



Swaraj se Swavalamban aur Swabhiman

Successful journey to Swavalamban with Social
Welfare Banking Models



Mr. A.K. Khanna

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I am highly inspired by 20-point economic programme of late Smt. Indira Gandhi and the nationalisation of banks. I have also implemented Social Welfare Banking since 1981 and intensive work has been done for financial inclusion and implementation of 20-point economic programme for rural and urban poor amongst BPL families.

Way back in 1981 – 1984 while working as Branch manager, Bank of Baroda, Shergarh Branch in the remotest block which was deprived of various Government Schemes and the then Prime Minister Smt. Indira Gandhi's 20 point programme had no/miniscule reach in the area.

That was then I decided to take a leap forward and contribute towards **“social-welfare-eco Banking”**.

November 2011 issue of India Today carried a cover story about suicide and starvation haunted Vidharbha Village. After going through the story I felt a strong urge to share the contra point success stories of Rural Area of Uttar Pradesh – Village Shergarh, Tehsil Baheri, District Bareilly.

In the chapters to come, are some of the numerous success stories of a Man's will to bring about change. In the backdrop of Rural upliftment and zeal to conquer poverty alleviation here is a benchmark created 30 years ago for millions to follow in coming years...

In fact the then, District Magistrate Dr. Surya Prasad and Sh. Ram Singh Khanna, Urban Development Minister, UP and Local Administration encouraged me to take charge and single handedly spearhead the development work for the upliftment of the poor in the rural belt under 20 Point programme and implementation of Rural development programme.

The economic activities and development work picked up pace during my tenure as follows: Gram Vikas Kendra/ Model Villages were formed & 100 villages were brought under the area of operation for Intensive Rural development by allocating funds close to Rs 50 Lakhs to more than 1,000 beneficiaries in the first year itself which included poor landless/small farmers/ daily wage labourers.

Again in 2001-2002 as Lead District Manager, Bareilly, UP; I was instrumental in – disbursing maximum Kisan Credit cards, Self Help Groups, grass root level implementation of PMRY Scheme, SJSRY, SGGSY, SSI & Rural Cottage Industries Programme under the able support of then District Magistrate Sh. Rama Raman which witnessed unprecedented success and a turnaround of the District.

In 2010-11 as Senior Branch manager, Bank of Baroda – RML Branch, New Delhi, the never dying spirit to challenge Status Quo again brought out the relentless person in me to bring about a change and I utilised this opportunity to contribute towards SJSRY Scheme in the heart of the country – Delhi.

I have given 20 suggestions to eradicate poverty and for upliftment of poor in the chapter- The Long war against poverty.

I am confident that this Book will help and encourage all citizens of the society to contribute maximum towards our society and bring about a change, take a step together towards – “Social-welfare-eco Banking”...

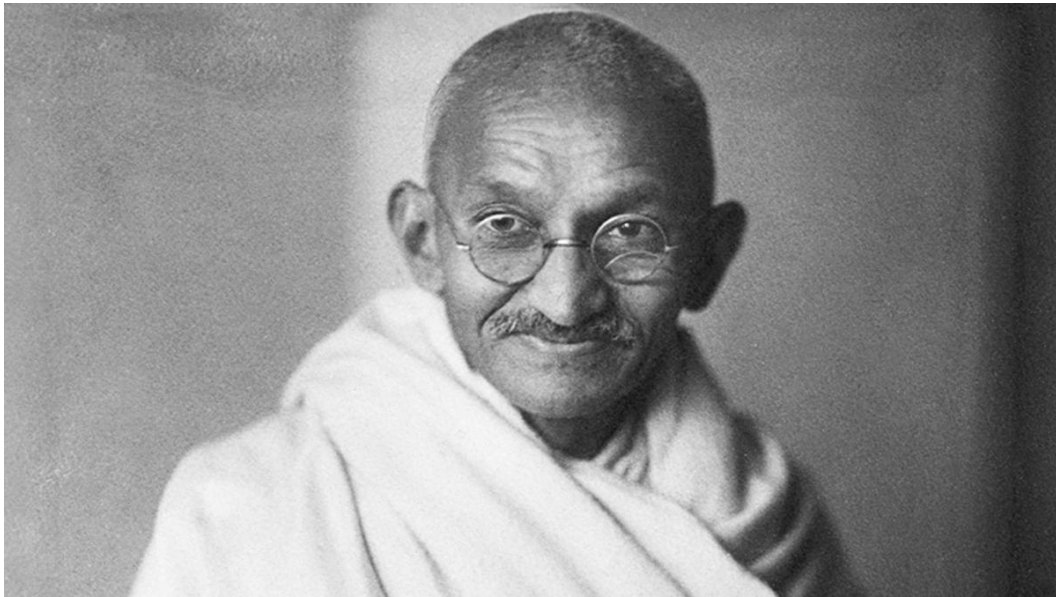
“Yes!! Swaraj se Swavalamban possible hai”

20

**TRUE SUCCESS STORIES
OF
SOCIAL WELFARE BANKING**

The Long War against Poverty

Mahatma Gandhi Ji fought the war of independence of India. Gandhi Ji imagined about **Swaraj** India. His deep love especially for poor, weaker section and under privileged class inspired many of us to fight war against poverty in India.



“To give service to a single heart by a single act is better than a thousand heads bowing in prayer.”

– Mahatama Gandhi

Mahatma Gandhi ji said:

1. A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history
2. The weak can never forgive. Forgiveness is the attribute of the strong.
3. An ounce of practice is worth more than tons of preaching
4. A nation's culture resides in the hearts and in the soul of its people
5. Happiness is when what you think, what you say, what you do are in harmony

Poverty is a social phenomenon in which a section of society is unable to fulfil even its basic necessities of life. The government has taken many steps and various social welfare schemes are being implemented in India.

The Nationalisation of Banks in 1969 brought a ray of hope for poor and deprived citizens emerged as now they could utilize the services of banks.

After getting the job in 1971, I started serving people in the Bank service as I got an opportunity to serve them.

After few years of service and fulfilling family basic needs amongst others, I progressed in serving the people on the lines of Gandhi Ji, Lal Bahadur Shastri, and many other leaders, friends, guides, amongst others. I chose the path of Indira ji's struggle for implementation of 20 point programme for upliftment of the poor. I started my work of service in focussed manner in the villages and assisted many poor, weaker section and deprived people for making them Swablambi.

Poverty: Rural and Urban

Reasons for rural poverty:

1. Rapid population growth
2. Lack of capital
3. Lack of alternate employment opportunities other than agriculture
4. Indifferent attitude towards investment
5. Lack of proper implementation of public distribution system

Government efforts for eliminating rural poverty

1. Integrated Rural Development Programme (IRDP)
2. Rural Labour Employment Guarantee Programme
3. Swarna Jayanti Gram Swarozgar Yojna
4. Mahatma Gandhi National Rural Employment Guarantee Scheme

Reasons for urban poverty:

1. Migration of rural youth towards cities
2. Lack of vocational education/training
3. Limited job opportunities of employment in the cities
4. Rapid increase in population
5. Lack of housing facilities
6. No proper implementation of public distribution system

Government efforts in eliminating urban poverty:

1. Emphasis on vocational education
2. Nehru Rozgar Yojana
3. Self-employment programme for the urban poor
4. Financial assistance for constructing houses
5. Self-Employment to the Urban Educated Youth (SEEUY) programme
6. Prime Minister Rozgar Yojana
7. National Social Assistance Programme
8. Urban Basic Services for the Poor (UBSP) programme
9. Prime Minister's Integrated Urban Poverty Eradication Programme
10. Swarna Jayanti Shahri Rozgar Yojana

Millennium Development goals to be achieved by 2015

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Source: Goals for Development and Poverty Eradication set at the UN General Assembly in 2000

National Targets of the 11th Plan (2007-12)

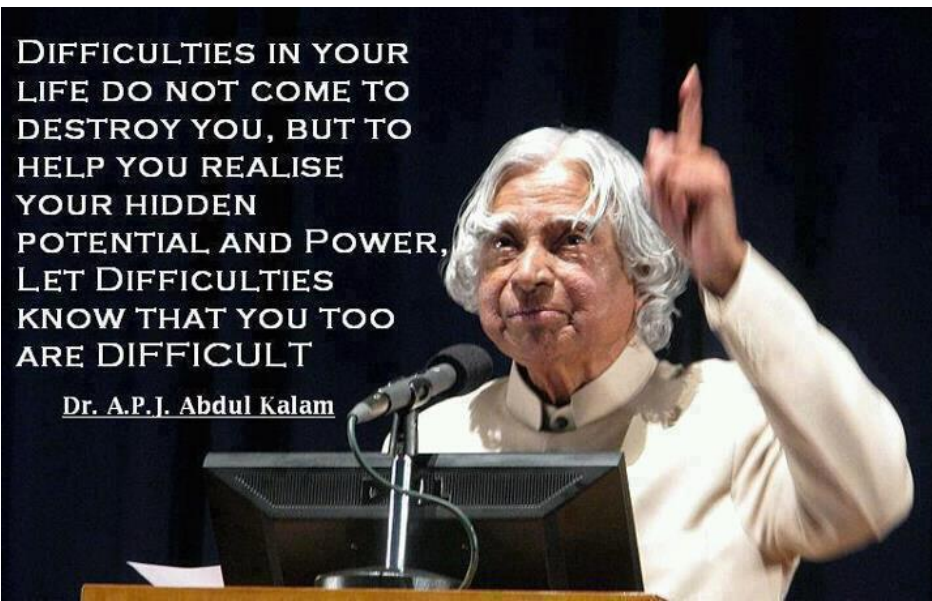
Income and Poverty

1. Create 58 million new work opportunities
2. Reduce educated unemployment to below 5%
3. Reduce the headcount ratio of consumption poverty by 10 percentage points
4. Raise real wage rate of unskilled workers by 20%
5. GDP growth target of 9% per annum
6. Manufacturing target to grow at 12%

India Vision 2020

Planning Commission has released India Vision-2020 in 2003. The salient features of which are:

1. The expected annual growth rate by 2020 to be 9%
2. Elimination of unemployment, illiteracy and poverty by 2020
3. Per capita income to get doubled by 2020
4. 1.35 billion Population of the country to have better living standard by 2020
5. With 2% annual employment generation rate, 20 crore new employment opportunities to be created by 2020
6. Unorganised sector to create more additional employment opportunities



I have taken difficult task of poverty alleviation very seriously into my lungs and liver. Now it is possible to fight war against poverty with social welfare banking model, 1982 Shergarh and 21st century model of Bank of Baroda, RML Branch, Delhi.

Poverty Alleviation and need for family Planning and Education

One of the main causes of poverty is alarming population growth. The efforts done by N.R.H.M scheme, Ministry of health, Government of India to check on population, are not creating much impact on the growth rate of population. The family planning measures are not being accepted or followed voluntarily and hence poverty is also increasing due to size of family not being restricted to the limit which favours good education and better living standard and adopting family welfare schemes.

In the late 70's the slogan "A small family is a happy family" during late Sh. Sanjay Gandhi's drive for family planning could create only a little impact. The government may impose restrictions on subsidiaries and should give incentives to those having a family of maximum 5 members. Indian govt should also enforce only 2 to 3 children norms per couple like being followed in other countries.

The poor's income is already limited to feeding the family with minimum two meals a day. Further, with health problems and related medical expenditures, they are left with very little to spend on education needs of the children in the family.

Though our govt. has taken every possible measure to impart free education to the deprived section of society and support girl child education with even more thoughtfulness, a very little change appear on the poor's family because the size of the family is not on the same lines as planned by the same govt. This disproportion is hampering the quality of living of a poor and hence we are unable to see any progress in reducing poverty. Consequently, the poor in the country are unable to take decisions about family planning and fertility due to lack of awareness despite regular counselling regarding the same.

Thus, developed countries are far ahead of under developed countries because they have successfully controlled population through strong population control measures.

It is essential to adopt strict population control measures in order to become better developed citizens and hence nation.

It is essential to make society aware about benefits of being educated. They should know about family planning and benefits of many social security schemes and Jan Shree Life Insurance Scheme and many more schemes of banks forming SHG for better livelihood and short term credit needs. They should be given vocational trainings for self employment like business tailoring, food processing, masala udyog,

papad making, bidi making, toys, potteries etc to promote their skill for any activity for economic upliftment. This can be done at block , panchayat level

Researches also confirm that every little bit of education helps. People can read newspapers, boards etc to learn more about government programmes they can run their business better and lead a better life by adopting family welfare measures and other training programmes. The school system gives every child a chance for learning and leading a quality life.

That is why, schooling is being given highest priority everywhere by the govt of India. Many schemes have been introduced by ministry of Social Justice and Empowerment. Students of Scheduled castes, Other Backward Classes, Safai Karamchari Families, Students with disabilities can avail concessional education loans on interest at the rate of 4% p.a (3.5% for Girl Students).

<u>Study</u>	<u>Loan Limit</u>
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In India	Rs. 10 lakh
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Abroad	Rs. 20 lakh
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For further details of education loan one may refer to www.nsfdc.nic.in; www.nbcfdc.nic.in; www.nskfdc.nic.in; www.nhfdc.nic.in.

Everybody can avail loan for higher education, professional courses and vocational courses. They can also get entrepreneurial development, skill building courses from government polytechnic, D.I.C, N.S.I.C, NABARD etc for their upliftment to get self employment.

A few N.G.Os are working towards providing quality education to the under privileged. They are working with the aim that children should atleast be able to 'read and write'. At present the work has started in some 600 districts across the country.

These NGOs, have also encouraged the families with incentive schemes to those who will send their children to school regularly and will take preventive health measures.

Our govt is also encouraging and giving various schemes so that every child must get a chance for going to school and there are many education loan schemes, interest subsidies in loan etc are being given by the govt.

There should be some policy to check growing population like other countries. The family size should be restricted to max two children per couple to avoid quantity-quality trade off. A small family is a happy family, should be thoroughly adopted by all so as to optimally provide the best of the education in order to have a better developed young minds and hence nation.

With 70% of its population below 35 years, India today stands among the nations with the largest population of young people. However, it remains to be seen how well the country is able to harness this demographic potential.

The government of India has introduced various financial incentive schemes for the girl child viz. miles with incentives schemes to those who will send their children to school regularly and will take preventive health measures.

If there will be many siblings in the family, the parents may not be able to provide them with best of the education, thus their quality of education will suffer. Further, lack of proper education makes women apprehensive about using contraceptive methods. They lack knowledge about importance of family planning, education etc. Thus, we may never be able to remove poverty from the grass root level.

If poverty continues to grow at the same rate, it will bring poor education, ill health etc which will waste many lives and young talented minds.

The poor people have don't have adequate knowledge and they live with their old beliefs. They are unsure about benefits of immunizing children. They don't know about how much fertilizer they need to use in fields which slows down the progress there by letting them stay bounded in the poverty trap.

They should be educated in the visual and easy learning ways like TV show, play, print media etc. Infact lives of poor are much more demanding as they run small business and many work as casual labours and they are worried about their future. As they are not sure about getting permanent employment or fixed income generation. Such problems are complex and needs to be tackled with proper counselling about welfare programmes and income generation schemes etc.

Counselling regarding income generation schemes should come with timely credit assistance. They must be encouraged for small servings with no frills, Jan Shree, Pension scheme like Swalavamban etc.

If governance is improved and participation of people in village meetings is ensured and govt. Schemes are properly monitored then “war against poverty” can be conquered.

Awareness campaign for all public schemes and services will benefit poor people. There should be total performance at all government departments. There should be female pradhans and politicians to share their concern towards improving life of poor and everybody. The improved situation will have a visible impact on beliefs and behaviours of public.

Poverty has been there since ages and the entire educated and skilled class of the country like bureaucrats, elected officials, academicians, entrepreneur and NGO workers should contribute ideas to eradicate poverty from the roots.



Mr. A.K Khanna Receiving Best Management Award for implementing 1982, Shergarh Model.

By encouraging entrepreneurial development programmes in the rural sector and urban areas, promoting and training youth in the non-farm and micro finance sectors, we will be able to control large scale migration of small and marginal farmers and agricultural labourers to urban areas in search of livelihood opportunities during lean periods.

Even though India continues to record impressive growth rates, poverty remains widespread and disparities deeply entrenched.

As per the reports submitted by the Govt of India to the UNDP, 37 percent of the population lives below the poverty line.

Unemployment and poverty are the two major challenges that our country is facing currently. Unemployment leads to financial crisis and reduces the overall purchasing capacity of a nation. This in turn results in poverty followed by increasing burden of debt.

Lack of employment opportunities and the consequential income disparity have compelled villagers, who otherwise are skilled in the farm sector, to migrate to urban areas in search of employment.

How nation's poverty can be handled at both the urban and the rural level remains one of the biggest challenges for the government.

Here the government officials and bank officials have got a very crucial role to play. If poverty can be studied minutely at all three levels namely, tehsil, Block and District Level resolution of the problem of unemployment would get easier.

We must facilitate greater credit flow for small, cottage and village industries. Central, state governments and civil society organisations must work in partnership to enable disadvantaged communities to improve skills and diversify to non-farm activities. Further, villages where people are engaged in variety of activities should be identified and encouraged to form self help groups. Such villages should be issued maximum number of Kisan Credit Cards to promote self reliability and sustainability.



SUGGESTIONS FOR EFFECTIVE IMPLEMENTATION OF POVERTY ALLEVIATION PROGRAMME

1. The B.P.L families may be given composite loans upto Rs 2 lacs
 - a) Economic activity loan (under SGSY/SJSRY schemes)- Rs 90,000, P.M.E.G.P., amongst others
 - b) Housing Loans- Rs 1 lac
 - c) Consumption Loans- Rs 10,000 (as per economic need of the B.P.L family and economic activity being undertaken)
2. Maximum subsidy of Rs. 50,000 per family has been proposed by government of India as per SJSRY guidelines. The B.P.L families who have already availed subsidy, for example, Rs. 10,000 earlier, they may approach for second dose of finance if they are still in B.P.L list. They can be considered for balance subsidy of Rs 40,000 maximum, whatever the case may be
3. They may be given loan for seed capital (margin money required upto Rs 10,000 @ 9%)
4. Consumption loan up to Rs 10,000 may be sanctioned to repay old debts under DRI scheme @4% per annum or @ 9% whatever the case may be
5. These loans may be considered @ 9% per annum to E.W.S and banks may be reimbursed interest subsidy to encourage financing under this scheme. And the funds may be provided as refinance from NABARD/NHB etc
6. NABARD and NHB may raise funds by issuing bonds (income tax free bonds)
7. As already proposed, the subsidy concept 15-25% will be dispensed with and the finance will be made available on the lines of Rashtriya Mahila Kosh (RMK) i.e. @ 8%. The bank may be refinanced @ 8%
8. There should be joint selection/survey of borrowers for economic activities with bank staff and government officials (block/DUDA officials) to avoid unnecessary delay/rejection/harassment of B.P.L families. After sanction of loan applications for economic activities the same should be disbursed in 2-3 instalments in cash after ascertaining end use in phased manner i.e. 100% loan must reach the beneficiaries they should not be insisted for pucca receipts which will attract 10-12% sales tax/VAT, otherwise the net loan will be Rs 90,000 approximately against Rs 1 lac. The BPL family should not be burdened with tax etc.
9. The priority in financing BPL families should be through SHG formation as success rate is higher upto 99% in financing through SHG. The role of NABARD may be widened as they have done good work in SHG movement in rural areas.

10. The role of National Housing Bank, HUDCO rural development industry, RBI, RRBs, Co-operative banks should be widened as they are doing good work. Only the pace must be increased giving priority to BPL families.
11. The district industry centres in all districts must provide schemes, project cost and training facilities for entrepreneurial skills as per the economic needs of each district and the same should be approved by CDO and lead banks. They should be made available easily at all blocks and urban centres so that unemployed youths and other weaker section of the society can take the benefits easily.
12. Special thrust on tiny and small industries must be given which may be covered under CGFT scheme to enable unemployed youths to obtain collateral security free loans which should be made available easily. The role of SIDBI, NABARD, and DIC should be broadened. All the BPL families loans should be insured with life insurance (term) of applicants and the premium should be borne by the bank.
13. If the govt decides the corpus of Rs 1 lakh crore and about 1 lac branches of the banks are required to participate in loans to BPL families then a sum of Rs 1 crore per branch should be remitted to each branch as advance (interest subsidy, refinanced amount etc.) in phased instalments as per the performance and claim. The progress should be monitored closely with each bank by govt authorities and bank authorities (Lead District Managers).
14. Government may consider income tax donation up to Rs. 50,000 exempt from income tax under special section and the proceeds should go to PM Relief fund (BPL corpus) to meet interest subsidy burden on economy. The other families may also contribute significantly in PM relief fund (BPL corpus).
15. The BPL lists must be ready with Block authorities and copies village wise may be sent to concerned banks as per service area so that timely survey/inspection by bank staff can be done. If training is required it should be provided at each block.
16. It is suggested that monthly 20 BPL families may be financed or atleast two SHG should be linked for economic activity every month by each branch of the bank so that 20 lacs BPL families can be benefitted every month on continuous basis.
17. Swablamban Pension Scheme should be implemented in BPL families through concerned banks effectively so that BPL families can also be benefitted under pension scheme(refer to annexure enclosed).
18. RRBs and district co-operative banks should also be encouraged for implementing housing loan and other loans to BPL families.
19. All the banks must finance aggressively for housing loan to weaker section under ISHUP-EWS/LIG. The loan limit has been increased to Rs 5 lacs. The subsidy

@5% will be given by the National Housing Bank in the loan accounts directly and the banks may be provided with refinance by national housing bank/NABARD. The monitoring must be done by PMO on quarterly basis. Loan for Indira Awaas Yojana/Rajeev Awaas Yojana may also be financed by the banks @4% rate of interest under DRI scheme. The pace of construction activities should also be increased so that more and more houses are built by HUDCO, private builders, district development authorities etc.

20. All the branch heads of the banks should be made members of Banker's club at all district head quarters and quarterly meetings should be convened by Lead district managers and district authorities. The families of bank managers and govt officials should be invited twice a year on Holi, Diwali functions. A space for community hall should be allotted by government for all Bankers' club in each district. This will definitely motivate the employees to come forward for effective implementation as per credit plan of the district. The govt officials responsible for implementation BDO, CDO, DMs etc should also be invited. The membership subscription is allowed by the each bank on yearly basis. In 2001-2003 the banker's club at Bareilly was very effective and the district performance was very significant in all the parameters.



Entrepreneurial Development Programme workshop for unemployed youth/vocational training course in co-ordination with D.I.C and NABARD can also be conducted at banker's club premises with active role of all banks, RRBs, and co-

operation Bank for conducting such training courses and identify prospective unemployed youth for financing under PMEGP, SJSRY, Small scale cottage industries.

The intent to uplift the spirits & conditions of the poor of the country is the guiding force behind the successful implementation of Policies in true spirit which is illustrated in the pages to come.

I dedicate this book to all the BPL families (both rural and urban) of my beloved country, E.W.S, L.I.G and unemployed youths and seek your commitment to work for the upliftment of the weaker section of the society.

Our respective governments have done many serious efforts and various schemes are in the progress. The implementation must be improved by all concern officials so that 100% benefits of loan and subsidy must reach to the poor with sincere efforts at all levels.



A.K Khanna



The Future Depends on What You do Today.

- M.K. Gandhi

Section: Upliftment of rural poor under 20-point Economic Programme

(At Bank of Baroda, Shergarh Branch, Uttar Pradesh)

The following section showcases some real stories of rural poor, who were immensely benefitted with timely sanction and disbursement of loans under the 20-point Economic Programme scheme. Another highlight of these stories is the loan disbursement in cash thus translating into 100 per cent utilisation of loan to the beneficiary which in turn eliminated the fund leakages generally witnessed in the loan disbursals.

“I have tried making significant contribution in improving the lives of BPL families with my small, simple, focussed initiatives with helping attitude and social welfare eco banking aproach”.

A.K. Khanna

A Social Welfare Eco.Banker





10/0807/82

उद्योग, इस्पात एवं खान मन्त्री
भारत
उद्योग भवन, नई दिल्ली-११००११
MINISTER OF INDUSTRY, STEEL & MINES
INDIA
UDYOG BHAWAN, NEW DELHI-110011

November 25, 1982

Dear Shri Khanna,

Thank you for your letter of November 16, 1982. I am happy to know that your branch of Bank of Baroda at Sher Garh has resolved to implement the various schemes formulated for the upliftment of the poor persons under the 20-Point Programme, and that a function was arranged in this connection on November 19, 1982. I hope the function went off well.

Wishing you all success and with kind regards,

Yours sincerely,

(Narayan Datt Tiwari)

Shri A.K. Khanna,
Manager,
Bank of Baroda,
Sher Garh,
(Dist. Bareilly)

बैंक ऑफ़ बड़ौदा

(प्रधान कार्यालय : मांडवी बड़ौदा)

कर्मचारी महाविद्यालय,
ला गार्डन के सामने,
वेलिसब्रीज, अहमदाबाद-380 006.
टेलीफोन : प्रधानाचार्य : 446353
सामान्य : 446745-446053-446896-446453



Bank of Baroda

(HEAD OFFICE : Mandvi, BARODA)

STAFF COLLEGE
Opp. Law Garden, Ellisbridge,
AHMEDABAD-380 006.
Phone : Principal : 446353
Gen. : 446745-446053-446896-446453

सं./No. SC : 19/DO/ 167

PK Dewan
Chief Manager (Faculty)

दिनांक/Date January 19, 1983.

Dear Mr. Khanna,

I am extremely happy to receive your letter No. BR/4/20 Point Eco.Prog dated 25th November 1982 alongwith the supplement of the weekly newspaper publishing the highlights of activities done at your branch. I am happy to note your progress and sincerely wish that your dedicated and constructive approach will certainly bring distinct credit to the bank for better achievements of our corporate goals. Please convey my congratulations to all the staff members involved in such programmes.

It will also be my pleasure to render all possible help to you and other colleagues in carrying out the constructive work for development through our banking services in the remote and rural areas.

I wish you, your family members and all staff members a **Happy New Year**.

With regards,

Yours sincerely,

(P.K. Dewan).

Mr. AK Khanna,
Bank of Baroda,
Shergarh,
Bareilly, U.P.

Ugn/-

सत्येन्द्र सक्सेना,

अध्यक्ष

F-303

दूरभाष :- २३४,

तार :- ग्रामीण बैंक

PHONE :- 234.

TELEGRAM :- GRAMIN BANK

फतेहपुर क्षेत्रीय ग्रामीण बैंक

(बैंक ऑफ बड़ौदा द्वारा प्रायोजित)

प्रधान कार्यालय :- कटरा अब्दुलगनी
कोतवाली रोड, फतेहपुर (उ.प्र.)



ग्रामीण क्षेत्र में स्थापित

FATEHPUR KSHETRIYA GRAMIN BANK

(SPONSORED BY BANK OF BARODA)

HEAD OFFICE :- KATRA ABDUL GANI
KOTWALI ROAD, FATEHPUR (U.P.)

क्रमांक प्र०का/३/डी०ओ०-१६/३०५१

दिनांक १९ नवम्बर, ८२

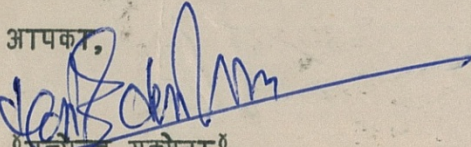
प्रिय श्री खन्ना,

मुझे आपके आदर्श ग्राम "डेलपुर" के उद्घाटन का निमंत्रण पत्र ^{पर} अपार हर्ष हुआ है।
चूंकि सूचना अभी प्राप्त हुयी है अतः मैं स्वयं उक्त अवसर पर सम्मिलित होने में
असमर्थ हूँ।

आपके सराहनीय प्रयास की मैं प्रशंसा करता हूँ तथा आशान्वित हूँ कि आपकी
लगन, उत्साह बैंक आफ बड़ौदा की छवि को और निखारने में अवश्य सहायक
सिद्ध होंगी।

आपके "ट्रान्सेक्शनल रनालिसिस" पर लिखित लेख की प्रतीक्षा है।
सन्नेह शुभकामनायें।

आपका,


सत्येन्द्र सक्सेना

श्री ए०के० खन्ना,
शाखा प्रबन्धक,
बैंक आफ बड़ौदा,
शेरगढ़,
बरेली।

डा० सूर्य प्रसाद,

जिलाधिकारी,
बरेली

दिनांक मई 31, 1983

श्री खन्ना

आपके सराहनीय सहयोग, समन्वित प्रयास एवं निर्वर्तों के प्रति सहज समर्पित सहभागिताओं से बरेली जनपद स्वीकृत ग्राम्य विकास कार्यक्रम में न केवल लाभार्थी परिवारों को उच्च वितरण एवं अनुदान समायोजन के अपने लक्ष्यों से कहीं अधिक कार्य कर सका है बल्कि भत वधों की डा. लाला स्मर की समन्वित अग्रिम धनराशि का भी समायोजन करने में सफल रहा है।

इसके लिये आप व्यक्तिगत रूप से मेरी हार्दिक धन्यार्थ स्वीकार करें। मुझे पूर्ण विश्वास है कि भाविष्य में भी निर्वर्तों की प्रगति एवं ग्राम्य विकास के इस यज्ञ में आपका बहुमूल्य सहयोग इसी प्रकार मिलता रहेगा।

श्री खन्ना
श्री आर्य प्रसाद के कार्यालय परीक्षा
श्री खन्ना (वर्ग)

भावदीय
हस्ताक्षर
[डा० सूर्य प्रसाद]

अग्रसारित

[आर० ए० ए० ए०],
परियोजना निदेशक,
जिला ग्राम्य विकास अभिकरण,
बरेली

पत्रिका



Dr. Surya Prasad, the then District Magistrate monitoring various schemes under 20 point economic programme with Mr. A.K Khanna, the then Branch Manager, BoB Shergarh.

Story 1

Rural Indebtedness-upliftment of poor farmer and releasing him from the clutches of Mahajjan

Shri Jhau Ram r/o Village Ulehta pur of shergarh caught my eye as he was sitting with other farmers in the Bank of Baroda shergarh branch, perturbed and weeping. I called him and asked about his problem in presence of few other farmers and listened to his entire problem carefully in detail for finding out some solution.

He explained his miserable situation. His last two crops had failed. He had borrowed Rs.1500 from Raja Ram (the money lender) a few months ago. The loan had been taken on interest at the rate of 36% p.a. by offering ornaments of his daughter as mortgage. Since the ornaments were with the money lender, Jhau Ram was not able to send her daughter to her husband's house. Moreover, he did not have money for purchasing fertiliser, seeds etc. nor had water for irrigation. Hence he was not in a position to repay his debt and had lost all his hope. Due to increasing frustration and helplessness he had made up his mind to commit suicide.

After listening to Jhau Ram's story, I called up the money lender Raja Ram (since he was also our Bank's customer) and requested him to consider interest rate of 18% instead of 36%. He was asked to bring ornaments in the branch immediately. In the mean time a demand loan was sanctioned @4% p.a. under Differential rate of Interest Scheme of RBI for releasing rural indebtedness of Jhau Ram under the 20 Point Economic programme at zero expense within 10 minutes. The cost of revenue stamp was also borne by the bank. The ornaments were delivered in the bank after obtaining receipt and disbursement of the loan of Rs.1,600 in full and final settlement of loan and thus a case of suicide was averted. Next day, a crop loan of Rs.3000 was also sanctioned for fertiliser/seeds etc., again at zero expense (as there was no stamp duty) to enable him to sow future crop. Of the total loan of Rs. 3000, a sum of Rs. 1500 was disbursed in cash for his crop expenses. After a few days his name was included in M.I. scheme of the Block as he was a small farmer. Further, bank sanctioned a loan of Rs. 3000 for boring activities under minor irrigation scheme (MIA). Thereafter, a subsidy of Rs. 1000 in the loan account was given by government authorities. Jhau Ram was able to improve his standard of living who was going through a financial turmoil and was saved from committing suicide.

The interest burden of Sh. Jhau Ram was also reduced from 36% p.a to 4% p.a.

Many lives can be saved if timely action is taken by all concerned officials posted in their area of operation with little more concern towards society specially deprived class of

farmers/labourers. The problems of villagers/poor are complex. They require special and immediate attention of all implementing authorities. This was the first case of my **social welfare banking model** 1982.



Shri A.N Sehgal, the then Commissioner Bareilly Division & Sh. Jai Dayal C.D.O Bareilly visiting Branch before inauguration of Model Village by the then Urban Development Minister Sh. Ram Singh Khanna, monitoring the progress of various government schemes.

Story 2

Funeral Ceremony Loan

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Special component Loan to the widow of deceased sweeper

One day, while coming to office I noticed that a few people were crying in a huddle. On enquiring from Anokhey Lal (a local resident) I got to know that one sweeper had died a night ago who used to consume alcohol on daily basis. On the fourth day after death, his family had gathered for uthavani (death ceremony) in a small tent near their jhuggi (slum area). The family of the deceased man had no earning left and his wife had no money for his funeral. To carry out her husband's final rites, she was compelled to take a loan Rs. 500 from the money lender.

After a few days a demand Loan of Rs. 500 was disbursed to the widow lady for repaying loan obtained for funeral ceremony under the 20 Point Economic Programme @4% p.a. differential rate of interest (DRI) scheme. Further, on consulting the Block Development Officer (BDO), Shri. Aggarwal, about rehabilitation possibility of widow lady, an application was obtained for Goat rearing Rs.1800 under special Component Plan@4% pa. The full amount of the loan was disbursed in cash and she was suggested to purchase the goat from the animal market. She submitted the receipts after purchasing the goat. The Government authorities gave Rs. 900 subsidy in the loan account and thus a family was rescued with little extra efforts. This was my second case of **Social Welfare Banking Model 1982**.

Looking at the hardships of harijans in the entire basti 50 Sweepers were given Loan of Rs. 2000 each for piggery under special component Plan@4% p.a. A sum of Rs. 1000 was received in each account from the government. The entire area reaped the benefits of the various government schemes there on. Since drinking water facility was not available in their basti, Bank of Baroda provided one hand pump to them to solve their drinking water problem as they were not allowed to take water at general wells (due to the perennially prevalent caste system). Here are a few photos of the area visited by the Commissioner Bareilly and the Bank authorities along with the then Minister.



Shri A.N Sehgal Commissioner, Block Pramukh Sh. Aggarwal and Govt. Officials inaugurating Model Village Rajpur

All the 50 Harijans were given loan under Special Component Plan for S.L.R.S scheme at 4% rate of interest under DRI scheme and they had utilized fully. Thus case of 100% cash finance and Rs. 1000 subsidy for each beneficiary.

Story 3

Model Villages



Honourable Sh. Ram Singh Khanna, Urban Development Minister, UP government inaugurating first model village in year 1982.

For the economic development and implementation of various loan/government schemes aimed at uplifting of small/marginal farmers, landless labourers, unemployed youth a Gram Vikas Kendra (GVK) was set up. The GVK was established after I brought 100 nearby villages of the area under operation of Shergarh branch. Post that, many villages were identified as model villages like Delpur, Rajpura, Moiuddinpur etc. In these model villages, the aim was to finance intensively as per the needs of each village, with financed amount ranging from Rs. 500 to Rs.50,000. Further, in these villages, a survey was undertaken with below Poverty Line (BPL) individuals to know about their lifestyle, livelihood requirements, problem among family members, economic activities presently undertaken, existing debt, and the related loan requirements. After analysing the survey data, it was decided that regular visits and credit counselling was required and customised loan schemes were formed for each individual. Help was also given in filling up of the application forms. Many new loans were provided for various economic activities like atta chakki loan, kirana shop loan, cycle repair, brick lin, khandsari udhyog, rice Huller, boat, dairy loan, poultry farming, bee keeping, sheep rearing, horse cart, mini bus, mini truck, transport operators, fertilizer shop, medical shop,

fisheries, ponds, agricultural implements, crop loan, tractor loan, minor irrigation loan, rural cottage industries, group loan to ladies spinning cotton with charkha.



Loan for Charkha to villagers of Delpur(Microfinance scheme for spinning charkha)



Poultry farming Loan Scheme



Tractor loan in Model Village- Shri K.S Taragi, Banking Director with others

With the intensive financing undertaken during period 1981-84 in the Shergarh region lead to victory over poverty in the area. The reason for this resounding success was that measures were taken to ensure that the finance reached out to the poorest of the poor and was utilised in an optimal manner. Further, the admissible subsidy was given by the government authorities and the same was credited in their loan accounts of each beneficiary, hence reducing the loan amount.

Hence, the lesson that needs to be understood is that whole scenario of poverty must be understood clearly by all concerned authorities and effective implementation / monitoring of the schemes must be done, if one wants to win in this fight against poverty.

Story 4

Loan Scheme for Band Party

One day while working in Shergarh Branch, I noticed that two people were playing drum and Shehnai (Indian version of trumpet) outside my branch premises. After entertaining everyone by playing their instruments they approached those around for some tip. Considering that they work so hard and are able to earn only a little in return, I learnt a bit about their livelihood to see if our Bank can be of any help to them in upgrading their living. As they were living in a nearby Moiuddin village, it was easier to approach this village comprising of mere 15 families. Gram Pradhan of that village further shared that the primary source of income for these families was playing musical instrument in small band parties on the occasion of birth and marriages of people in adjacent villages. They took up this profession as they were landless.

However, these people faced shortage of musical instruments in their current profession which was stopping them to form a holistic band party. To help these people, a loan scheme was framed in consultation with Block Development Officer (BDO) under Integral Rural Development Plan (IRDP). Under this new scheme, a loan of Rs 3,000 was sanctioned for each of the 15 families. After the money was lent out, the families purchased musical instruments from Meerut in presence of Bank officer Shri Sharma, who was deputed at bank's expenses.

Subsequently, the government authorities gave a subsidy of Rs. 1,000 per family in the loan account thus leading to a reduction in loan amount to Rs 2,000. Finally, the musical instruments were handed over to the beneficiaries in a credit camp at Baheri (UP), presided by Shri. Ram Singh Khanna, the then Urban and Poverty Alleviation Minister.



Hence with coordination and consultation, a new innovative scheme for loan to Band Party was approved by IRDP officials enabled the unemployed landless labourers of the area to earn livelihood and improve their standard of living.

Story 5

Loans under Self Employment Scheme

In a bid to encourage self employment among people in Shergarh, there were some loans initiated by me. These include:

1. Mr. Anokhey Lal was a local leader of Scheduled Caste (SC)/ Schedule Tribe (ST) groups. He used to give information about the state of affairs of SC/ ST people which in turn helped me in formulating several schemes directed at the welfare of the SC/ST. All these schemes were formed under the Special Component Plan, IRDP, etc.

Thus, to support Anokhay Lal, I initiated sanctioning a loan of Rs. 10,000 to him for setting up a fair price shop, which prior to this did not exist in the area. Besides this, he was also sanctioned a loan of Rs. 15,000 for setting up a small piggery farm.

2. Mr. Dhanpal Singh was a young unemployed graduate. On consulting about his self employment plan etc he was also sanctioned a loan of Rs. 25,000 for running a chemist shop.
3. Mr. Raja Ram was a money lender in the area who used to charge exorbitant interest rate from the villagers. He was sanctioned a loan of Rs. 20,000 for running a fertiliser shop. In turn, he agreed to charge half the interest rate from his clients, thus reducing the burden of his loan on the villagers to a significant extent.



In loan disbursement function Hon'ble Minister, local M.L.As Shri Jaideep singh Brar and Sh. Chet Ram Gangwar

4. Naipal Singh, a young Gram Pradhan of Moiuddinpur village was instrumental in apprising me about the problems and needs of the people of his village. Based on his

information, I formulated many loan schemes such as atta-chakki, kohulu, Khandsari Udyug, band party etc. for the upliftment of the poor farmers and landless labourers. Given Naipal Singh's contribution, bank financed him a loan of Rs. 50,000 for running minor irrigation/pumpset shop under self employment scheme in Shergarh. The limit was sanctioned and Sh. Naipal Singh started his shop for minor irrigation facilities in co-ordination with Block and Bank authorities. Our bank financed for minor irrigation to farmers of the area and the work was allotted to Mr. Naipal Singh since the farmers had to go to Baheri (25 kms away) for the purchase of pumpsets.

... and many more were benefitted under Self Employment Scheme.

Story 6

Crop Loans

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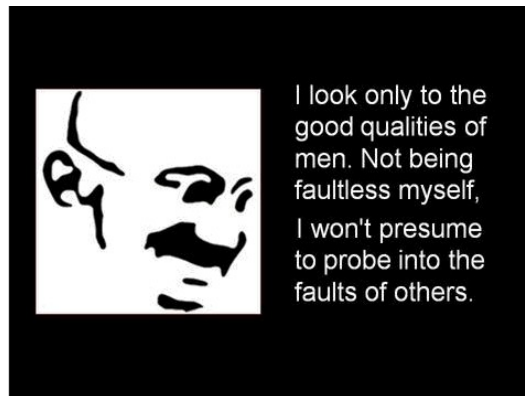
Boat-Water Transport Loan

While fighting war against poverty with social welfare banking Moel 1982 at Shergarh, few farmers from Manpur village came late by 5-6 hours for their crop loans after banking hours. On enquiring they informed that they were late because they had only one boat to commute through the river due to which there was a long line of people to come from one side of the river to the other and hence lead to the delay. Further, the transportation woes were compounded due to heavy rains. Seeing their genuine problem, I requested my staff at 3 pm (the public hours were till 2 pm) to sit late for sanctioning the crop loans to all 11 farmers. The loans were disbursed on the same day as there were number of farmers lined up for the next day.



It was painful to know that there was only one boat in the entire block and that too was taken by Mallah on a massive rent (Rs. 2,500 per season). To help and solve the problem, with the help of the BDO one application of Mallah was obtained under integral rural development plan (IRDP)/special component plan (SCP) for financing boat worth Rs.5,000. Meanwhile, one IRDP beneficiary carpenter was given work for making boat outside the premise of bank's branch. The boat was completed in a week and was handed over to Mallah. Further, a subsidy of Rs.2,500 was given by the government thus reducing the loan to Rs.2,500.

This story presents an apt example of how with little extra efforts problems of various people can be solved at the same time. Here the farmers, Mallah and the carpenter all received timely assistance by the bank.



Section II: Urban poverty alleviation under SJSRY (Social Welfare Banking Model 21st Century 2000-2012)

(At, Bank of Baroda, Ram Manohar Lohia Hospital Branch, New Delhi)

The following section showcases some real stories of urban poor, who were immensely benefitted with timely sanction and disbursement of loans under the SJSRY scheme. Another highlight of these stories is the loan disbursement in cash thus translating into 100 per cent utilisation of loan to the beneficiary which in turn eliminated the fund leakages generally witnessed in the loan disbursals.

While working at Bank of Baroda, RMLH and New Delhi branch; on 31 March, 2010 – 9 Applications under SJSRY scheme were received. The branch conducted inspection of residence & place of work of Beneficiaries & sanctioned loan to them on top priority basis. Brief Achievements are given in separate section.

Story 7

Cycle Repair Worker



Triveni aged 45 years old, has been living in the jhuggis of Gol Market area since the last 28 years.. At the age of 8 years, he lost his parents and used to live with his brother in a small house in his village. Due to poor financial condition of his family he remained illiterate and also found no work in his village. Originally hailing from District Sultanpur in Uttar Pradesh, at the age of 17 in 1980 he decided to move to Delhi in search of work .He did not have enough money to buy the ticket and so so after many hindrances and challenges (travelled by different modes such train, taking lift from truck drivers, bus etc.) , he reached Delhi in 5 days.

As he was illiterate, when he came to Delhi he started doing a lot of different kinds of work. He worked as a daily wage laborer, a rickshaw puller and did other menial jobs work. He was a very keen observant and showed a willingness and keenness to learn more and more. While pulling the rickshaw, he got interested in learning about rickshaw repair techniques. And so in the year 1990, he opened his own small business of cycle repair under a tree in the corner of the local community where he lived.

At the age of 7 when he was a small kid, his parents fixed up his marriage to an illiterate girl of the same village where they all lived. When Triveni settled down in Delhi, he decided to start his family life and so brought his wife to Delhi in 1983. He has two sons studying in class 9th and 8th respectively.

Due to increase in his family size and the expenses of maintaining a family in Delhi, Triveni wanted to further improve and expand his work, but had no idea how to go about doing it.

One day a Community Mobilizer of New Delhi District Resource Centre visited him and explained to him about the SJSRY scheme and encouraged and motivated him to apply for individual loan under the scheme. After giving a thought to the idea he visited to the New Delhi DRC office and after having detailed discussion with DRC officials, he decided to apply for a loan of Rs.50,000/-.

After getting approval by the District Task Force Committee, his application was forwarded to the Bank of Baroda, RML, New Delhi Branch.



Mr. Triveni visited the branch at about 11.00 AM and enquired from me about his application. The application was lying with the branch for a week. When I enquired about the progress on it from my branch staff, I was told that they could not proceed on it due to their preoccupation with the other work. The same day I took one of my officers (who knew about the local area) along with me and went for an inspection during the lunch hour.

At the time of inspection, it was found that on a hot Delhi summer day, Mr. Triveni was working hard repairing cycle on the footpath with a small set of tools he possessed. From there, we accompanied to his place of living in the nearby slum area. He wanted money to purchase cycle/rickshaw tyres, rim, seat, bell etc for expanding his work.

When I came back, I immediately sanctioned a loan of Rs 50,000 and asked my advances officer to process the same on top priority basis with the result that his loan was processed the same day. An amount of Rs 25,000 was handed out to him in cash as first dose based on the invoice provided so that he could save on 10 per cent tax. Subsequently second dose of Rs 25,000 was given to him after ascertaining end use.

Further, a subsidy of Rs. 12,500 was received from the Gol in his loan account thereby reducing loan burden of Mr. Triveni to Rs 37,500. At present, he is repaying the loan at the rate of Rs 1,000 per month and is very happy along with his family.

Thus **swaraj se swablamban** can be achieved successfully with Social Welfare Banking Model 21st century.

Story 9

Tailoring Business



Mr. Parvez Alam has also been sanctioned a loan of Rs 50,000 under SJSRY scheme. He is also happily settled with the timely sanctioning of Bank's Loan.

Mr. Parvez Alam and Ms. Kamna Devi had filed an application for a loan under SJSRY scheme. She was seeking loan for expansion of her small tailoring work which she used to carry out from the slum area in old Ashram road, Mandir Marg.

The application was lying with the branch for some time with no progress. I went for the inspection of Ms. Kamna Devi's tailoring work (this was done the same day when I had gone for Mr. Triveni's inspection).

When I came back, I immediately sanctioned a loan of Rs 70,000 and asked my staff to process the same on top priority basis with the result that his loan was processed the same day. An amount of Rs 25,000 was handed out to her in cash as first dose based on the invoice provided (of purchase of sewing machines) so that she could save on 10 per cent tax. Subsequently second dose of Rs 25,000 was given to her.

Of the total loan sanctioned, she utilised only Rs. 50,000 and now is regularly repaying Rs. 1,000 per month. Further, a subsidy of Rs. 12,500 was received from the GoI in her loan account thereby reducing her loan burden.

Today she is successfully running the tailoring business, training other ladies and is supporting her family well. She has been able to purchase a computer for her school going children from her well established business.

Story 10

Small Garment Patriwala

Mr. Mukesh Thakur was a slum dweller near Bank of Baroda, RML Branch. For last 20 years he was running a small business of readymade garments at Janpath footpath (patri). He had also applied for a loan under the SJSRY scheme.

After conducting an inspection, he was also sanctioned loan of Rs. 70,000 without any delays. Further, a subsidy of Rs. 17,500 was received from the GoI in his loan account thereby reducing his loan burden.

Today he has expanded his business and has progressed a lot and planning to buy a house. He is able to repay his loan on time. He may also be considered for housing loan under Interest Subsidy Scheme for Housing the Urban Poor (ISHUP).

Helping attitude and timely financial assistance can help in fighting war against poverty.

Story 11

Tea Stall

Ms Leela Devi, was a 45 year old physically challenged lady who used to support her ailing husband by selling tea on footpath (opposite Moraji Desai Institute, near RML Hospital). She had also applied for a loan under the SJSRY scheme for extending the work of her small tea stall.

She was counselled, inspected and sanctioned loan of Rs. 50,000 under SJSRY scheme, within 10 days of the receiving of the application to the branch. Loan was given to her in cash in two instalments of Rs. 25,000 each.



The loan was utilised by Ms Leela Devi to purchase ingredients for preparing and selling roadside snacks. A refrigerator was also purchased with the funds.

With the small profits she could initially make, she was able to meet the hospital bills of her husband treatment. She was also able to repay the loan amount of Rs 1,000 per month to the bank. Further, a subsidy of Rs. 12,500 was received from the Gol in his loan account thereby reducing her loan burden.

Her financial progress is evident from the fact that over the period of time she has been able to take on rent a godown and is paying Rs. 2,500 per month as its rent besides her monthly expenditures.

Story 12

Tailoring Shop and Readymade Garments

Mr. Om Prakash used to run a small tailoring shop in a motor garage of one of the Member of Parliament's house in North Avenue, New Delhi. He had also applied for a loan under the SJSRY scheme for purchase of inventory for his shop and sewing machine. After my thorough inspection, a loan of Rs. 100,000 was sanctioned to him under the SRSJY scheme.

The money was given in two cash instalments of Rs 50,000. Through the funds received, he was able to invest in his small business.

He was helping his family and children who were studying and repaying the bank loan regularly. Unfortunately he died with cancer in June 2012. He is survived by two young kids and a wife who are working very hard to sustain the business.

To deal with cases like these in which there is a sudden death of the beneficiary under the SJSRY scheme, in future, we propose to cover these beneficiaries under Jeevan Suraksha Scheme (Term Insurance of Life) of the bank so that in case of death Rs. 100,000 can be claimed from the insurance company can be claimed automatically. This will help avoid the loan burden on the family of the deceased person. Further, a subsidy of Rs. 25,500 was received from the GoI in his loan account thereby reducing the loan burden.

Story 13

Kirana Store (Daily Utilities' Store)

Ms. Gokula Gupta, a slum dweller, used to run a small kirana shop from her place of living near RML Hospital. Her son was studying in Class 10th. They were facing severe financial crisis after marrying off her daughter. She applied for a loan under the SJSRY scheme for expanding her Kirana shop.

She was sanctioned loan of Rs. 50,000 under which she invested in her business. She has been able to earn returns on her investment as with her improved business, so far she has managed to repay 50% of her private loan which she had taken for the marriage of her daughter at very high rate of interest (from private money lenders at the rate of 10% per month).

Further, a subsidy of Rs. 12,500 will be received from the GoI in her loan account in near future thereby reducing her loan burden.

His son is also helping her in running kirana shop and she is doing part time job to repay old private loan at the time of marriage of her daughter. She can be linked with microfinance company

Story 14

Loan under SJSRY scheme



Three friends Ms. Savitri, Ms. Poonam and Ms. Kausher Jehan used to feed their families by running small time business from their homes in a slum area (near RML hospital).



Savitri, aged 35 years old, born and brought up in the jhuggis of Gol Market, now feels independent and happy after getting a loan under SJSRY scheme. A permanent resident of

Gol Market, when she was 23 years of age, she was married off to a person, who could not read and write due to family pressure. Her husband worked as a sweeper on contractual basis and had no permanent source of income.

After marriage, she became a proud mother of two children, and now has a 5 year old son and a 9 years old daughter. Living in the capital city and raising two growing up children is not an easy task and so Savitri was finding it difficult to manage her day to day family expenses with the small and not a fixed income of her husband so she decided to support her husband by contributing to the family income.

The application for loan was received by the bank for loans under SJSRY scheme. They were sanctioned loan of Rs. 25,000 each for smoothly running their businesses of beauty parlour, artificial ornaments and kirana shop respectively.

Before they could reap benefits of their just established business, the slum area was removed as per the court order. Now they have no means of earning. However government subsidy of Rs.7,500 each has already been received by them. Their temporary place of living is in Raen Basera, government shelter houses at Pahar Ganj, New Delhi.

She now feels very happy that she is able to supplement her family income and help her husband to some extent. In the future she is planning to now get a show case and stall made in her house for displaying and sale of these items.

Proposed Rehabilitation:

They should be re-established at the earliest and should start economic activity so that Bank may consider loan looking into their miserable condition and zero means of earning, if one room housing set is allotted to them by government authorities, bank can consider loan under ISHUP scheme. Further, the Bank can allow each of these three ladies, a housing loan if they are allotted one room houses by the government to reside in.

In this way they will get a permanent house to live in as well as they will be able to resume their business. Now they will have to pay a nominal amount of Rs 1500 only per month for repaying the housing loan amount.

They can be given second dose of loan under SJSRY scheme to restart their economic activity and can take the benefit of subsidy in the near future.

Story 15

Mini Cottage Industry

Mr. Sri Ram, a slum dweller, is a manufacturer of leather belts. His place of work is his residence. He had also applied for a loan under the SJSRY scheme for expanding his operations. He was sanctioned a loan of Rs. 100,000 for his expansion of business plans.

The Bank has ensured and use of the funds and counselled him from time to time. Today, his entire family is involved in manufacturing leather belts at their residence. Mr. Sri Ram is one of the leading suppliers of leather belts in the Sadar Bazaar Market, New Delhi. The Bank has sent the claim to the GoI for a subsidy of Rs. 25,000 in his account which will be received in near future.

His business has been running good as is evident from the fact that he has purchased small land in a village and has started constructing a small house. Further, he has approached for a housing loan to the financial institutions for constructing his house. He may be considered under ISHUP interest subsidy scheme (@5 % interest per annum).

Story 16

Small Road Transport Operator

Mr. Prajapati was a taxi driver in New Delhi who had been working for 15 years. He used to live in a rented house earning Rs. 4,500 per month. He had a savings account at the RML Branch and had saved Rs. 1 lakh over the years.

One day he approached me seeking money to fulfil his dream which was to own a taxi and run his own taxi business. I listened his story and what he wanted to do with patience. Once he was done, I contemplated on what could be done to help him. I asked my Advances Manager to provide credit to Mr. Prajapati under the CGT MSE scheme (under this scheme in case of default 75 % of the loan amount is reimbursed by the government).

After conducting the survey of his place of residence, a loan of Rs. 4 lakhs was sanctioned immediately. Mr. Prajapati could purchase a new taxi worth Rs. 5 lakh with the help of the loan amount and hence could realise his dream of owning a taxi.

Story 17

Mother Dairy Booth Vendors



Mr. Manoj Kumar and Mr. Ashok Kumar are running two separate mother dairy booths in the Mandir Marg area. They approached me for help as they were facing some financial problems in running their respective booths.

The Mother dairy was charging heavy penalty of Rs. 600 on every cheque returned as against stock of fruit and vegetables supplied to them. Hence both of them were losing Rs 2,000-3,000 every month. Even a shortfall of R. 100 in the bank account of my branch, their cheques used to bounce which in turn used to draw penalty of Rs. 600 per cheque from the Mother dairy.

A brief description of the clearing mechanism is provided here to understand why these booth vendors were facing problems – at present, there is central clearing department and the cheques of mother dairy were presented through RBI in the morning clearing and were returned. Due to insufficient balance This was despite the fact that both the vendors used to deposit their earnings in the bank account on daily basis between 10-11 am. But the cheques are returned at 9 am prior to their cash deposit.



To address their issues, clean overdraft (OD) limit of Rs. 50,000 each was sanctioned which helped solve their problem. Now, they are having sufficient stock of fruits and vegetables and their sales have also increased with the timely imitative of the bank.

They are very happy and grateful to the bank for timely assistance, thus they have saved their penalty from mother dairy. Now they can avail access amount up to Rs 50 lakh on daily balance method which reduces cost of borrowing against loan system. They have been advised to cover their life by taking insurance policy out of penalty saved from penalties. This is what social welfare banking model 21st century has done for the unemployed youths.

Story 18

Education Loans

A peon, working in Morajai Desai Institute of yoga, New Delhi approached me for loan for his daughter pursuing nursing course. He had paid first year fees of Rs. 20,000 out of GPF. He needed Rs. 50,000 for the remaining semesters. I discussed his case with my advances officer who told me that he would need to check the list of approved institutions for the education loan. This would have delayed the loan decision as the list would have to be checked from the regional office. At the same time, I did not want to give him a personal loan as the rate of interest is higher which would have increased the interest burden. So, taking an instant decision, I asked my officer to sanction the education loan since I thought that peon's daughter was studying nursing course with the funds withdrawn from GPF by his father. Thus the education loan was sanctioned and disbursed the same day which reduced peon's interest burden and the timely action brought joy to his family.

At present, his daughter is currently working and earning Rs. 20,000 per month, which is much more than her father's current salary. These small initiatives and immediate decisions can change the life of people.

We must understand the problem of our customers and try to find a solution for them as far as possible just like our family members.

Story 19

Financing made easy for education Loan

Several drivers and nurses at RML hospital were facing financial problems in meeting education expenses of their children. They used to finance the expenses by GPF fund withdrawal or getting loan from private money lenders @3% per month..

In a bid to help them, many education loans were sanctioned up to Rs. 4 lakhs without surety as per government guidelines within 24 hours of the filing of the request of loan. The funds received under the bank loan were also used to pay the loans raised by the parents through the private money lenders at higher interest rates which in turn helped lowering their EMI burden by Rs. 2-3,000 per month for Rs 1 lakh taken from private money lenders. Now the EMI has reduced to Rs 3000 per month. This small initiative gives me further strength to move ahead in fighting long war against poverty.

Story 20

Self Employment Scheme

Mr. Praveen Khosla

Mr. Praveen Khosla was working with Hello Minerals as sales executive. He approached me for loan for Maruti van(freight carrier) to enable him to get self employment. He wanted to use the van for multiple purposes viz. by attaching with a courier company at fixed monthly rental at fixed timings and to use for personal livelihood for supply of mineral water business as he possessed entrepreneurial skill and experience as sales executive.

A loan of Rs 1,80,000 was sanctioned within 2-3 days and the van was purchased by Mr. Khosla. after successfully observing loan account for six months, he was also sanctioned O.D. limit of Rs 50,000 as working capital to run his business of mineral water supply. Now he is well settled along with his two school going children.

This gave me immense satisfaction and inspiration to march ahead and fight against war of poverty and upliftment of unemployment youths

Changing Role of Banks and Government Officials for upliftment of Rural and Urban Poor.

Although banking institutions have over the years worked towards resolving the problems of poor but there is still a long way to go to have a thorough understanding at all the levels. They can identify the poverty traps where they really are and with what scheme (tool) it will be addressed with timely loan assistance may be in stages for upliftment of the poor.

I used to visit the villages frequently to know the exact problems and village resources etc. Now, after obtaining complete record about BPL families from the Block and with intensive visits and contact programme with BPL families should be done on continuous basis and ascertain their desires, weaknesses and present economic activity being undertaken by them. A well targeted and focussed help in phased manner can definitely help us in eradication of poverty with sustained efforts like shergarh, Bareilly and Delhi models portrayed in the success stories.

Simultaneously, education and health department should also increase their pace of work to change their mind sets with the help of local pradhans, Block pramukhs, panchayats, BDOs as they play a vital role in the upliftment of poor. Each BPL family's Saving Bank account should be opened on the basis of Adhaar cards made available to them by the government of India.

Efforts should be made for forming self help groups(SHG) so that they can be linked for economic activity after six to twelve months. They can be financed individually also. A micro level study of the area by regular visits will only help in fighting war against poverty. After loan is provided for economic activity the life insurance of the head of the family should be done under Jan Shree Bima policy at annual premium Rs. 200, 50% amount of premium is borne by the LIC of India and 50% i.e. Rs 100 should be borne by the bank. Secondly they should be given Swavalamban pension scheme where govt of India provides assistance of Rs 1000 per annum if the head of the family contributes Rs 1000 annually.

The opening of no frill account for poor is still difficult due to reluctance of staff at some branches. The senior officials should supervise during their branch visits about Swavalamban pension accounts and no frill accounts invariably at 'May I help you' desks of all branches. The poor are still managing their credit needs through private money lenders at very high rate of interest between 3% to 10% per month. Due to lukewarm approach of

banks, this can be solved with helping attitude of bank officials by sanctioning clean loans upto Rs 10,000 immediately (easy loans like credit cards as per their family needs).

The poor should be educated by 'Kisan Clubs', panchayat and block staff for their upliftment. All banks, RRBs, corporative banks should extend credit facilities aggressively as per the district credit plan and the benefit of any subsidy etc and loan amount must reach 100% to the beneficiaries. The poverty can only be eradicated with whole hearted efforts at all the levels. The author has worked intensively for the social welfare banking at various places like BoB shergah, BoB sitarganj, BoB Nirman Bhawan New Delhi, BoB RML New Delhi where the profits were also increased many times along with aggressive financing for poor. If 100% finance and subsidy is ensured to poor then half the battle is won on the day 1 of financing. A joy on the face of poor is more than a million dollar to me and each beneficiary financed for their dream project gave me strong urge to finance other B.P.L families and so on. A micro level study of the area by regular visits can only win the war against poverty.

The market and economic activities are generated as per the needs of the area and banks should aggressively finance as per the needs of the society. The D.I.C, NABARD, Lead Banks should provide entrepreneurial skills, project report etc simultaneously as per the requirement for key economic activities to be under taken at each Block and District head quarter. The needs of the rural and urban poor must be addressed in a planned manner on priority basis. The L.D.M and C.D.O role in fulfilling business and economic needs of the district should be strictly monitored by district magistrate and commissioner for implementing "real district credit plan". the profit of the branches and monitoring of all key parameters should be done strictly by the G.Ms, EDs, CMDs and NABARD, RBI etc.

With aim at profit generation and economic development of area as done by Banking Models 1982 and 2012 referred in this book. Both the models are based on social welfare economic banking where profit has also been increased many times.

The financing system has played a key role in achieving such high growth in the bank branches. The timely credit decisions and service oriented approach will lead to these results. In 3 years of sustained and ongoing efforts. This is due to regular contacts with public customer relation management.

The over all monitoring by the govt. And paying taxes honestly by all countrymen so that disparities in incoming wealth can be reduced with economic outcomes of various welfare schemes for rural and urban poor. Each poor should be insured with "Jan shree" plan atleast and with pension plan Swavalamban. There is clear support of govt.**

Proper functioning and continued penetration of economy enables to develop economy and takes care of welfare of society.

A kind of dynamism in real economy will be witnessed like rise of china to the status of the largest economy in purchasing power terms.

This transision is not going to come mechanically but needs deep political will to implement and will depend on austerity measures at all levels by tightening regulations and participation of corporate private resources in planned manner through corporate N.G.Os for progressive movement for public like sanitation, honing etc for rural and urban poor. There is vast accumulation of wealth between a few rih and speculative class which lead sto increased inequality.

SOCIAL WELFARE BANKING MODEL- 21ST CENTURY

SENIOR CITIZEN SERVICE CENTRE



Bank of Baroda, RML Hospital

Slope constructed especially for physically challenged and senior citizens

I have observed closely from over the last three decades, that on the last day and first week of every month the bank witness huge rush. Majority of them are senior citizens facing inconvenience amidst intense hustle-bustle.

I tried making their banking experience a little better by ensuring that the banking services are given to them as first priority during first week of the month. Also, the staff was instructed not to take any leave throughout that period. The bank now serves them with more compassion and will than ever before.

The customers were presented with facilities like seating arrangement, drinking water, tea snacks etc from my personal entertainment expense provided by bank. Also, special wheelchair and first aid box etc has been provided by the bank.

By opening an additional counter for such services at my desk as and when required, with the help of one sub staff, I have managed to motivate all bank employees to follow the practice.

I used to personally monitor that all counters are serving the senior citizens with utmost care and consideration. This small change in our working has brought about a remarkable change in the performance of the bank. Even the stagnant branches started giving unbelievable annual profit. After I assumed charge, the bank's twelve month's profit was equivalent to what it is for that of one month i.e the branch which was generating Rs 70 lakhs yearly has increased to profit of Rs 7 crore (approx.) yearly in three years of my tenure. The same was acknowledged by Bank of Baroda by awarding me with "Business Leader Award" for the year 2011-2012. The huge profit generated by one branch can be used for deployment of funds for the upliftment of poor. Likewise, other bank's branches can increase the profit substantially.

The tentative business figures of Bank of Baroda, RML branch are as under,

Year	Total Business figures(in crores)	Profit (in crores)
2005-2006	Rs. 38.58	0.30
2006-2007	Rs . 43.37	0.45
2007-2008	Rs 51.74	0.60
2008-2009	Rs 78.29	0.70

After implementation of social welfare banking Model, the figures are as under.

2009-2010	Rs. 100	1.20
2010-2011	Rs. 129.00	2.25
2011-2012	Rs. 155.73	3.99

The tentative profit figure for the year 2012-2013 is Rs 7.00 cr which shows that the profit of the branch was increased from Rs 70 lakhs to Rs 700 lakhs in four years.

BAR DIAGRAM TO BE DRAWN

This shows that the profit of every bank's branch can be increased significantly with the implementation of social welfare economic banking model. Hence, all the social welfare schemes should be implemented effectively to increase the business and profit at the bank's branches.

I feel pride and immense satisfaction in being able to establish a “**senior citizen cell**” before I became one on the 31st of July 2012. I wish all my bank colleagues work hand in hand towards making banking experience easier for a common man.

SWAVALAMBAN SCHEME- New Pension Scheme for Unorganised Sector.

Swavalamban Scheme: Operational Guidelines

The Scheme and its applicability

1. The scheme will be called Swavalamban Yojana. It will be applicable to all citizens in the unorganised sector who join the New Pension System (NPS) administered by the Interim Pension Fund Regulatory and Development Authority (PFRDA).

Benefits under the Scheme

2. Under the scheme, Government will contribute Rs. 1000 per year to each NPS account opened in the year 2010-11 and for the next three years, that is, 2011-12, 2012-13 and 2013-14. The benefit will be available only to persons who join the NPS with a minimum contribution of Rs. 1,000 and maximum contribution of Rs. 12,000 per annum.

Definitions:

3. **Unorganised sector:** For the purpose of this scheme, a person will be deemed to belong to the unorganised sector if that person:

- is not in regular employment of the Central or a state government, or an autonomous body/ public sector undertaking of the Central or state government having employer assisted retirement benefit scheme, or
- is not covered by a social security scheme under any of the following laws:
- Employees' Provident Fund and miscellaneous Provisions Act,

1952

- The Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948

- The Seamen's Provident Fund Act, 1966

- The Assam Tea Plantations Provident Fund and Pension Fund Scheme Act, 1955

- The Jammu and Kashmir Employees' Provident Fund Act, 1961

4. All other definitions as given in the NPS offer document will apply to the terms used in this scheme.

Eligibility:

5. The scheme will be applicable to all persons in the unorganised sector subject to the condition that the benefit of Central Government contribution will be available only to those persons whose contribution to NPS is minimum Rs.1,000 and maximum Rs. 12,000 per annum, for both Tier I and II taken together, provided that the person makes a minimum contribution of Rs. 1000 per annum to his Tier I NPS account.

6. As a special case and in recognition of their faith in the NPS, all NPS accounts opened in 2009-10 will be entitled to the benefit of Government contribution under this scheme as if they were opened as new accounts in 2010-11 subject to the condition that they fulfill all the eligibility criteria prescribed under these guidelines.

Funding

7. The scheme will be funded by grants from Government of India. The grants would be given such that monthly payment in the subscriber account would be possible.

Operation

8. A person will have the option to join the NPS as an individual as per the existing scheme or through the CRA Lite approved by PFRDA.

9. At the time of joining the NPS the subscriber will have to declare whether he/she falls within the definition of unorganised sector as defined in para 3 above and would also declare that his contribution would range between Rs. 1,000 to Rs. 12,000 per annum. If subsequent to opening the NPS account it is found that the subscriber has made a false declaration about his eligibility for the benefits under this scheme or has been wrongly given the benefit of government contribution under this scheme for whatsoever reason, the entire government contribution will be deducted along with penal interest as may be specified from time to time.

If the status of the subscriber changes to ineligible after joining the NPS, he/she should immediately declare so and the benefit of government contribution will not accrue to the subscriber's account after the date on which the subscriber becomes ineligible.

10. At the end of each financial year the CRA will, by 7th April of the following

year, send to the PFRDA details of the NPS accounts opened during the year, showing separately the number of eligible NPS accounts in which the subscriber's contribution has been between Rs. 1,000 and Rs. 12,000. CRA will also send these details with individual PRAN to the Trustee Bank.

11. The exit from the Swavalamban Scheme would be on the same terms and conditions on which exit from Tier-I account of NPS is permitted, that is, exit at age 60 with 40% minimum annuitisation of pension wealth and exit before age 60 with 80% minimum annuitisation of pension wealth. However, the exit would be subject to the overriding condition that the amount of pension wealth to be annuitised should be sufficient to yield a minimum amount of Rs. 1,000 per month. If the annuitised pension wealth does not yield an amount of Rs. 1,000 per month, the percentage of pension wealth to be annuitised would be increased so that the pension amount becomes Rs. 1,000 per month, failing which the entire pension wealth would be subject to annuitisation. This minimum pension ceiling may be revised from time to time."

Miscellaneous

12. PFRDA may permit members of an existing pension scheme to migrate to NPS under such terms and conditions as may be approved by the Government.

Removal of Doubts

13. In case of any doubts on the eligibility, operation of the scheme or any other issue, the Central Government will decide the matter in consultation with PFRDA and the decision of the Central Government will be final.

Now when the situation will start improving the visible effects can be noticed and the belief and behaviour of both poor and lender will be receptive and thus path of progress will emerge to fight long war against poverty in each district and villages.

The experience of Shergarh, Bareilly models and Delhi models success stories is before you.

Again in year 2001-2003, the Bareilly district witnessed the outstanding achievement in fighting war against poverty with the active support of all the banks and government authorities.

Lending to poor, weaker section, unemployed youths under priority sector.

Since independence one can witness, there is an all round progress and visible development has been made. The dream of Gandhi ji for swaraj is yet to pick up momentum. All of us have to come forward for upliftment of weaker section and deprived class. We have to take them from Swaraj to Swavalamban. There is still lot of work which needs to be done for the weaker section of society. Only 15%(approx) work has been done so far. Even many microfinance companies have started functioning for the purpose in addition to Banking channels.

Difficult Area - Social Welfare Banking for Banks and Government Departments

Defining Weaker Section: -

As per recommendation of Krishna Swami Committee (1980). It comprises of

1. Small and marginal farmers with land holdings upto 5 acres and less and landless labourers, tenant farmers and share croppers.
2. Artisan village and cottage industries where individual credit limit do not exceed Rs 50,000 (now revised to Rs 2 lacs).
3. Beneficiaries of SGSY (Rural) and SJSRY (Urban).
4. Beneficiaries under DRI.
5. Schedule castes and schedule tribes.
6. Beneficiaries SLRS/special component.
7. Advances to Self Help Group.

Micro credit and SHGs

The poor are facing a lot of problems in getting institutional finance from Banks and other institutions. They are unable to meet their immediate small loan requirements and they have to rely on their relatives, friends, private money lenders, etc at a very high rate of interest(at the rate 5%-10% per month)

The recovery and administration cost loans is very high for banks in case of small loans and that is why they are reluctant in financing small loans to individuals. The poor have to take loan on an average 23% from relatives, 18% from money lenders

and 37% from shop keepers (fertilizer, cloth etc.). Only 12% are able to get loans from micro finance companies. The access of poor to credit must be increased by way of extending easy finance through banks and financial institutions at cheaper rate. The financing through SHGs has basic idea of giving economic power to women as they understand and manage home front very well. They know the family requirement for expenses like emergency food needs, utensils, debt redemption, and emergency house repair, medical cost, clothes, radio, cycle, marriage, education loan etc.

If the right kind of help is extended to the poorest of the poor for which they have the ability to successfully run a small business, they should be counselled and guided for forming self help groups.

The poor find savings difficult with Banks or otherwise. They must form a saving club popularly known as 'Self Help Group'. A SHG comprises of 10-20 members of almost the same economic status. They contribute Rs 100 per month or above and save regularly so that enough funds and capital is accumulated with group. They utilise this corpus for micro financing their small needs for any purpose like medical emergency loan, consumption loan, and economic activity loan whatever the group decide at reasonable rate of interest for internal loaning. The interest rate and period of repayment of loan is decided in the group meeting.

The group can be formed by conducting general meeting of the members where they elect their general secretary, president and treasurer from the group. The name of the group is also decided in the meeting along with the bylaws of the same. The group can be unregistered or registered and bank account can be opened after passing the resolution and operational instruction by the group which are submitted to bank along with by laws for opening of account.

Usually the account is operated jointly by the president/secretary and treasurer nominated by the group. The record of each meeting is maintained and group account records are also maintained. After forming and savings is collected by the group members they can start internal loaning to the group members as decided in the meeting.

The group can get revolving fund from DRDA and DUDA to increase internal loaning of the group after functioning of group for 12-18 months the grading exercise of the group is done by DRDA people and bank officials so that it can be linked by the bank for sanctioning economic activity loan. The project cost for each economic activity is fixed by block officials. The group decides for selection of economic activity best

suited for the group viz. Dairy farming, goat farming, cane, wool and achaar and papad etc.

The financing by Bank to SHG is economically feasible because the supervision and recovery cost is only $1/4^{\text{th}}$ the cost of individual financing. The banks are also happy to receive the savings withdrawal from groups as operational cost is $1/10^{\text{th}}$ of individuals doing banking transactions.

In weekly, fortnightly, monthly group meetings they can deposit their individual group savings and can get loan sanctioned in the meeting itself. They can discuss various issues amongst the members like education, family planning and other economic issues and benefits by govt departments.

The SHG financing is very effective and successful as recovery of loans is 95% and supervision cost is also very low. The group members (and economically poor individuals) gain strength gradually and become self sufficient.

The block and bank officials, NABARD, DRDA, DUDA officials should also attend meetings at various villages for guiding/counselling them and their upliftment. Thus the decision making ability and entrepreneurial development of BPL families takes place in the form of groups.

Differential Rate of Interest (DRI) Scheme

The public sector banks have introduced the Differential Rates of Interest (DRI) Scheme in 1972 to extend bank credit to the weaker sections at concessional rates of interest. It was created with the objective to lend at a concessional rate of interest, i.e. @4% p.a. for productive/self employment ventures.

Under the DRI scheme, the banks are directed by the Reserve Bank to finance:

1. Scheduled castes and scheduled tribes and others engaged on a modest scale in agriculture and allied activities.
2. The physically-handicapped people on a modest scale by offering loans for cottage and rural industries and vocations like sewing garments, making reasonably cheap edibles, running wayside tea stalls, basket-making etc.
3. People engaged in elementary processing of forest products.
4. Village artisans in the decentralised sector.

The private sector banks also participate in the DRI scheme on a voluntary basis.

The scheme envisages promoting gainful employment among the weaker sections.

The eligibility criteria for availing loan under DRI scheme is as follows :

- * Family income not exceeding Rs.18, 000/- p.a. in rural areas and Rs.24, 000/- p.a. urban / semi urban areas.
- * Land holding does not exceed 1 acre irrigated or 2.5 acres in case of un-irrigated land.
- * SCs/STs are eligible for loan irrespective of their land holding, provided they satisfy other eligibility criteria.
- * The beneficiary largely works on his own and with such help as other members of his family.
- * The beneficiary should not have another source of finance while DRI loan exists.

As per the revised guidelines issued by the Reserve Bank, commercial banks are obliged to set aside 40 per cent of their advances meant under DRI scheme for beneficiaries belonging to the scheduled castes and scheduled tribes.

The amount of loan that will be given to those satisfying the eligibility criteria is as follows :

1. Maximum of Rs.15,000/- by way of terms loan and / or working capital.
2. The maximum limit for housing loans under the scheme is Rs.20,000/-.
3. In the case of physically handicapped persons, a sum of Rs.5,000/- for purchase of aids, appliances and equipments may be granted, apart from the loan amount of Rs.15,000/-.

The repayment structure under DRI scheme

1. Maximum of 5 years.
2. In case of housing loans, the repayment period is extendable to 7 years in hardship cases.
3. Installments to be fixed monthly or otherwise depending on income generation.

INTEREST SUBSIDY SCHEME FOR HOUSING TO URBAN POOR

(For EWS and LIG segment)

The scheme enables the EWS (Economically weaker section) and LIG (Lower Income Group) households to avail affordable housing loans for purchase of house or

construction of new house with special emphasis to SC/ST/Minorities/Person with disabilities and women beneficiaries identified by the Urban Local Bodies (ULB).

The individuals with average monthly income upto Rs 3300 fall under the category of EWS, whereas those with average monthly salary ranging between Rs 3301- Rs 7300 come under LIG.

For EWS the scheme will provide a subsidized loan for a maximum amount of Rs 1 lac for a house of atleast 25 sq.mts.

And, for LIG a similar loan of maximum loan amount of Rs 1.6 lac for a house of atleast 40 sq. mts will be admissible. However, subsidy will be given for loan amount up to Rs 1lac only.

Additional loans if needed would be at unsubsidised rates.

An interest subsidy of 5% per annum will be given directly by NHB/HUDCO in their loan account.

The lead banks in each district should aggressively arrange for housing finance under this scheme and to expedite the scheme joint selection of housing loan applicants may be done to help the urban poor and to avoid unnecessary delay in rural areas the applicants selection may be done with the help of bank and block officials. The housing loan limit has also been increased up to Rs 5 lacs for LIG. The government is arranging through HUDCO for construction of L.I.G, E.W.S houses. The pace must be increased by involving more private builders and district development agencies like DDA, GDA and LDA etc.

The more funds for refinance to banks through NHB and NABARD can be raised through bonds.

New income tax exemption up to Rs 10,000 may be considered by government under PM relief fund- B.P.L poverty alleviation.

Swaranjayanti Gram Swarojgar Yojana (SGSY)

(Source:_____)

A life of dignity is the right of every citizen. Poverty is an obstruction to a dignified life. Self- employment is a significant step to have sustained incomes and remove the shackles of poverty. Earlier programme like IRDP were good but were not adequate to meet all the requirements. Government have now introduced an effective Self-Employment programme 'Swarnajayanti Gram Swarozgar', or SGSY.

Under the SGSY, assistance is given to the poor families living below the poverty line in rural areas for taking up self employment. The persons taking up Self-Employment are called swarozgaris. They may take up the activity either individually or in Groups, called the Self-Help Groups. For successful Self-Employment, it is necessary to take up the right activity. For this purpose, 4 to 5 activities are selected in each Block with the help of officials, non-officials and the Bankers. These are called 'Key Activities', and should be such that they give the Swarozgaris an income of Rs. 2000 per month, net of Bank loan repayment.

Quite often, in villages, people have skills. If any BPL person feel that he/she can gainfully take up any activity he/she should immediately approach the Sarpanch or the BDO or the Branch Manager of the nearest Bank.

Effective Self-Employment not only means choosing the Right activity but also carrying out the activity in the Right manner. Self-Employment involves procurement of raw material production, marketing of goods and dealing with finance. A single Swarozgari may not be able to do all this by himself/herself. It is therefore advisable for the Swarozgaris to form Groups – the Self-Help Groups. SGSY actively promotes Self-Help Groups.

Swarna Jayanti Shahri Rozgar Yojna (SJSRY)

Ministry of Housing & Urban Poverty Alleviation launched the aforementioned scheme in 1997 which was subsequently revised in 2009 with objective of addressing urban poverty alleviation through gainful employment to the urban unemployed or underemployed poor by encouraging them to setup self-employment ventures (individual or group), with support for their sustainability; or undertake wage employment.

The details of financing pattern under the scheme are as follows:

Maximum allowable unit project cost - 2,00,000 INR

Maximum Allowable Subsidy – 25% of the project cost subject to maximum 50,000 INR

Beneficiary Contribution – 5% of Project cost as Margin

Collateral – No Collateral Required

Scheme of Liberation and Rehabilitation of Scavengers (SLRS)

The Government of India have launched on March 22, 1992 a National Scheme for Rehabilitation of Scavengers and their dependents.

The objective of the scheme is to liberate scavengers and their dependents from their existing hereditary and obnoxious occupation of manually removing night soil and filth and to provide for and engage them in alternative and dignified occupations within a period of five years.

The Scheme comprises of the following components:

- (i) Time bound programme for identification of scavengers and their dependents and their aptitude for alternative trade through a survey.
- (ii) Training in identified trades for scavengers and their dependents at Government training institutions .
- (iii) Rehabilitation of scavengers in various trades and occupations by providing subsidy.

The National Scheme of Liberation and Rehabilitation of Scavengers is applicable to Public Sector Banks. The Scheme would cover scavengers in urban areas, semi-urban areas, rural areas and any other town or area including Cantonment boards, colonies set up by public sector undertakings etc. where manual scavenging prevails. Implementing agencies should sponsor for assistance under the scheme candidates above 18 years of age as advancing loans to minors acts as disincentive from attending school.

Rehabilitative training will be provided by the Training Institution set up by the Government of India, State Government,/ UT Administration to private scavengers and their dependents including the dependents of scavengers employed by local bodies in suitably identified trades keeping in view their aptitude and local requirements and environments.

The duration of the rehabilitative training imparted in training centres run by different departments of the state Governments and Central Government would range from one month to six months. The entire cost of training will be borne by the Central Government.

Loans granted by banks to the scavengers under the scheme will be eligible for classification under priority sector and loans up to Rs. 6500/- as loans under Differential Rate of Interest Scheme.

Funding:

The scheme provides for funding of projects costing up to Rs. 50,000/- per beneficiary and also for margin money to the extent of 15% of the project cost at 4 % rate of interest.

For projects costing Rs. 50,000/- the break up would be Rs. 10,000/- subsidy, Rs. 7,500/- margin money from State Scheduled Caste Development Corporations (SCDC)and Rs. 32,500/- loan from the banks.

Under the scheme subsidy would be 50 % of the project cost with a minimum ceiling of Rs. 10,000/--.

Thus for financial assistance the maximum project cost would be Rs. 50,000/-with 50 % subsidy with a maximum ceiling of Rs. 10,000/- and 15% as margin money.

Loans up to Rs. 6500/-are treated as loans under DRI Scheme and concessional rate of interest at 4 % is extended notwithstanding the fact that the project cost may exceed Rs. 6,500/-. Where the loan sanctioned / disbursed is more than Rs. 6,500/- such loans will attract rate of interest according to RBI directive on interest.

The bank should ensure that as far as possible the entire loan amount along with subsidy and margin money loan is disbursed at the time of acquisition of assets in one instalment to enable borrower to purchase assets of right specifications. However, if loan is disbursed in stages, the banks should ensure that the entire subsidy amount and margin money assistance is done as soon as 25 % of the sanctioned loan amount is disbursed.

Eligibility:

1. An applicant may be considered for assistance even if he/she had been assisted earlier under any subsidy linked scheme if the applicant is otherwise eligible. However, an existing defaulter applicant will not be eligible for assistance. A member of family being a defaulter need not be a bar for considering the application of another member of the family for assistance.
2. To enable the SCDC to formulate large economically viable projects and to inculcate a feeling of self-help among the scavengers "Group Projects" are allowed. The SCDC should formation of Group Projects and pool together permissible subsidy and margin money loan.

PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME (PMEGP)

In Aug 2008, Dr. Manmohan Singh launched a new employment generation scheme, PMEGP which is new credit linked subsidy scheme (PMRY & REGP schemes merged) to generate more employment to about 37,37,500 with financial estimate of Rs 4485 crores in four years.

The PMEGP will be implemented through the ministry of micro, small and medium enterprises. The maximum cost of a project admissible under manufacturing sector will be Rs 25 lacs and in the business sector Rs 10 lacs. There is no ceiling on the annual income of the beneficiary.

The beneficiaries will be identified with the help of Panchayats and at awareness camps and provide a mandatory entrepreneurship development programme for three weeks.

In urban areas, the subsidy for general category would be 15% and 25% for special category such as scheduled caste etc. A margin for entrepreneur will be 10% for Gen category and special category it is 5%.

पी. एम. आर. वाई. के अंतर्गत बैंक को पुरस्कार



जिला उद्योग केन्द्र, बरेली द्वारा प्रधानमंत्री रोजगार योजना के अंतर्गत उत्कृष्ट कार्य करने वाले बैंकर्स के सम्मान में एक स्वागत समारोह का आयोजन किया गया जिसकी अध्यक्षता माननीय जिलाधिकारी, बरेली द्वारा की गयी। समारोह में उप महाप्रबंधक, पश्चिमी उ. प्र. एवं उत्तरांचल अंचल, श्री टी. बी. लक्ष्मीनारायनन ने विशिष्ट अतिथि के रूप में भाग लिया। समारोह में जिलाधिकारी द्वारा उत्कृष्ट कार्य करने वाले बैंकर्स को प्रशस्ति पत्र एवं शील्ड देकर सम्मानित किया गया। हमारे बैंक को ओवर आल परफार्मेंस के लिए स्टेट बैंक के साथ संयुक्त रूप से प्रथम पुरस्कार की ट्रॉफी प्रदान की गयी।



Mr. A.K Khanna receiving award from the then District Magistrate Mr. Rama Raman, 2002

The problems of poor can only be solved by financing them with helping attitude. The utmost favour one can do is to provide them with hassle free credit flow, along with extensive counselling, trainings and regular visits to villages.

In recent study it is revealed that chances of N.P.As are greater by 10% in providing loans under priority sector as compared with any other sector. Now to encourage lending under priority sector esp to poor, after intensive joint survey should be without political interference. The financing should be need based and on the case to case basis looking into the economic condition of village and the requirement of the local area.

The govt has done commendable work by giving direct interest subsidy to farmers for crop loans. The RBI, NABARD etc. Also have done applaudable job. At the same time the waiver/write off of loans should not be done henceforth which affects adversely on the mind sets of public. The banks also feel discouraged at the same time for aggressive financing.

Message



I hope these ideas of **social welfare Banking** will benefit billions of people the way it has helped thousands of small marginal farmers, urban poor, weaker section and unemployed youths etc. of Bareilly District during my tenure as Lead District Manager from 2001-2002.

During my 41 years of banking career, I have attained immense satisfaction and respect by bringing happiness to thousands of BPL families and other economically weaker sections of the society. Further I have realised that power and impact of Social Welfare Banking can solve the problem of poverty in India.

This is the heart and soul of this book. Each success story can be applied to eradicate poverty from India with social welfare approach and a strong desire for a noble cause. The key to success is action with focussed goal to eliminate poverty.

My mission and aim has been the service of the poorest of society in form of small help - doses of loan and counselling individuals and groups for developing entrepreneurial skills to improve their livelihood and family.

The BPL lists are available at each block headquarters of all the districts. The inspection by bank officials from BPL list should be done village wise along with village level workers of the blocks by regular visits. They should be counselled and guided properly as to ascertain their needs. If SHG can be formed for joint activities like atta chakki, rice huller's , khandsari udhyog etc, What they want to do?What they think about selecting proper economic activity for livelihood looking to present activity being under taken?

After proper selection of beneficiaries who are deprived from the benefits of economic growth of the country.

1. Proper record / family history and economic activity proposed to be undertaken by the beneficiary..
2. They must be covered under Swavalamban scheme of Rs. 1000 p.a.
3. General Term Insurance of Rs 1 lac per BPL family with premium to be borne by the concerned Bank.
4. Self Help Groups should be formed with the help of NABARD so that they can be linked to economic activities financed by the banks. Arrange timely loans for economic activities, consumption loans, education, self employment of the children, housing loan need as per the requirement of the BPL family.
5. The Gram Pradhan and Gram Panchayat can be involved along with NABARD officials and district industry centre representatives.
6. The villagers need simple solution for their complex problems timely.

A separate ministry for monitoring 20 point programme may be formed under the aegis of the Hon. Prime Minister.

India will only wake up when many lion hearted people will sacrifice their personal interest to bring happiness in crores of Indians struggling with poverty. We should not ignore the problem of others where ever it is required. We must try to help them out from crisis/suffering with your kind efforts.

Each and every concerned citizen must act fast like war situation including govt officials, ministers, MPs, MLAs, and join this long war against poverty.

This will be possible only by improving administration at all levels i.e. The 20th point of Smt. Indira Gandhi "responsible administration".

So be responsible and take the beloved country forward to eradicate poverty.



Mr. A.K Khanna(Lead District Manager and Secretary, Banker's Club,Bareilly) addressing Banker's Club Meet, in 2002 along with President of Banker's Club,Mr. Khosla and DDM NABARD Mr.Malhotra

The active role at all the Blocks and Districts by BDOs, DMs, CDOs, and Bank officers,NABARD, RRBs etc is required.

Please do not leave any chance to serve the society, do it with heart and soul, think you are the greatest servant to God and your service to mankind will be accepted by God automatically and Do something constructive for the society and take first step to long march to poverty alleviation.

A.K Khanna



Rural Poverty Alleviation with Social Welfare Banking Model 1982



Mr. A.K Khanna receiving Sevashree award, 2012.

My way of attacking rural and urban poverty with Social Welfare Banking model 1982 and model 2012.

A.K Khanna