



## **ABSTRACT**

Announcement - Announcement No.21, made by the Hon'ble Minister (Finance and Human Resources Management) in the Budget Speech - Pilot training programme to develop Self Help Groups into smart Self Help Groups – Orders - Issued.

### **Rural Development and Panchayat Raj (CGS-3(1)) Department**

**G.O.(Ms.) No.61**

**Dated: 19.04.2023**

**சோபகிருது வருடம், சித்திரை 06**

**திருவள்ளூர் ஆண்டு, 2054**

**Read:**

1. Announcement made by Hon'ble Minister (Finance and Human Resources Management) in the Budget Speech 2022-23.
2. Managing Director, Tamil Nadu Corporation for Development of Women Limited, Letter Roc.No. No.2121/2022/P&C, dated: 05.09.2022.

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### **ORDER:-**

The Hon'ble Minister for Finance and Human Resources Management has made an announcement in the Budget Speech 2022-23 that,

"A pilot training programme to develop Self Help Groups into smart Self Help Groups in tune with current technological and economic needs will be launched in Madurai. The training will not only enable their development but also enable them to contribute to the betterment of the society".

2. The Managing Director, Tamil Nadu Corporation for Development of Women Limited has suggested the following suggestions for way forwarding in piloting smart Self Help Group in Madurai.

- i. Based on the rich experience, heritage and legacy of Tamil Nadu in the digitization of Self Help Group / Panchayat Level Federation / Village Poverty Reduction Committee records from 2007-08 onwards through Pudhu Vaazhvu Project (PVP) and International Fund for Agricultural Development (IFAD) projects, now the announcement of Smart SHG on pilot basis may be rolled out in Tamil Nadu in Madurai District by providing Mobile Tablets and training to SHG members in carrying out their regular SHG activities and record maintenance like cash book, savings/ loan ledger, loan repayment ledger by digitizing the same.
- ii. Tamil Nadu Urban Livelihood Mission (TNULM) shall pilot the Smart Self Help Group concept in the Madurai Central Assembly Constituency. The Constituency consists of 22 Wards and 20 Area Level Federations (ALFs) covering 24,215 Below Poverty Line households. So far, 1251 Self Help Groups have been formed in these 22 wards and is being federated under the 20 Area Level Federations (ALFs).
- iii. The Smart SHG concept shall be piloted in a few Area Level Federations (ALFs) on a pilot basis as below:
  - 5 ALFs may be chosen for the pilot for Smart Self Help Groups.

- These 5 Area Level Federation (ALF) have 117 Self Help Groups federated under them and on an average each Area Level Federation (ALF) will cover around 20 Self Help Groups.
- A Tab costing between Rs.15,000 – Rs.20,000 may be provided to each Area Level Federation (ALF) or each Self Help Group and training is to be provided to all the Self Help Group leaders i.e., Animators, Representative of the Self Help Groups federated under the concerned Area Level Federations (ALFs).
- The Area Level Federation (ALF) shall be trained on computer skills and Tally for maintenance of accounts and digitalization for Self Help Group accounts and all the financial ledgers of the Self Help Groups like the savings, loan, loan repayment, bank linkage, etc., to be maintained in digital form in the future.
- Digitization of Self Help Group records like conduct of Self Help Group meetings, record of minutes, monthly / weekly savings, e-saving passbook, e-ledger loan management, etc. can be given to all the members of the Self Help Groups under the Area Level Federation (ALF).
- The budget for digital training to Area Level Federations (ALFs) and through them to the Self Help Groups and for provision of Tablet shall be done on a pilot basis.

**Outcomes Expected from the Pilot Programme:**

The project aims to transform Self Help Groups into digitally empowered Community Based Organisations (CBOs) which will form the fulcrum of women-empowered knowledge economy. The project aims at integrating Self Help Group members with digital inclusion to improve transparency and accountability of SHG operations. It also would entail real-time monitoring of SHG bank linkage and internal lending activities, creating a platform for improved credibility of SHG operations. This project would also improve the quality of interface between Self Help Group members and banks for efficient and hassle-free delivery of banking services.

Sl. No	Description	Rural / Urban	Model 1	Model 2	Model 3
1.	Data Entry of Activities	Urban	CRPs attached to the ALFs/SHGs undertake the data entry of financial activities.		
		Rural	CSTs attached to the PLFs/SHGs undertake the data entry of financial activities.		
2.	Periodicity of Monitoring	Urban	With the tablets given only to the ALFs/SHGs, the CRPs will undertake a scheduled tour of all the SHGs under them and capture their savings, internal and external lending transactions and repayment activities on a periodic basis.		
		Rural	With the tablets given only to the PLFs/SHGs, the CSTs will undertake a scheduled tour of all the PLFs/SHGs under them and capture their savings, internal and external lending transactions and repayment activities on a periodic basis.		
3.	Capacity Enhancement	Urban & Rural	Capacity is enhanced at every ALF, not at the level of the SHG.	Capacity is enhanced at the level of the SHG itself as each SHG is provided with the Tablet for Financial monitoring.	Capacity is enhanced at the level of each SHG in a larger geographical area of Zone or Block.

	Procurement and Training Cost	Urban & Rural	This model entails lower procurement cost Rs.3,30,000/-	This model entails a little higher procurement cost than model-I Rs.57,35,000/-.	This model entails higher procurement cost than model I & II Rs.4,19,65,000/- and it covers the entire area.
4.	Nature of data capture	Urban	Tablet is retained by the ALFs/SHGs office bearers and only financial inclusion related activities are captured and monitored through the system on a periodic basis.		
Rural		Tablet is retained by the PLFs/SHGs and hence, data beyond financial inclusion related parameters are also captured and the equipment can be used to deliver other Government scheme related information to the SHGs.			

#### **Benefits of digitization of SHGs:**

- Main-streaming of Self Help Group members with Digital Inclusion agenda to access a wider range of financial and other livelihood support services.
- Digitization of Self Help Group accounts will increase bankers' comfort in credit appraisal and disbursal;
- Automatic and accurate Rating of Self Help Groups will be available, online for Banks.
- Ease of transfer of social benefits and DBT through Aadhaar linked accounts and convergence with other benefit schemes of the Government.
- Real time generation of various reports relating to Self Help Group grading, financial reports, credit health, repayment track record for better and more effective decision making by monitoring agencies.

3. The Managing Director, Tamil Nadu Corporation for Development of Women Limited has, therefore, recommended the implementation of the Pilot on Smart Self Help Groups in any one of the models (3 Urban + 3 Rural) depending on the area selected for pilot, as below:-

Pilot Project Model	Urban (Madurai Central Constituency Zone I & IV)	Cost (Only Urban) (In Rs.)	Rural (Vadippatti Block)	Cost (Only Rural) (In Rs.)	Total Cost (Rural + Urban) (In Rs.)
Model- I (Tablet to only ALF/ PLF) in Vadipatti Block	1. Training 5 ALFs x 2 members = 10 members and 5 CRPs) (15 members x Rs.5000)	75,000	1. Training 5 PLFs x 2 members = 10 members and 5 CSTs) (15 members x Rs.5000)	75,000	
	2. 5 ALFs 1 Tablet each for 5 ALFs to be procured @ INR.18,000 (incl. 18% GST) (5 tablet x 18,000)	90,000	2. 5 PLFs 1 Tablet each for 5 PLFs to be procured @ INR.18,000 (incl. 18% GST) (5 tablets x 18,000)	90,000	
	<b>Sub -Total</b>	<b>1,65,000</b>		<b>1,65,000</b>	

<b>Model- II (Tablet to every SHG in the pilot ALF / PLF) In Vadipatti Block</b>	1. Training to (5 ALFs x 2 members / 117 SHGs x 1 member / 5 CRPs = 132 members) (132 members x Rs.5,000)	6,60,000	1. Training to (5 PLFs x 2 members / 118 SHGs x 1 member / 5 CSTs = 133 members) (133 members x Rs.5,000)	6,65,000	
	2. 5 ALFs / 117 SHGs 1 Tablet each for 5 ALFs / 117 SHGs to be procured @ INR.18,000 (incl. 18% GST) (122 tablets x 18,000)	21,96,000	2. 5 PLFs / 118 SHGs 1 Tablet each for 5 PLFs / 118 SHGs to be procured @ INR.18,000 (incl. 18% GST) (123 tablets x 18,000)	22,14,000	
	<b>Sub-Total</b>	<b>28,56,000</b>		<b>28,79,000</b>	<b>57,35,000</b>
<b>Model- III (Tablet to every SHG in the whole Zone II &amp; III of Madurai Corporation and in Vadipatti Block</b>	1. Training to (36 ALFs x 2 members / 1333 SHGs x 1 member / 34 CRPs = 1367 members) (1367 members x Rs.5,000)	68,35,000	1. Training to (23 PLFs x 2 members / 423 SHGs x 1 member / 23 CSTs = 492 members) (492 members x Rs.5,000)	24,60,000	
	2. 36 ALFs / 1333 SHGs 1 Tablet each for 36 ALFs / 1333 SHGs to be procured @ INR.18,000 (incl 18% GST) (1369 tablets x 18,000)	2,46,42,000	2. 23 PLFs/ 423 SHGs 1 Tablet each for 23 PLFs/ 423 SHGs to be procured @ INR.18,000 (incl 18% GST) (446 tablets x 18,000)	80,28,000	
	<b>Sub-total</b>	<b>3,14,77,000</b>		<b>1,04,88,000</b>	<b>4,19,65,000</b>

4. The Government after careful examination have decided to accept the proposal of the Managing Director, Tamil Nadu Corporation for Development of Women Limited and permit to implement pilot training programme to develop Self Help Groups into smart Self Help Groups in zone II and III of Madurai Corporation and in Vadipatti Block with Model-III as follows:-

Pilot Project Model	Urban (Madurai Central Constituency Zone I & IV)	Cost (Only Urban) (In Rs.)	Rural (Vadippatti Block)	Cost (Only Rural) (In Rs.)	Total Cost (Rural + Urban) (In Rs.)
Model- III (Tablet to every SHG in the whole Zone II & III of Madurai Corporation and in Vadipatti Block)	1. Training to (36 ALFs x 2 members / 1333 SHGs x 1 member / 34 CRPs = 1367 members) (1367 members x Rs.5,000)	68,35,000	1. Training to (23 PLFs x 2 members / 423 SHGs x 1 member / 23 CSTs = 492 members) (492 members x Rs.5,000)	24,60,000	
	2. 36 ALFs / 1333 SHGs 1 Tablet each for 36 ALFs / 1333 SHGs to be procured @ INR.18,000 (incl 18% GST) (1369 tablets x 18,000)	2,46,42,000	2. 23 PLFs / 423 SHGs 1 Tablet each for 23 PLFs / 423 SHGs to be procured @ INR.18,000 (incl 18% GST) (446 tablets x 18,000)	80,28,000	
	<b>Total</b>	<b>3,14,77,000</b>		<b>1,04,88,000</b>	

5. This order issues with the concurrence of Finance Department vide its U.O.No.48/DS(RR)/ 2023, dated:13.04.2023.

(BY ORDER OF THE GOVERNOR)

**P. AMUDHA**  
PRINCIPAL SECRETARY TO GOVERNMENT.

To  
The Managing Director,  
Tamil Nadu Corporation for Development of Women Limited, Chennai – 600 034.  
The Commissioner of Rural Development and Panchayat Raj, Chennai – 600 015.  
The District Collector, Madurai District.  
The Director,  
State Institute of Rural Development, Maraimalai Nagar, Chengelpet District.

**Copy to:**

The Finance (RD) Department, Chennai – 600 009.  
The Senior Personal Assistant to Hon'ble Minister  
(Finance and Human Resources Management), Chennai - 600 009.  
The Senior Personal Assistant to Hon'ble Minister  
(Youth Welfare and Sports Development), Chennai - 600 009.  
The Principal Private Secretary to Principal Secretary to Government,  
Rural Development and Panchayat Raj Department, Chennai – 600 009.  
Stock File / Spare Copy.

**//Forwarded By Order//**

  
**SECTION OFFICER.**  


