

Self Help Groups - Mahalir Thittam – Sanction of Revolving Fund Subsidy to 1,50,000 Self Help Groups during 2008-09 –Expenditure of Rs. 150 crores sanctioned – Release of Rs. 57 crores

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Rural Development and Panchayat Raj (CGS3) Department

G.O. (Ms) .No.99

Dated: 13. 6.2008.

Read:-

1. From the Managing Director, Tamil Nadu Corporation for Development of Women Limited D.O.Lr.No. 319/MC/2008 dated 12.5.2008.

The Managing Director in his letter read above has stated that Tamil Nadu Corporation for Development of Women Limited is implementing Mahalir Thittam in partnership with Non Government Organisations with the objective of bringing about socio-economic development and empowerment of women. Under Mahalir Thittam, Self Help Groups are formed, systematically trained and motivated to start income generating activities by facilitating credit linkage. In the first stage, six months after formation of the groups, the Self Help Groups are credit rated. The Self Help Groups which pass the credit rating are provided Revolving Fund (RF) of Rs.10,000/- as subsidy under various schemes like Swarnajayanti Gram swarozgar Yojana, TAHDCO etc. In addition, banks provide credit upto Rs.30,000/- per group. This revolving fund helps the groups to take up small economic activities and eventually graduate to bigger economic activities. Providing Revolving Fund subsidy is the first step to link the Self Help Groups with the banks and to promote economic empowerment.

2. The Managing Director, Tamil Nadu Corporation for Development of Women Limited further stated that realising the need to increase Self Help Group credit linkage the Government of Tamil Nadu have taken various initiatives and was the first to provide revolving fund to the urban Self Help Groups from the year 2006-07 on par with Self Help Groups in rural areas. 30000 urban Self Help Groups were provided with Revolving fund subsidy during the past two years at a cost of Rs.30 crores. The allotment of funds for Revolving Fund under Swarnajayanti Gram swarozgar Yojana and other schemes is limited, all the eligible Self Help Groups have not been provided Revolving Fund subsidy. If substantial additional funds are not provided to give Revolving Fund subsidy, it will take many years to clear the backlog of eligible groups. The Government have announced that 1,50,000 Self Help Groups will be provided Revolving Fund subsidy in order to facilitate credit linkage and Rs.150 crores have been earmarked for providing Revolving Fund subsidy. The required amount of Rs.150 crores is proposed to be met from the following sources:-

|   |               |
|---|---------------|
| SGSY scheme funds for the year 2008-09                            | Rs. 56 crores |
| Unspent money available with TNCDW (including SGSY reimbursement) | Rs. 37 crores |
| Funds required from Government under Mahalir Thittam              | Rs.57 crores  |
| Total   | Rs.150crores  |

3. The Managing Director, Tamil Nadu Corporation for Development of Women Limited has requested the Government to approve the expenditure of Rs.150.00 crores to be met from the sources mentioned above and sanction and release a sum of Rs.57 crores (Rupees fifty seven crores only) for the purpose of providing Revolving Fund to 1,50,000 Self Help Groups . He has also requested the Government to permit the Corporation to utilise Rs. 37 crores (Rupees Thirty seven crores only) from the unspent funds available with Tamil Nadu Corporation for Development of Women Limited for providing Revolving Fund subsidy to Self Help Groups to operationalise the budget announcement. He has further requested the Government to authorise the Special Commissioner and Secretary to Government, Rural Development & Panchayat Raj Department to amend the guidelines of the scheme based on the operational requirement, in consultation with the Managing Director, Tamil Nadu Corporation for Development of Women Limited.

4. The Government after careful consideration accept the proposal of the Managing Director, Tamil Nadu Corporation for Development of Women Limited and accordingly issue the following orders:-

- (i) Approve an expenditure of Rs. 150,00,00,000/- (Rupees One Hundred and fifty crores only) for the purpose of providing Revolving Fund subsidy to 1,50,000 Self Help Groups and the expenditure shall be met from the sources proposed at para 2 above.
- (ii) Accord sanction and release a sum of Rs. 57,00,00,000/- (Rupees Fifty seven crores only) for the purpose of providing Revolving Fund subsidy to Self Help Groups.
- (iii) Permit the Tamil Nadu Corporation for Development of Women Limited to utilize the unspent funds of Rs.37,00,00,000/- (Rupees Thirty seven crores only) including SGSY reimbursement available with Tamil Nadu Corporation for Development of Women Limited for providing Revolving Fund subsidy to Self Help Groups.
- (iv) Authorise the Special Commissioner and Secretary to Government, Rural Development and Panchayat Raj Department to amend the guidelines of the scheme based on the operational requirement, in consultation with the Managing Director, Tamil Nadu Corporation for Development of Women Limited.

5. (a) Out of the amount of Rs.57 crores, sanctioned in para 4 (ii) above, a sum of Rs.45.45 crores shall be debited under the following head of account.

“2235 Social Security and Welfare-02 Social Welfare 103 Women’s Welfare – Schemes in the Eleventh Five year Plan –II State plan.LC. Tamil Nadu Women’s Development Project (Mahalir Thittam) 11 Subsidies – 02 General Subsidy (DPC 2235 02 103 LC 1123)

(b)The balance of Rs.11.55 crores shall be debited under the following head of account.

“2235 Social Security and Welfare-02 Social Welfare 789 Special Component Plan for Scheduled Castes - Schemes in the Eleventh Five year Plan – II State plan.JD. Tamil Nadu Women’s Development Project (Mahalir Thittam) 11 Subsidies – 02 General Subsidy (DPC 2235 02 789 JD 1121)

6. The Director of Rural Development and Panchayat Raj is authorised to draw and disburse the amount released in para 4 (ii) to the Tamil Nadu Corporation for Development of Women Limited by means of cheque.

7. This order issues with the concurrence of Finance Department vide its U.O.Note No.1488/FS/P/2008 dated 30.5.2008.

(By Order of the Governor)

**K. Deenabandu,**  
Secretary to Government (i/c)