

K-11067/02/2019-20/NRLM(Livelihoods)/BMGF
Government of India
Ministry of Rural Development
(Department of Rural Development)
(Rural Livelihoods)

7th Floor, NDCC-II Building,
Jai Singh Road,
New Delhi-110001
Dated: - 20th October, 2023

To,

The State Mission Director/ Chief Executive Officer,
State Rural Livelihoods Mission,
All States/UTs

Subject: Advisory on Aajeevika Register format for income monitoring of SHG households formed under DAY-NRLM

Ma'am/Sir,

I am directed to share the Advisory on Aajeevika Register format for income monitoring of SHG households formed under DAY-NRLM.

Encl: As Above

Yours faithfully,



(Nivedita Prasad)

Deputy Secretary to the Government of India

Copy to :

1. PPS to Additional Secretary, Rural Livelihoods, MoRD, New Delhi
2. PPS to Joint Secretary, Rural Livelihoods, MoRD, New Delhi.

Advisory on Aajeevika Register

FORMAT FOR INCOME MONITORING OF SHG HOUSEHOLDS FORMED UNDER DAY-NRLM

Introduction:

Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) focusses on reducing rural poverty through building institutions of the poor women (Self Help Groups to Village Organizations to Cluster Level Federations) and enabling them to access a range of financial, livelihoods and convergence services. Mission makes extensive use of community resources (social capital) for building and sustaining the community institutions and promotion of livelihoods. The Mission also provides technical support to improve and enhance livelihoods and quality of life.

DAY-NRLM as part of enhancing the income of every SHG household is undertaking focused approach for diversifying the livelihood portfolio through range of activities both in farm and non-farm sectors. The crux of the intervention is to enhance the income of every household to more than Rs. one lakh per year by reducing the cost of production, enhancing the production/productivity, better price realization of the produce, development of entrepreneurs, group enterprises etc.

To oversee the progress of income generated by every SHG household under the mission, so that focused planning can be ensured, it has been decided to collect the income data on half yearly basis. The basic purpose of the intervention is to quantify the progress for assessing future planning and hand-holding support required at the household level with target of converting every household to Lakhpati.

In the given format the income of all households have to be collected as per the following directions:

1. **Identification of households:** All the SHG house-hold have to be included in the register with their name, concerned details of the self-help groups, details of financial inclusion, i.e., the fund received from the Revolving fund, Community investment fund, Bank linkage or other grants /loans received from other entity.
2. **Income from Agriculture:** The net income from the available agricultural land of the Self-Help Group members for Kharif, Rabi, Zaid should be calculated. The income from crop/grains/vegetables/fruits have to be calculated.
3. **Income from Animal Husbandry Intervention:** The income from the produce of the animal must be calculated after deducting the expenses incurred on the same. The different produce like milk, meat, offal, eggs etc. may be tabulated as per the intervention.
4. **Income from Non-Timber Forest Produce:** These interventions are more common in the forest fringe area where there is more scope of commodity collectivization. The common commodities are: lac, honey, resins etc. The net income of the households from these activities have to be calculated.

5. **Income from manufacturing/trading/services enterprises:** Through non-farm intervention under DAY-NRLM, like Micro Enterprise Development (MED), Start up Village Entrepreneurship Programme (SVEP), One Stop Facility (OSF) etc. many entrepreneurs are being supported to start and sustain their micro businesses. Besides, as part of financial inclusion strategy, funds are being provided to facilitate the promotion of enterprises of SHG members. The net income of the SHG household through these intervention should be entered in the format.
6. **Income from salary/fees/honorarium:** The household involved in some monthly income as part of job or earning fees or honorarium need to be calculated and entered in the income format wherever applicable.
7. **Income as worker (Agriculture/Manufacturing/Others):** If the households are working in the agriculture, industry, or any other sector as worker their income should be entered.
8. Income through government schemes such as Kisan Samman Yojana, Pension Yojana, Pradhan Mantri Kaushal Vikas Yojana etc. refer to financial support or benefits provided by the government to individuals or households. Any benefits received in terms of financial support have to be reported.
9. Income through commissions is a form of compensation that individuals receive based on their performance in selling products or services, securing deals, or generating revenue for a business or organization. HH / Individual receiving any such compensation should be reported in income.
10. Income through remittances refer to money or financial support sent by migrant individuals to their family members or dependents residing in villages
11. Any other

Calculating Agricultural Income for Individual Farmers

Step 1: Identification of Agricultural Income Sources

1.1 Crop Cultivation

- List down all the main crops and subsidiary crops grown on the farmer's land.
- Keep track of the quantity harvested and the market value of each crop.

1.2 Livestock Farming

- Document the number and types of livestock (cattle, poultry, etc.) raised.
- Record the income generated from the sale of livestock and livestock products.

1.3 Forestry

- If applicable, record income from the sale of timber, wood, and other forest products.

1.4 Aqua Farming

- If engaged in aqua farming, document income from the sale of fish and other aquatic products.

1.5 Rent from Agricultural Land

- Note down any rental income received from agricultural land owned by the farmer.

1.6 Government Grants and Subsidies

- Document any grants, subsidies, or compensation received from government for agricultural programs.

Step 2: Calculation of Gross Agricultural Income

2.1 Gross Agricultural Income Calculation

- Add up income from crop cultivation, livestock farming, forestry, aqua farming, rent from agricultural land, and government grants and subsidies.

Step 3: Deduction of Allowable Expenses

3.1 Cost of Cultivation

- Calculate expenses related to seeds, fertilizers, pesticides, irrigation, labor, and other inputs for crop cultivation.

3.2 Livestock Expenses

- Calculate expenses for animal feed, veterinary care, and other costs associated with livestock farming.

3.3 Maintenance Expenses

- Determine expenses for the maintenance of agricultural equipment, machinery, and infrastructure.

3.4 Interest on Loans

- Calculate the interest paid on loans taken for agricultural purposes.

3.5 Land Revenue and Rent

- Include expenses such as land revenue or rent paid for agricultural land.

3.6 Insurance Premium

- Include the premium paid for agricultural insurance.

Step 4: Calculation of Net Agricultural Income

4.1 Net Agricultural Income Calculation

- Subtract total allowable expenses (from Step 3) from the gross agricultural income (from Step 2).

Calculating Manufacturing/Trading/Services Income

1. Manufacturing:

a. Gross Income Calculation:

- Gross income in manufacturing is determined by subtracting the cost of goods manufactured from the total revenue generated by selling products.
- The cost of goods manufactured includes raw material costs, labor costs, overhead expenses, and depreciation on machinery.

b. Net Income Calculation:

- Net income in manufacturing is calculated by subtracting all operating expenses (such as administrative, marketing, and distribution expenses) from gross income.

2. Trading:

a. Gross Income Calculation:

- Gross income in trading is calculated by subtracting the cost of goods sold (COGS) from the total revenue generated from selling products.
- COGS includes the cost of purchasing goods, transportation, storage, and any other related expenses.

b. Net Income Calculation:

- To calculate net income, traders deduct all operating expenses from gross income. These expenses may include rent, employee salaries, utility bills, and marketing costs.

3. Services:

a. Gross Income Calculation:

- Gross income in the service sector is usually straightforward and involves the total revenue generated from providing services.

b. Net Income Calculation:

- To calculate net income, service providers subtract operating expenses such as employee salaries, rent, utilities, and other overhead costs from gross income.

Specific Considerations:

1. Informal vs. Formal Sector: In rural India, a significant portion of economic activities are part of the informal sector, where income calculations may be less structured and often unrecorded. In the formal sector, income calculations are typically more organized and follows tax and accounting regulations.

2. Seasonal Variations: Income calculations in rural India often need to account for seasonal variations, as many activities are agriculture-dependent and subject to weather conditions.

Process for data collectivization:

1. At the national level, training has to be provided to State officials and State Resource Person (SRP) engaged in livelihoods. Subsequently, State officials will train district/block livelihood officials. These district/block officials, in turn, will train Livelihood e-CRPs. The District Program Manager will be responsible for the effective implementation of the process at the district level, and SPM MIS at the State level.
2. The e-CRP will be identified and selected from the existing pool of livelihoods CRPs – both in farm and non-farm livelihoods.
3. Livelihood e-CRPs will be responsible for collecting all data at the member level. They will receive honorarium as per the CRP guidelines issued by respective States.
4. Organize a meeting with SHG members to introduce and explain the income data collection format. In subsequent meeting, with the assistance of the bookkeeper and officials, collect and authenticate information from the members.
5. The village organization will gather information about the SHGs formed within their village.

6. Each village organization will compile information about their respective SHGs and submit it to the cluster level federation.
7. The compiled cluster level data will be entered into the MIS portal by the data entry sakhi at cluster level
8. A committee consisting of District manager MIS and livelihoods under the chairmanship of respective District program manager should ensure the proper monitoring of the quality and quantity of the data
9. The Ministry or the State may do the survey to confirm data authenticity as and when deemed suitable.
10. The Aajeevika Register has to be maintained at the level of Village Organization (VO) and the entry in the register shall be done by livelihoods e-CRP.
11. The document will be a dynamic document and can be further firmed-up by the States as per their needs, but data on the indicators mentioned herein will necessarily be included.
12. The data has to be collected at-least half yearly.
13. It must be digitized.
14. The State may add additional indicators if required.
15. The registers can be printed by the State through due process of procurement.
16. The expenses for the same will be booked under the training and capacity building component under IBCB.

Annexure I

Aajeevika Register

1. Name of the SHG household :
2. SHG name :
3. Caste: SC/ST/OBC/General:
4. Amount of loan taken through SHG (RF/CIF/VRF):
5. Amount of loan taken through Banks :
6. Other source of Fund:

Income Assessment: Half Yearly Basis

7. Income in ₹ from agriculture/ horticulture/ other crop-based livelihood sources (Rice, Wheat, Maize etc) :

₹
8. Income in ₹ from livestock-based livelihoods (Goat, Sheep, Cattle, Pig, Poultry, Fishery etc)

