



From

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Mission Director,

MEPMA,
Hyderabad.

To

All the Project Directors

& AC, UCD, GHMC

MEPMA,
Telangana.

Sub: MEPMA – DAY-NULM –SHG-Bank Linkage – Calculation of Vaddi Leni Runalu & Interest Subvention – Certain instructions for data entry – Reg.

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I invite kind attention to the subject cited.

It is to inform that the loans disbursed under SHG-Bank Linkage are to be entered into MEPMA Portal by the field staff. In order to be eligible for VLR/IS the following point's needs careful attention and should be considered while entering the data:

Loan details entry:

- **Data sharing banks:** The loans are automatically mapped to the SHGs based on SB account details from the data shared by banks. The loans extended by the banks during a particular month are normally updated in the 3rd week of the following month. Here, the field staff are directed to ensure that the data shared is up to date and identify for the mismatch loans, if any, in TMC login.
- If the loans are not matched with any of the SHGs as per MEPMA/SERP database they will be shown under mismatch loans (Report No. R.18).
- The ULBs at periodical intervals have to identify the mismatch loans and map the mismatch loans to the concerned SHGs in the Mismatch Loan Mapping entry screen provided in TMC login. If the loan belongs to SERP, they can map the loan to SERP. Detailed guidelines, on updating of mismatch loans, have been placed in website (Report No. R. 19.1).
- **Non data sharing banks:** The field staff are directed to obtain the data from non data sharing banks and ensure the data entry of the loans given during a particular month.
- The field staff shall get the data i.e., either bank statement or passbooks from SHG(Format attached as Annexure) and the Town Mission Coordinator(TMC) shall ensure the data entry of

File No.MEPMA-VLR/GENC/1/2017-SMC-BL-MEPMA

the loans given during the month within one week of loan disbursement.

Repayment/EMI amount:

- **Cash Credit Loan:** 3% of outstanding loan amount is to be paid.
- **Term loan:** Total EMI amount which will be calculated based on the loan amount, No of installments and Rate of Interest. The EMI amount generated in system shall be informed to each SHG and ensure the repayment of EMI amount every month.
- SHG's which are paying lesser amounts than the prescribed EMI of any loan, are not eligible for claiming VLR/Interest Subvention.

Repayment details entry:

- **Data sharing banks:** The following data will be shared by the data sharing banks (List enclosed) pertaining to SHG product code.
 - New Loans i.e., Term Loan/CCL disbursed during the month.
 - Term/CCL transactions i.e., repayment details of SHGs (repayment details).
 - The field staff are directed to verify the updation of the repayment amount of the SHGs.
- **Non data sharing banks:** The field staff shall get the data from banks and ensure the data entry of the repayment details of every month by end of the same month.

Over dues:

In the following cases, the loans will be considered as overdue and not eligible for VLR/Interest Subvention:

- Irregular SHG's who have not paid their EMI/Repayment amounts regularly.
- SHG's who have paid less than the prescribed EMI or defaulted in paying the number of installments.

For example: If the loan amount is Rs. 5.00 lakhs, No of installments - 60, then the EMI is Rs. 11634/-(as per EMI calculator) and the SHG paid Rs. 11600/- every month regularly. Then that SHG will not be eligible for VLR/IS even though the loan installment are paid promptly and in time as there is difference in amount.

- If an SHG has not paid one monthly installment and during the following month the SHG should pay 2 installments to cover up the irregularity and pay the amount. Then only the SHG will be eligible for VLR/IS.

NON Data Sharing banks - No Transaction Found:

- In case of non data sharing banks even though the loan EMI/Repayment amount is

File No.MEPMA-VLR/GENC/1/2017-SMC-BL-MEPMA

repaid promptly and timely, if the data entry is not done by the field staff then it will be considered as No Transaction Found and VLR/IS would not be calculated for those SHGs.

Interest Subvention Calculation:

1. Interest Subvention under DAY-NULM Scheme:

- NULM will provide interest subsidy for individual & groups accessing bank loan. The interest subsidy will be the difference between the prevailing rate of interest charged by the bank and 7% per annum, on all loans to urban poor.
- The difference in interest amount on loan (between the prevailing rate of interest and 7% per annum) will be reimbursed to banks.
- An additional 3 percent interest subvention will be provided to all Women SHGs (WSHGs) who repay their loan in time.
- Under NULM Scheme, Interest Subvention amount is calculated on the Total amount taken by SHG (without limitation of Rs. 5.00 lakhs loan amount).

2. Interest Subvention under Vaddi Leni Runalu Scheme:

- The remaining total interest amount (after releasing the interest amount under DAY-NULM Scheme) will be reimbursed under VLR scheme.
- Under VLR scheme, the Interest subvention is calculated upto Rs. 5.00 lakhs in case of term loan. And in case of CCL, the SHG shall repay atleast 3% of the outstanding principal amount each month to become eligible under interest subvention.

3. Crediting Account of VLR or Interest Subvention under DAY-NULM:

- The VLR/Interest Subvention amount will be credited to the present SB account of the SHG. Hence, the field staff shall ensure updation of SB accounts immediately in Project Directors login as and when the SHG changes its SB account from one bank to another.

Route causes for not getting VLR to eligible SHGs:

- Data entry was not done by field staff on monthly basis and in time. The data was entered at irregular intervals, due to which the repayment amounts were replicated as overdue and hence the system has treated the loan accounts as overdue and VLR/IS was not calculated. You may verify from the data entry done by Field staff through loan search option in MEPMA portal for

better appraisal (Loan issued (mapped) date and data entry date is mentioned against the loan details).

- TCS is calculating the VLR & Interest Subvention for every month at the end of the month. If the field staff updates the data after the calculation of VLR/IS, then the SHG will not get VLR/IS. Due to which Service Provider TCS is unable to compute the VLR/IS and most of the eligible SHGs have become ineligible for VLR/IS.

In view of the above, directions are hereby given to ensure the updation of loan details along with repayment details pertaining to Non-Data sharing banks from 01.01.2012 to till date by the end of March 2017 without fail. Otherwise, action shall be initiated against the staff who fail to enter the details.

The Project Directors are hereby directed to circulate the same to all the field staff & TLFs and instruct the DMCs to monitor the total data updation in the portal on daily basis without delay as per the norms under SIIG- Bank Linkage.

Yours faithfully,

MISSION DIRECTOR

Copy to the Lead District Managers of all districts requesting to circulate to all the bank controllers.

Signature valid

Digitally signed by
ANDANA KUMAR
Date: 2017.03.03 15:02:26 IST
Reason: I am the author