

F.No.3/37/2012-AC
Government of India
Ministry of Finance
Department of Financial Services
(AC Section)

Jeevan Deep Building, Parliament street,
New Delhi, dated 2nd April,2012

To,

1. CMDs of all the Public Sector Banks and MD's of Subsidiary Banks of SBI
2. CEOs/MDs of ICICI bank, HDFC Bank, Exim bank, Yes Bank
3. Chairman, NABARD, HO Mumbai
4. Chairman,IBA, Ho, Mumbai

Subject :- Cash Credit Limit to SHGs-Regarding

Sir,

This is regarding the guidelines on Cash Credit limit to SHGs issued vide this department letter of even number dated 17th November,2011. Some representations requesting for grant of term loan facility to SHG's have been received from IBA, SBI, Ministry of Rural Development and NABARD. The matter has been considered in this department. It has now been decided that in those Government schemes which have back ended subsidy and release of subsidy is contingent on repayment of term loans, the SHG's can be extended term loans in such schemes.

2-The term loans can also be given to those SHGs in such cases where the SHG undertake a group activity and the loan from the bank is taken to undertake SHG for that activity.

3-The Self help Group will get a cash Credit limit in all cases other than those mentioned in above paras. The members inter-se will get a term loan from the group.

Yours faithfully,

(M.S.Azad)

Under Secretary to the Govt. of India

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