, the state government has established one corporation on 10th July, 1978, for the purpose of entrepreneurship development among backward classes especially for Scheduled Castes, called Mahatma Phule Backward Class Development Corporation Ltd. which has been company act 1956. This corporation is implementing various schemes which are given below:

1. 50% subsidy Scheme
2. Training scheme
3. Margin Money Scheme
4. SRMS
5. N.S.F.D.C.
6. N.S.K.F.D.C.
7. Term loan scheme
8. Micro finance scheme
9. Women Empowerment scheme
10. Women Farmers scheme
This corporation is implementing the schemes sponsored by Central Government and State Government. The main office of this corporation in Mumbai. This corporation is doing work in all the district level of Maharashtra. Mahatma Phule Backward Class Development Corporation Ltd. has opened the regional offices at various regions in Maharashtra. Now this corporation has authorized share capital of Rs.200 cores, among state governments share capital is 51% and central government is share capital is 49 %.

A) Objectives of MPBCDC:

1. The main objective of the Mahatma Phule Backward Class Development Corporation Ltd. (MPBCDC) is to implement various schemes for improving standard of living of Scheduled Castes people.

2. To provide the financial assistance to the applicants who is willing to start the business honestly.

B) Schemes of MPBCDC:

50% subsidy scheme is implemented by Mahatma Phule Backward Class Development Corporation Ltd. on behalf of State Government. Under this scheme loan is sanctioned up to Rs.50,000/- to the applicants belongs to scheduled castes. 50% subsidy scheme provides financial assistance to the applicant up to 50% of the sanctioned loan or maximum up to Rs.10000/- and remaining amount is paid by bank. Bank charges interest rate on loan as per its rule. Under this scheme the term of loan repayment is up to three years.

a) Eligibility for this Scheme.

I. **Cast:** Scheduled Caste
II. **Age limit:** 18 to 50 years
III. **Annual income limit:**
    - **Rural:** Rs.19,654/-
    - **Urban:** Rs.27,247/-
IV. **Maximum limit of project cost Rs.50,000.**

C) Training Scheme:
Training Scheme has been implemented by Mahatma Phule Magaswarg Vikas Mahamandal Maryadit belongs to Scheduled Castes beneficiaries. Under this scheme corporation has implemented the free training Program (up to 6 months) for those applicant getting technical skills of the business to start the unit.

This corporation is giving stipend to the applicant during the period of training. The stipend is distributed on the basis of the following criteria:

a. Local Area- Rs.150/- per trainee.

b. In area of Municipal Corporation- Rs.250/- per trainee.

c. In area out of the station Rs.300/- per trainee.

Mahatma Phule Magaswarg Vikas Mahamandal Maryadit has implemented various programs under this training scheme which are vocational training given below: T.V. Mechanic, Fabrication, Welding, computer electrifications, Motor Repairing, Motor Driving, Tailoring, Computer training, Beauty parlor, Home alliance, Mobile Repairing, Photography, video shutting, security grad, Passion Designing Turner, Fitter, Plumber, Sperry Painting, Diesel Repairing (3 wheeler, 4 wheeler).

D) Margin Money Scheme:

Margin Money scheme is implemented by Mahatma Phule Magaswarg Vikas Mahamandal Maryadit out of its total share capital. From loan Rs.50000/- to 500,000/- is sanctioned to the applicant who belong to scheduled castes community under this scheme.

Structure of Margin Money scheme.

1. Project limitation = 50,000/- to 5,00,000/-

2. Mahatma Phule Magaswarg Vikas Mahamandal Maryadit sanctions the loan under this scheme 20% of the project cost and charged the interest rate on loan of 4% per annum.

3. Corporation has give Rs.10,000/- subsidy to the applicant.

4. Bank gives the loan to applicant of 75% project cost and bank charges the interest on loan as per bank rule.
5. Remaining 5% project cost is expected to be invested by applicant as his contribution.

6. Applicant has to make repayment of loan to corporation and bank in equally monthly installment repayment during the period of up to 3 to 5 years.

**E) Self Employment Rehabilitation of Manual Scavenger Scheme (SRMS):**

The structure of SRMS is as follows:

**a) Project limitation up to 500,000/- (loan from Bank)**

**Subsidy**

1. If sanctioned loan Rs.25,000/- then financial assistance to applicant up to 50% subsidy of the sanction loan or maximum Rs.12,500/- given the subsidiary from corporation.

2. If sanctioned loan Rs.25,000/- to 500,000/- then financial assistant to applicant up to 25% of the sectioned loan or minimum Rs.12500/- and maximum Rs.20,000/- give the subsidy from corporation.

3. Bank charged the interest on loan as per bank rule.

**b) Essential Eligibility:**

1. Age 18 to 50 years.

2. Documents- Certificates of SRMS.

3. The caste specific or income specific condition is not applicable.

**c) Interest Subsidiary:**

The structure of the Interest subsidiary scheme is as follows.

1. Up to Rs.25,000/- loan, if rate of interest is exceed 4% and 5% on loan the exceed amount is treated by subsidiary for women and other people respectively.

2. Up to Rs.25,001/- to Rs.5,00,000/- loan limit, if rate of interest is exceed 6% on loan the exceed amount is treated as subsidy.

3. Bank charged interest on loan as per bank.
d) Training Scheme:

This Training scheme has implemented by Mahatma Phule Magaswarg Vikas Mahamandal Maryadit belongs to workers under working in SRMS.

The Structure of these schemes:

1. Training period- up to 12 months.
2. Age limits-18 to 40 years.
3. Stipend- Rs.1000/- per months.
4. Institution Training fee- 500/- per month.
5. After complete the training getting the kits of up to Rs.2000/-

F) Schemes Sponsored by Central Corporation:

a) National Scheduled Castes financial Development Corporation (N.S.F.D.C.):

National Scheduled Caste Financial Development Corporation scheme established by Central Government at national level which has its head office located in New Delhi. Mahatma Phule Magaswarg Vikas Mahamandal Maryadit has been selected by N.S.F.D.C for implementing this scheme at level in Maharashtra.

The nature of this scheme is as follows:

b) Term loan Scheme:

1. Project limit – up to 500,000/- lack.

2. N.S.F.D.C. schemes provides 20% seed capital and 4% rate of interest which include Rs.10000/- as subsidy itself.

3. Applicant’s contribution is 5% of project cost investment.

4. Loan repayment within 5 years in equally installment.

5. 6% interest is charged on loan of N.S.F.D.C.

6. 4% interest is charged on seed capital.

9. Above 500,000/- but below 30,00,000/- of project cost.
c) Bridge loan under N.S.F.D.C:

Structure of this scheme

1. **Project limit:** 50,00,000/-.  
2. If bank sanctioned the proposal then by apart from loan sanction the bank out of total amount 80% or Rs.10,00000/- which is given for the Bridge Loan.  
3. **2% charged interest on loan.**  
4. **After the 1 year installment is to start and the repayment of loan within the 5 years must be necessary. If up to 3 years installment is not pay then bridge loan treated as term loan and 6% interest rate is to be charged on loan.**

d) Micro Credit Scheme:

This scheme is implemented by Mahatma Phule Magaswarg Vikas Mahamandal Maryadit under N.S.F.D.C. this scheme under up to 30,000/- loan is given to applicant belongs to scheduled Castes.

The structure of this scheme

1. **project limit:** 30,000/-  
2. **Subsidy:** 50% of sanctioned loan or maximum to Rs.10,000/-  
3. **Interest rate:** 5% charged interest on loan.  
4. **Loan Repayment:** within 3 years with equally monthly installment.

e) Women Empowerment Scheme:

This scheme has implemented by Mahatma Phule Magaswarg Vikas Mahamandal Maryadit in under N. S.D.F.C this scheme implemented only for women.

Structure of this scheme:

1. **Project Limit:** 30,000/-.  
2. **Subsidy:** 50% of sanction loan are maximum Rs.10,000/-  
3. **Interest Rate:** 4% charged on loan.  
4. **Loan Repayment:** loan repayment within 3years.
f) Women Farmers’ Scheme:

This scheme has started from 1 May 2008. This scheme implemented by corporation those women belongs to rural agriculture or supplementary business of agriculture. Under this scheme up to 50,000/- loan will be given to the applicant. Women farmers’ scheme has implemented by Mahatma Phule Magaswarg Vikas Mahamandal Maryadit under N.S.F.D.C.

50% of loan or maximum Rs.10,000/- subsidy given to those women applicant are below poetry line. Out of loan 90% financial assistance to the applicant from N.S.D.F.C. under women farmers’ scheme. And 5% interest charged on the loan. Repayment of loan is necessary within 10 years. The corporation provides the loan under women farmers’ scheme to those applicants who create the production from farming.

G) National Safai Karmcharis Finance Development Corporation (N.S.K.F.D.C):

N.S.K.F.D.C. scheme is sponsored by central government at national level. The central Government has established the N.S.K.F.D.C scheme for workers belong to manual scavengers workers and rehabilitation under depended family members. Under this scheme up to 5,00,000/-loan will be given for different business.

There are three schemes under N.S.K.F.D.C. as follows:

a) Term loan scheme:

The Structure of this scheme is following:

1. Project limit is Maximum 50,00,000/-
2. 6% interest rate charged on loan for Central Corporation.
3. Applicant contribution is 5% of the project investment.
4. Loan repayment within 5 year in monthly equally installment.
5. 4% interest rate charged on corporation loan.

b) Micro Credit Scheme:

The structure of this scheme is following:
1. **Project limit:** 30,000/-

2. **Subsidy:** 50% of sanctioned loan or maximum up to Rs.10,000/-

3. **Interest rate:** 5% charged interest on loan.

4. **Loan Repayment**: within 3 years with equally monthly installment

c) **Women Empowerment scheme:**

The structure of this scheme as follows:

1. **Project Limit**: 30,000/-

2. **Subsidy**: 50% of sanction loan or up to maximum Rs.10,000/-

3. **Interest Rate**: 4% charged on loan.

4. **Loan Repayment**: loan repayment within 3 years

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**H) Mahatma Phule Magaswarg Vikas Mahamandal Maryadit has provides the financial assistance for various businesses. These are given below:**


**a) Essential Eligibility for Application:**

2. Income: Ruler Rs.19654/ Urban 27247/-
3. Cast and income is not applicable for S.R.M.S. Scheme.

**b) Necessary Documents for Application Form:**

1. Cast Certificates.
2. Annual Income Certificates.
3. Two Passport size photo.
4. Xerox copy of Ration Card.
6. Quotation.
7. Evidence of land.
8. Necessary documents for the proof for accommodation where business is carried out.

9. Essential document Ex. licences for vehicle permit etc.

### Table No: 5.11

**Progress of Mahatma Phule Backward Class Development Corporation Ltd. (2002-03 to 2011-12)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Phy. No</th>
<th>Target Sent (100)</th>
<th>No of applications</th>
<th>Sanctioned Sent (100)</th>
<th>Return/Reject Sent (100)</th>
<th>Pending Sent (100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>1535</td>
<td>2962 (100)</td>
<td></td>
<td>1501 (50.68)</td>
<td>635 (21.44)</td>
<td>826 (27.89)</td>
</tr>
<tr>
<td>2003-04</td>
<td>1410</td>
<td>2717 (100)</td>
<td></td>
<td>1241 (45.68)</td>
<td>477 (17.56)</td>
<td>999 (36.77)</td>
</tr>
<tr>
<td>2004-05</td>
<td>766</td>
<td>1668 (100)</td>
<td></td>
<td>793 (47.54)</td>
<td>272 (16.31)</td>
<td>603 (36.15)</td>
</tr>
<tr>
<td>2005-06</td>
<td>789</td>
<td>2021 (100)</td>
<td></td>
<td>1125 (55.67)</td>
<td>192 (9.50)</td>
<td>704 (34.83)</td>
</tr>
<tr>
<td>2006-07</td>
<td>910</td>
<td>1869 (100)</td>
<td></td>
<td>1025 (54.84)</td>
<td>219 (11.72)</td>
<td>625 (33.44)</td>
</tr>
<tr>
<td>2007-08</td>
<td>1050</td>
<td>1629 (100)</td>
<td></td>
<td>601 (36.89)</td>
<td>147 (9.02)</td>
<td>881 (54.08)</td>
</tr>
<tr>
<td>2008-09</td>
<td>1105</td>
<td>1785 (100)</td>
<td></td>
<td>536 (30.03)</td>
<td>685 (38.38)</td>
<td>564 (31.60)</td>
</tr>
<tr>
<td>2009-10</td>
<td>1050</td>
<td>1495 (100)</td>
<td></td>
<td>477 (31.91)</td>
<td>445 (29.77)</td>
<td>573 (38.33)</td>
</tr>
<tr>
<td>2010-11</td>
<td>750</td>
<td>1048 (100)</td>
<td></td>
<td>249 (23.76)</td>
<td>284 (27.10)</td>
<td>515 (49.14)</td>
</tr>
<tr>
<td>2011-12</td>
<td>750</td>
<td>825 (100)</td>
<td></td>
<td>243 (29.45)</td>
<td>297 (36.00)</td>
<td>285 (34.55)</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>1011.50</strong></td>
<td><strong>1801.90</strong></td>
<td><strong>779.10</strong></td>
<td><strong>365.30</strong></td>
<td><strong>657.50</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2002-03 to 2013-14

In the year 2002-03 the physical number of target of MPBCDC was 1535 for which 2962 applications were sent out of this application number 1503 were sanctioned where as 635 were rejected and 826 were pending. In the year 2011-12 the physical number of target was 750. In this year 825 applications were sent, whereas sanctioned number of application was 243, out of which 297 were rejected. 285 applications were pending.

In the year 2010-11 sanctioned rate of percentage was lowest as 23.76, and in the year 2005-06 sanctioned rate of percentage was highest as 55.67. The target average
number of 1011.50. The average sent number of 1801.90 and sanctioned application average number of 779.10.

5.16.3 Lokshahir Annabhau Sathe Development Corporation
This corporation is established by the Govt. of Maharashtra as a Company registered under the Companies Act, 1956 for economic upliftment of the persons belonging to some scheduled cast (Matang Community) on 11th July, 1985.

a) Aim of corporation
The Aim of this Corporation is economic, educational and social upliftment of the persons belonging to some Scheduled Cast (Matang Community) by giving loan to this people on concessional rate.

b) Margin money scheme
Under this Scheme loan of Rs. 40000 to Rs. 5.00 lakhs is made available in following format.

**Bank Share- 75%**
- **Corporation's Share- 20%**
- **Candidate Share- 5%**

The rate of interest @ 4% is charged on Corporation's share. The period of repayment of loan is 5 years and recovery of loan is made simultaneously with Bank Installment.

c) Direct loan scheme
Under this scheme corporation sanctions easy loan in the proposals for small business up to Rs. 25,000/- at the interest of 2% for the eligible persons.

d) Subsidy scheme
The Corporation sanctions 50% of the project cost or Rs. 10000/- whichever is less as subsidy to the project of which the project cost does not exceeds Rs. 40000/-

e) Stipend
a) Rs. 150/- per month in case beneficiary resides in the Village / Town where there is facility of such training is available.
b) Rs. 250/- per month in case beneficiary resides in the area covered under any Municipal Corporation.
c) Rs. 300/- per month in case where there is facility of such training is available other then the beneficiary is resides.
f) **Criteria for a beneficiary**

Domicile of Maharashtra State.

Beneficiaries should belong to some scheduled cast (Matang Community).

Age should be between 18 and 50 years.

Not a defaulter of any of the banks, Corporations or any financial organization.

Beneficiary from rural area should have an annual income in the limit of Rs. 40,000 and from urban area should have an annual income in the limit of Rs. 55,000. Loan terms and conditions should be as per the Corporation.

**Table No: 5.12**

**Progress of Lokshahir Annabhau Sathe Development Corporation (2002-03 to 2011-12)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Phy. No</th>
<th>No of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sent</td>
<td>Sanctioned</td>
</tr>
<tr>
<td>2002-03</td>
<td>490</td>
<td>756 (100)</td>
</tr>
<tr>
<td>2003-04</td>
<td>540</td>
<td>824 (100)</td>
</tr>
<tr>
<td>2004-05</td>
<td>550</td>
<td>768 (100)</td>
</tr>
<tr>
<td>2005-06</td>
<td>550</td>
<td>798 (100)</td>
</tr>
<tr>
<td>2006-07</td>
<td>425</td>
<td>720 (100)</td>
</tr>
<tr>
<td>2007-08</td>
<td>425</td>
<td>432 (100)</td>
</tr>
<tr>
<td>2008-09</td>
<td>327</td>
<td>533 (100)</td>
</tr>
<tr>
<td>2009-10</td>
<td>275</td>
<td>764 (100)</td>
</tr>
<tr>
<td>2010-11</td>
<td>145</td>
<td>577 (100)</td>
</tr>
<tr>
<td>2011-12</td>
<td>298</td>
<td>601 (100)</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>402.50</strong></td>
<td><strong>677.30</strong></td>
</tr>
</tbody>
</table>

**Source:** Annual Credit Plan, Lead Bank Report, Bank of India, Kolhapur, 2002-03 to 2013-14

In the year 2002-03 the physical number of target of Lokshahir Annabhau Sathe Development Corporation was 490 for which 756 applications were sent out of this application number 407 were sanctioned where as 87 were rejected and 262 were pending. In the year 2011-12 the physical number of target was 298. In this year 601
applications were sent, whereas sanctioned number of application was 134, out of which 157 were rejected. 310 applications were pending.

In the year 2010-11 sanctioned rate of percentage was lowest as 23.92, and in the year 2006-07 sanctioned rate of percentage was highest as 65.83. The average number of target is 402.50. The average sent number of 677.30 and sanctioned application average number of 306.40.

**5.17 Future Plan of Lead Bank Scheme in Kolhapur District**

During implementation of 2014-15 District Credit Plan, emphasize special points follows:

1. SHG Formation and Linkage 10 groups per branch.
2. Education loans with target of 10 accounts per branch.
3. Financial inclusion implementation with four major banking services as prescribed by RBI covering villages having population below 2000.
4. Involvement of all banks in training to rural youth along with credit for self employment upto 5000 youths though RSETI/DRDA etc.
5. Smooth implementation of Direct Benefit Transfer (DBT)
6. Each bank must sanction at-least 33% loans to women beneficiaries out of their total sanction in the year 2014-15 with the concession in rate of interest.
7. The focus area is formation of Farmers’ Club and JLGs, Agri-Clinics/Agri Business Centers and Rural Godowns.
8. Start phase II of financial inclusion in Kolhapur district and identified 741 villages where banking facilities are to be provided by appointing Business Correspondents in the year 2014-2015.
9. RSETI has prepared AAP for 2014-15 to cover 750 beneficiaries.

**Conclusion**

In the present chapter the information regarding different development programmes in Kolhapur district is mentioned in details. The information regarding the loan beneficiaries under government sponsored programme is also analysed with the help of collected data for the present work. The status of the progress of kisan credit card and self help group is also mentioned. The information regarding the loan beneficiaries under different development corporation is also analysed with the help of collected data for the present work. With the help of the data analysed in the chapter, the development programmed and its position in Kolhapur district.
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