To

Shri Malloj Dinesh Jadhav,
Room No. 36, Amber B Hotel,
National Institute of Technology (NIT)-Trichy,
Trichirappalli, Pin -620013

Subject: Information under Right to Information Act, 2005.

Sir,

I am directed to refer to your RTI request Registration No. MORLDR/2013/60022 dated 22nd August, 2013 on the above mentioned subject and to say that the following subsidies, incentives and benefits are given to encourage SHGs:

i) Formation of SHGs: Rs. 10,000 per SHG to be given to NGOs/CBOs/Community Coordinators/Facilitators/Animators towards group formation and development.

ii) Revolving Fund (RF): As a corpus to SHG with a minimum of Rs. 10,000 to a maximum of Rs. 15,000 per SHG. This is given to all SHGs that have not received RF earlier. Only those SHGs with more than 70% BPL members are eligible for RF.

iii) Capital Subsidy (CS): Capital subsidy ceiling is applicable, both for members of SHGs and individual beneficiaries. @Rs. 15,000 per general category and Rs. 20,000 per SC/ST category. The maximum amount of subsidy that an SHG is eligible for is Rs. 2.50 lakh. Only BPL members are eligible for individual subsidy, and only those SHGs with more than 70% BPL members are eligible for the subsidy to SHGs.

iv) Capacity building and skills training - Rs. 7,500 per beneficiary: The amount available under this component is used for training and capacity building not only of the beneficiaries but also of other stakeholders, including programme officers and staff, community professionals, concerned government officials, NGOs, PRI functionaries etc. Expenditure on exposure visits and immersion visits is also to be covered under this component. The skills training here refer to member level training for self-employment and are distinct from the Placement-linked Skills training.

v) Interest subsidy: Subsidy on Interest rate above 7% per annum for all SHG loans availed from banks, based on prompt repayment. Interest subsidy would be provided to an individual beneficiary or SHG member till he/she has availed a bank loan up to an amount of Rs. 1.00 lakh. It is expected that there will be repeat doses of financing to members in SHGs and this limit of 1.0 Lakh is the cumulative loan availed by a member (household). This subsidy is not available on such occasions when the SHG is availing capital subsidy.

vi) One time grant for corpus fund for sustainability and effectiveness of federations
   - Rs 10,000 for Village/Panchayat level federation
   - Rs 20,000 for Block level federation
   - Rs 100,000 for District level federation

vii) Administrative expenses: 5% of the allocation, net of the component relating to skill development & placement and net of the component of RSETIs. This amounts to 5% of Central release to the State and the corresponding State share.

viii) Infrastructure and Marketing: Up to 20% (25% in case of north eastern states and Sikkim) of the Central share.

ix) Skills and Placement Projects and Innovations (20% of the Central allocation): Expenditure on innovative projects should not exceed 5%, and the remaining 15% is for placement linked skill development projects. 50% of the allocation for placement linked skill development projects (7.5% of total allocation) is retained at the centre for multi-state skill development projects and the balance is allocated to states to implement state specific skill development and placement projects. The States have to add the corresponding state share to the amount released to them.

For details you may visit Ministry’s website www.sajeevika.com

If you are not satisfied with this reply, you may prefer an appeal under section 19 of the RTI Act, 2005 within thirty days from its receipt to:-

Smt. Renuka Kumar
DS(Mkg.) & First Appellate Authority
Samrat Hotel
6th Floor, Samrat Hotel,
Kautilya Marg, Chanakya Puri
New Delhi.

Yours faithfully,

(P.C. Bhaskar)
Assistant Director & CPIO (RL)

Copy to: In-charge, RTI counter, Ministry of Rural Development, Department of Rural Development, Krishi Bhawan, New Delhi
(with a copy of Application)