



# TAMILNADU CORPORATION FOR DEVELOPMENT OF WOMEN LTD.,

(A GOVERNMENT OF TAMILNADU UNDERTAKING)

Annai Toresa Mahalir Valagam, 1st Floor, Valluvarkottam High Road,  
Nungambakkam, Chennai - 600 034.

Proceedings of the Chief Executive Officer, TNSRLM, Chennai -34

Present: Tmt.S.Divyadharshini, I.A.S.

Roc.No.2530/MC-I/2023

Date:05.05.2023

Sub: TNCDW - TNSRLM - Budget Speech by Hon'ble Finance Minister of Tamil Nadu in the Legislative Assembly regarding SHG - BLP 2023 -24 - Executive Order - Reg.

Ref: Budget Speech by Hon'ble Finance Minister of Tamil Nadu in the Legislative Assembly on 20.03.2023.

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## Order:

In the reference cited, during the Budget speech, the Hon'ble Finance Minister of Tamil Nadu has made the following announcement in the floor of assembly on 20.03.2023

வரும் நிதியாண்டில் 30,000 கோடி ரூபாய் அளவிற்கு வங்கிக்கடன் வழங்க இலக்கு நிர்ணயிக்கப்பட்டுள்ளது.

Based on the announcement made by the Hon'ble Minister, the following executive order is issued.

The District wise target for Rs.30,000 crore under SHG - BL Programme has been arrived and is enclosed as Annexure - I. out of the assigned District wise target, DMMU are instructed to achieve more than 50% of the target under Mathi category.

The Districts are instructed to achieve the assigned target for the year 2023 - 24 as per the Annexure - I on or before 31.03.2024 strictly adhering to the below RBI guidelines on SHG - Bank Linkage Programme.

As per RBI guidelines Master Circular dated: 20.07.2022 on SHG Bank Linkage program, the SHGs can avail either Term Loan (TL) or Cash Credit Limit (CCL) loan or both based on need. DMMUs are instructed to take necessary measures to ensure that eligible SHGs are provided with Term Loans and Cash Credit Loans (as the case may be) from the banks.

## **Term Loan:**

Under term loans, Banks have been advised to sanction loan amount in doses as mentioned below:

- First dose: 6 times of the existing corpus or minimum of Rs.1.5 lakh, whichever is higher
- Second dose: 8 times of the existing corpus or minimum of Rs.3 lakh, whichever is higher

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- c) Third dose: Minimum of Rs.6 lakh, based on the MCP prepared by the SHGs and appraised by the federations/support agency and the previous credit history.
- d) Fourth dose onwards: Above Rs.6 lakh, based on the MCP prepared by the SHGs and appraised by the federations/support agency and the previous credit history

### **Cash Credit Limit(CCL):**

For the loans under Cash Credit Limit category, Banks have been advised to sanction minimum loan of Rs.6 lakhs to each eligible SHG for a period of 3 years with a yearly Drawing Power (DP).

### **Bulk Loan to Panchayat Level Federations:**

In order to prevent the SHGs falling prey to private money lenders or other institutions which provide loans at exorbitant interest rates, PLF Bulk Loan Scheme has been introduced. PLFs can obtain bulk loan from the banks ranging from Rs.10 lakh to Rs.1.50 Crore and more to ensure adequate credit flow to SHGs with them.

A target of Rs.400 Crore is fixed for the current year to credit link the PLFs. The district wise target is given in Annexure-II. DMMUs are instructed to take necessary measures to ensure that eligible Panchayat Level Federations are provided with bulk loans from the banks.

### **Credit Guarantee Fund for Micro Units (CGFMU)**

To encourage the matured SHGs to avail higher quantum of credit from Banks, the Department of Financial Services, Ministry of Finance has notified on 16<sup>th</sup> April 2020 that Banks have to grant collateral free loans more than Rs.10.00 Lakh and upto Rs.20.00 Lakh to enable SHGs to undertake enterprise activities and the loans granted will have to be covered under the Credit Guarantee Fund for Micro Units (CGFMU).

- ❖ The quantum of loan shall be more than Rs.10 lakh and up to Rs.20 lakh.
- ❖ The Guarantee Fee would be charged at 0.25% pa during the first year and 0.50% pa in subsequent years.
- ❖ Banks can claim the defaulted amount, if any, from The Credit Guarantee Fund for Micro Units (CGFMU).
- ❖ A target of Rs.1000 Crore is fixed for 6660 SHGs under CGFMU for the current year 2023-24.

The district wise target is given in Annexure-III. DMMUs are instructed to take necessary measures to ensure that eligible SHGs are covered in the Credit Guarantee Fund for Micro Units scheme.

### **Bankers Orientation Training:**

The training is aimed at motivating the Bankers towards the cause of SHGs and their socio-economic development and to update the latest guidelines on SHG-BLP issued by NRLM and RBI. This is aimed at sanctioning loans to eligible SHGs in a fast track manner. For the current year 2023-24, orientation to Bank Managers should be completed in the first Quarter.

DMMUs are instructed to take necessary measures to ensure that Bankers Orientation training is conducted as per schedule, which will be communicated separately.

### **Strategies to achieve the target under SHG Bank Linkage:**

- ❖ SHGs are to be sensitized to arrive the SHG- BLP target in a realistic manner. While arriving the plan of action for estimating the loan requirement for the group, the details such as date of previous loan availed, amount availed, whether I dose or II dose or III dose or IV dose, date of closure of the previous loan, savings of the group as on date, amount of loan eligible as per the current dosage are to be taken into account.
- ❖ PLFs, SHGs and Community Bank Coordinators should be geared up to reach out the banks in their command area to clear all the pending SHG loan applications lodged in 2022 – 23.
- ❖ Banks have to sanction adequate quantum of loan based on RBI Master Circular on DAY – NRLM for SHG – BLP.
- ❖ Ensure all loan applications are submitted through online.
- ❖ The Status of all submitted loan applications should be monitored by DMMUs and take appropriate action for sanction and disbursement of loans within 15 days.
- ❖ **Credit camps:**
  - Two credit camps at District level and one credit camp in each Block for every quarter should be organized.
- ❖ Ensure that eligible SHGs are provided with repeat loans from the Banks.
- ❖ Awareness should be created among the SHGs that the Drawing Power gets enhanced annually based on the repayment performance of the SHGs and fresh CCL will be sanctioned after the expiry of 3 years period as per the eligibility.

- ❖ Identify those eligible SHGs having unutilized CCL portion if any, and direct them to draw the limit as per the drawing power available.
- ❖ One Community Bank Coordinator (CBC) engaged for every 50 SHGs should facilitate preparation of Micro Credit Plan, credit rating for SHGs / CBOs, documentation support for Bank credit, Submission of online loan applications and ensure disbursement of loans.
- ❖ Agenda on SHG Bank Linkage has to be necessarily placed in all the DLBC and BLBC meetings. District Collectors have to make a critical review of the performance of each Bank in the DLBC meeting.
- ❖ Block level Bankers Committee meetings will be conducted in each block once in a quarter. District Collectors have to issue suitable instructions to all banks in the District and ensure 100% attendance and effective functioning of the BLBC forum.
- ❖ Repayment of loans by SHGs should be monitored closely.

### **Observance of Focus Months for SHG-BL:**

DMMUs are directed to ensure 100% credit linkage of all eligible SHGs. In order to achieve this, DMMUs are instructed to carry out special activities in specific months as given below.

<b>Sl. No</b>	<b>Focus month</b>	<b>Activity</b>
1	July 2023 and January 2024	SHG – BLP
2	October 2023	PLF – Bulk loan

During the above mentioned months, DMMUs are directed to rate more number of eligible SHGs and submit loan applications to Banks

### **Role of DMMU**

- ❖ Plan for SHG Grading in coordination with banks
- ❖ Follow up with banks to assess the status of SHG loan applications sanctioned/ Disbursed/Pending /Rejected
- ❖ Follow-up with banks to sensitize the updation of disbursement details in the portal periodically
- ❖ Attend DLBC and BLBC meetings to discuss upon the issues related to SHG Credit Linkage
- ❖ Report the progress under Credit Linkage to HO
- ❖ Organize Banker's Orientation program
- ❖ Distribute Banker's Award for the best performing Banks at District level.
- ❖ Organise monthly DLCC meeting and follow up on minutes.

### **Review and Monitoring Mechanism at District Level**

- ❖ Ensure that all eligible SHGs are credit linked and the disbursement details are uploaded in the portal on real time basis
- ❖ Monitor the submission of SHG loan applications in online
- ❖ Monitor the preparation and submission of MCPs.
- ❖ Field visits to monitor the functioning of CBCs/BC(FI)s
- ❖ Visits to Banks that are having large number of pending loan applications
- ❖ Weekly Review of BC(FI)s Block Coordinators

### **Role of BMMU**

- ❖ Participate in grading exercise carried out by banks during the month
- ❖ Submit SHG loan applications in the NRLM portal
- ❖ Follow up pending loan applications with banks
- ❖ Enter the details of SHG credit linkage in the portal on real time basis
- ❖ Attend BLBC meeting in the respective block

### **Review and Monitoring Mechanism at Block Level**

- ❖ Monitor the activities of CBCs
- ❖ Conduct weekly review of CBCs
- ❖ Weekly report to DMMU – SHG Credit Linkage, Pending loan application status, Bankwise
- ❖ Monitor the preparation of MCPs.

### **Role of Community Bank Coordinators**

- ❖ Facilitate SHGs to prepare Micro Credit Plan.
- ❖ Facilitate for credit rating for SHGs /PLFs
- ❖ Support in documentation for bank credit and ensure disbursement of loans
- ❖ Report the progress under SHG-BLP to BMMU
- ❖ Participate CBRM committee meeting and extend support to banks NPA recovery

### **Reporting:**

- ❖ Upload the details of SHG loan applications viz: sanction, disbursement, pending and rejected particulars in the online application portal developed by TNCDW. It should be done on real time basis.
- ❖ Performance of the Districts under SHG – BLP will be assessed & reviewed based on the details updated in the online application portal developed by TNCDW.

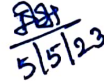
Project Directors of all the Districts are directed to implement and monitor the SHG - Bank Linkage Programme in their Districts on a weekly basis, by closely coordinating with the Lead Bank and other Bankers. It is also directed to render necessary support to the members of SHGs and PLF for accessing micro credit.

Encl :- Annexure I, II & III.

  
**Managing Director & CEO**  
**TNCDW/TNSRLM**

To

The District Collector,  
All Districts.

  
5/5/23

Copy to:

1. The Principal Secretary to Government,  
Rural Development and Panchayat Raj Department,  
Secretariat, Chennai-9
2. The Project Director,  
District Mission Management Unit,  
All districts.
3. The Convenor,  
State Level Bankers Committee-TN  
Indian Overseas Bank,  
763, Annasalai, Annexe Building,  
Chennai.

**Annexure – I**  
**SHG-Bank Linkage Target for the Year 2023-24**

(Rs. in Cr)

Sl. No	Name of the District	Rural		Urban		Total	
		No. of SHG	Amount	No. of SHG	Amount	No. of SHG	Amount
1	2	3	4	5	6	7	8
1	Ariyalur	5783	347.00	2145	109.00	7928	456.00
2	Chengalpattu	9900	594.00	7145	356.00	17045	950.00
3	Chennai	0	0.00	22710	1119.00	22710	1119.00
4	Coimbatore	7083	425.00	9910	498.00	16993	923.00
5	Cuddalore	15400	924.00	7525	378.00	22925	1302.00
6	Dharmapuri	5817	349.00	3275	164.00	9092	513.00
7	Dindigul	10933	656.00	5300	265.00	16233	921.00
8	Erode	7533	452.00	7475	372.00	15008	824.00
9	Kallakurichi	11467	688.00	1400	69.00	12867	757.00
10	Kancheepuram	7783	467.00	3100	153.00	10883	620.00
11	Kanniyakumari	4450	267.00	6375	311.00	10825	578.00
12	Karur	4883	293.00	2400	120.00	7283	413.00
13	Krishnagiri	5084	305.00	4610	233.00	9694	538.00
14	Madurai	11767	706.00	5605	274.00	17372	980.00
15	Mayiladuthurai	8967	538.00	3050	154.00	12017	692.00
16	Nagapattinam	7667	460.00	3175	160.00	10842	620.00
17	Namakkal	7384	443.00	4550	225.00	11934	668.00
18	Perambalur	4816	289.00	1975	98.00	6791	387.00
19	Pudukkottai	9533	572.00	5175	258.00	14708	830.00
20	Ramanathapuram	7400	444.00	3200	161.00	10600	605.00
21	Ranipet	7900	474.00	4750	238.00	12650	712.00
22	Salem	13833	830.00	6050	294.00	19883	1124.00
23	Sivagangai	10517	631.00	4565	224.00	15082	855.00
24	Tenkasi	5250	315.00	3894	195.00	9144	510.00
25	Thanjavur	16850	1011.00	9250	470.00	26100	1481.00
26	The Nilgiris	3967	238.00	2750	136.00	6717	374.00
27	Theni	5783	347.00	4930	247.00	10713	594.00
28	Thoothukkudi	10566	634.00	5050	247.00	15616	881.00
29	Tiruchirappalli	10217	613.00	7450	373.00	17667	986.00
30	Tirunelveli	4883	293.00	4580	225.00	9463	518.00
31	Tirupathur	5584	335.00	3550	178.00	9134	513.00
32	Tiruppur	5783	347.00	4575	224.00	10358	571.00
31	Tiruvallur	13750	825.00	5975	291.00	19725	1116.00
34	Tiruvannamalai	21717	1303.00	5775	291.00	27492	1594.00
35	Tiruvarur	11950	717.00	4650	236.00	16600	953.00
36	Vellore	9483	569.00	3615	178.00	13098	747.00
37	Vilupuram	12933	776.00	4980	253.00	17913	1029.00
38	Virudhunagar	8717	523.00	4475	223.00	13192	746.00
	<b>Total</b>	<b>333333</b>	<b>20000.00</b>	<b>200964</b>	<b>10000.00</b>	<b>534297</b>	<b>30000.00</b>

**Annexure – II**  
**PLF Bulk Loan Target for the year 2023-24**  
(Rs. in Cr)

Sl. No	Name of the District	No of PLF	Amount
1	Ariyalur	6	6.00
2	Chengalpattu	10	10.00
3	Chennai	0	0.00
4	Coimbatore	12	12.00
5	Cuddalore	14	14.00
6	Dharmapuri	12	12.00
7	Dindigul	14	14.00
8	Erode	14	14.00
9	Kallakurichi	10	10.00
10	Kancheepuram	5	5.00
11	Kanniyakumari	9	9.00
12	Karur	8	8.00
13	Krishnagiri	12	12.00
14	Madurai	13	13.00
15	Mayiladuthurai	5	5.00
16	Nagapattinam	6	6.00
17	Namakkal	15	15.00
18	Perambalur	5	5.00
19	Pudukkottai	13	13.00
20	Ramanathapuram	11	11.00
21	Ranipet	7	7.00
22	Salem	20	20.00
23	Sivagangai	12	12.00
24	Tenkasi	10	10.00
25	Thanjavur	14	14.00
26	The Nilgiris	4	4.00
27	Theni	8	8.00
28	Thoothukkudi	12	12.00
29	Tiruchirappalli	16	16.00
30	Tirunelveli	9	9.00
31	Tirupathur	6	6.00
31	Tiruppur	13	13.00
33	Tiruvallur	14	14.00
34	Tiruvannamalai	18	18.00
35	Tiruvarur	10	10.00
36	Vellore	9	9.00
37	Vilupuram	13	13.00
38	Virudhunagar	11	11.00
	<b>Total</b>	<b>400</b>	<b>400.00</b>



**Annexure – III**  
**SHG-BLP : Credit Guarantee Fund for Micro Credit(CGFMU) Target**  
**for 2023-24**

**(No. of SHGs Availed 4th Dose and Above)**

**(Rs. in Cr)**

<b>Sl. No.</b>	<b>Name of the District</b>	<b>Target SHGs for CGFMU</b>	<b>Amount @15 lakhs per SHG</b>
1	Ariyalur	116	17.00
2	Chengalpattu	232	35.00
3	Chennai	0	0.00
4	Coimbatore	80	12.00
5	Cuddalore	673	101.00
6	Dharmapuri	48	7.00
7	Dindigul	200	30.00
8	Erode	97	15.00
9	Kallakurichi	38	6.00
10	Kancheepuram	232	35.00
11	Kanniyakumari	135	20.00
12	Karur	152	23.00
13	Krishnagiri	103	15.00
14	Madurai	496	75.00
15	Mayiladuthurai	98	15.00
16	Nagapattinam	99	15.00
17	Namakkal	129	19.00
18	Perambalur	29	4.00
19	Pudukkottai	276	41.00
20	Ramanathapuram	31	5.00
21	Ranipet	129	19.00
22	Salem	383	57.00
23	Sivagangai	174	26.00
24	Tenkasi	4	1.00
25	Thanjavur	364	55.00
26	The Nilgiris	59	9.00
27	Theni	85	13.00
28	Thoothukkudi	262	39.00
29	Tiruchirappalli	142	21.00
30	Tirunelveli	116	17.00
31	Tirupathur	91	14.00
31	Tiruppur	50	8.00
33	Tiruvallur	480	72.00
34	Tiruvannamalai	393	59.00
35	Tiruvarur	70	11.00
36	Vellore	139	21.00
37	Vilupuram	226	34.00
38	Virudhunagar	229	34.00
	<b>Total</b>	<b>6660</b>	<b>1000.00</b>