



TAMIL NADU CORPORATION FOR DEVELOPMENT OF WOMEN LTD.,

(A GOVERNMENT OF TAMIL NADU UNDERTAKING)

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

Proceedings of the Managing Director, TNCDW, Chennai -34

Present: Tmt.Shreya P. Singh, I.A.S.

Roc.No.246/MC-I/2025

Date:28.03.2025

Sub: TNCDW – TNSRLM - Budget Speech by Hon'ble Finance Minister of Tamil Nadu in the floor of Legislative Assembly regarding SHG – BLP 2025 -26 – issue of Executive Order - Reg.

Ref: Budget Speech by Hon'ble Finance Minister of Tamil Nadu in the Legislative Assembly on 14.03.2025.

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 14.03.2025.

வரும் நிதியாண்டில் சுய உதவிக் குழுக்களுக்கு 37,000 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.37,000 crore under SHG – BL Programme has been arrived and is enclosed as Annexure – I.

The Districts are instructed to achieve the assigned target for the year 2025 – 26 as per the Annexure – I on or before 31.03.2026 strictly adhering to the below RBI guidelines on SHG – Bank Linkage Programme.

As per RBI guidelines Master Circular dated: 16.04.2024 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.

- b) Second dose: 8 times of the existing corpus or minimum of Rs.3 lakh, whichever is higher.
- 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 / Area 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 / ALF Bulk Loan Scheme has been introduced. PLFs / ALFs 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.450 Crore is fixed for the current year to credit link the PLFs / ALFs. The district wise target is given in Annexure-II. DMMUs are instructed to take necessary measures to ensure that eligible Panchayat Level Federations / Area 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 16th 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.3,000 Crore is fixed for 20,000 SHGs under CGFMU for the current year 2025-26.

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 State Level, District Level and Block Level Bankers Orientation trainings are 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 motivates them to sanction loans to eligible SHGs in a fast track manner. For the current year 2025-26, orientation to Bank Managers should be completed in the second Quarter.

DMMUs are instructed to take necessary measures to ensure that Bankers Orientation training is scheduled in the Mathikalam portal and the orientation conducted is also updated in Mathikalam portal.

Strategies to achieve the target under SHG Bank Linkage:

- ❖ SHGs are to be sensitized and arrive the SHG- BLP plan of action 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.
- ❖ BMM, BC(FI), Cos and Village / Ward Level Community cadres should be geared up to reach out the banks in their command area to clear all the pending SHG loan applications lodged in 2024 – 25.
- ❖ Banks have to sanction adequate quantum of loan based on RBI Master Circular on DAY – NRLM for SHG – BLP.
- ❖ It should be ensured that loan applications are submitted online, once NRLM online portal is ready.

- ❖ The Status of all submitted loan applications are to be closely monitored by DMMUs and appropriate action has to be taken for sanction and disbursement of loans within 15 days.

- ❖ **Credit camps:**

- 5 Regional level credit camps per quarter should be organized during 2025-26.
 - At the District Level two credit camps should be organized during 2025-26.
 - Block Level credit camp should be conducted in all Blocks every month.
- ❖ It should be ensured 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.
- ❖ The village level community cadres engaged by PLF 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 (BLBC) meetings shall 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 for all eligible SHGs. In order to achieve this, DMMUs are instructed to carry out special activities during the month as given below.

Sl. No	Focus month	Activity
1	July 2025 and January 2026	SHG – BLP
2	October 2025	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 Credit rating 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 programme.
- ❖ Distribute Banker's Award for the best performing Banks at District level.
- ❖ Organise monthly DLCC meeting and follow up on minutes.
- ❖ Monitor and approve SHG – BLP achievement updation in Mathikalam portal.
- ❖ Monitor the timely repayment of SHG and PLF/ALF loans.

Review and Monitoring Mechanism at District Level

- ❖ Ensure that all eligible SHGs are credit linked and the disbursement details are uploaded in the Mathikalam 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 Block / ULB Level and Village / Ward Level Community Cadres.
- ❖ Visits to Banks that are having large number of pending loan applications.
- ❖ Weekly Review of Block Coordinators (FI) and Community Organizers (COs).

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 Mathikalam portal on real time basis.
- ❖ Attend BLBC meeting in the respective block
- ❖ Updation of SHG – BLP achievement in Mathikalam portal

Review and Monitoring Mechanism at Block Level

- ❖ Monitor the preparation of MCPs.
- ❖ Conduct weekly review and Monitor the activities of village level Community Cadres.
- ❖ Weekly report to DMMU – Bank wise SHG Credit Linkage achievement and Pending loan application status

Role of Village / Ward Level Community Cadres


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

Reporting:

- ❖ Upload the SHG – BLP disbursement details in the Mathikalam 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 Mathikalam portal only.

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

Encl :- Annexure I, II & III.


Managing Director TNCDW

To

The District Collector,
All Districts.

Q. B. G. G.
28/3/25

Copy to:

1. The Additional Chief 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 2025-26

(Rs. in Cr)

Sl. No.	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	5297	477	824	70	6121	547
2	Chengalpattu	8906	802	5304	450	14210	1252
3	Chennai	0	0	19174	1630	19174	1630
4	Coimbatore	6083	547	8966	762	15049	1309
5	Cuddalore	11750	1057	4478	380	16228	1437
6	Dharmapuri	5596	504	2488	212	8084	716
7	Dindigul	8253	743	4342	370	12595	1113
8	Erode	6978	628	6356	540	13334	1168
9	Kallakurichi	6233	561	1006	86	7239	647
10	Kancheepuram	6125	551	1962	166	8087	717
11	Kanniyakumari	4300	388	6638	564	10938	952
12	Karur	3840	345	2110	180	5950	525
13	Krishnagiri	5117	460	1782	152	6899	612
14	Madurai	8105	730	10380	880	18485	1610
15	Mayiladuthurai	5839	525	1256	106	7095	631
16	Nagapattinam	4925	443	1634	138	6559	581
17	Namakkal	6507	585	3924	334	10431	919
18	Perambalur	2720	245	882	74	3602	319
19	Pudukkottai	9397	845	2216	188	11613	1033
20	Ramanathapuram	5050	455	2228	190	7278	645
21	Ranipet	6865	618	2448	208	9313	826
22	Salem	11586	1043	7900	672	19486	1715
23	Sivagangai	7335	660	2434	206	9769	866
24	Tenkasi	3887	350	3522	300	7409	650
25	Thanjavur	11605	1045	4488	382	16093	1427
26	The Nilgiris	2777	250	2842	242	5619	492
27	Theni	4588	413	3718	316	8306	729
28	Thoothukkudi	6145	553	5360	456	11505	1009
29	Tiruchirappalli	10392	935	6404	544	16796	1479
30	Tirunelveli	4217	380	4524	384	8741	764
31	Tirupathur	5045	454	2322	198	7367	652
32	Tiruppur	5155	464	5112	434	10267	898
33	Tiruvallur	12138	1092	6030	512	18168	1604
34	Tiruvannamalai	15302	1377	3524	300	18826	1677
35	Tiruvarur	9922	893	2132	182	12054	1075
36	Vellore	5732	516	2768	236	8500	752
37	Vilupuram	9749	877	1612	138	11361	1015
38	Virudhunagar	7653	689	3732	318	11385	1007
	Total	261114	23500	158822	13500	419936	37000

Annexure – II
PLF / ALF Bulk Loan Target for the year 2025-26
(Rs. in Cr)

Sl. No.	District	PLF Bulk loan		ALF Bulk loan		Total	
		No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8
1	Ariyalur	6	6.00	1	1.00	7	7.00
2	Chengalpattu	8	8.00	1	1.00	9	9.00
3	Chennai	0	0.00	10	10.00	10	10.00
4	Coimbatore	12	12.00	5	5.00	17	17.00
5	Cuddalore	14	14.00	1	1.00	15	15.00
6	Dharmapuri	10	10.00	1	1.00	11	11.00
7	Dindigul	14	14.00	1	1.00	15	15.00
8	Erode	14	14.00	1	1.00	15	15.00
9	Kallakurichi	9	9.00	1	1.00	10	10.00
10	Kancheepuram	5	5.00	1	1.00	6	6.00
11	Kanniyakumari	9	9.00	1	1.00	10	10.00
12	Karur	8	8.00	1	1.00	9	9.00
13	Krishnagiri	10	10.00	1	1.00	11	11.00
14	Madurai	13	13.00	5	5.00	18	18.00
15	Mayiladuthurai	5	5.00	1	1.00	6	6.00
16	Nagapattinam	6	6.00	1	1.00	7	7.00
17	Namakkal	15	15.00	1	1.00	16	16.00
18	Perambalur	4	4.00	1	1.00	5	5.00
19	Pudukkottai	13	13.00	1	1.00	14	14.00
20	Ramanathapuram	11	11.00	1	1.00	12	12.00
21	Ranipet	7	7.00	1	1.00	8	8.00
22	Salem	20	20.00	2	2.00	22	22.00
23	Sivagangai	12	12.00	1	1.00	13	13.00
24	Tenkasi	10	10.00	1	1.00	11	11.00
25	Thanjavur	14	14.00	1	1.00	15	15.00
26	The Nilgiris	4	4.00	1	1.00	5	5.00
27	Theni	8	8.00	1	1.00	9	9.00
28	Thoothukkudi	12	12.00	1	1.00	13	13.00
29	Tiruchirappalli	14	14.00	5	5.00	19	19.00
30	Tirunelveli	9	9.00	2	2.00	11	11.00
31	Tirupathur	6	6.00	1	1.00	7	7.00
32	Tiruppur	13	13.00	1	1.00	14	14.00
33	Tiruvallur	14	14.00	1	1.00	15	15.00
34	Tiruvannamalai	18	18.00	1	1.00	19	19.00
35	Tiruvarur	10	10.00	1	1.00	11	11.00
36	Vellore	7	7.00	2	2.00	9	9.00
37	Vilupuram	13	13.00	1	1.00	14	14.00
38	Virudhunagar	11	11.00	1	1.00	12	12.00
	Total	388	388.00	62	62.00	450	450.00

Annexure - III

Credit Guarantee Fund for Micro Unit Target for the year 2025-26

(Rs. in Cr)

Sl. No.	District	No. of SHGs	Amount
1	2	3	4
1	Ariyalur	407	61.00
2	Chengalpattu	680	102.00
4	Coimbatore	467	70.00
5	Cuddalore	900	135.00
6	Dharmapuri	427	64.00
7	Dindigul	633	95.00
8	Erode	533	80.00
9	Kallakurichi	480	72.00
10	Kancheepuram	467	70.00
11	Kanniyakumari	333	50.00
12	Karur	293	44.00
13	Krishnagiri	393	59.00
14	Madurai	620	93.00
15	Mayiladuthurai	447	67.00
16	Nagapattinam	380	57.00
17	Namakkal	500	75.00
18	Perambalur	207	31.00
19	Pudukkottai	720	108.00
20	Ramanathapuram	387	58.00
21	Ranipet	527	79.00
22	Salem	887	133.00
23	Sivagangai	560	84.00
24	Tenkasi	300	45.00
25	Thanjavur	887	133.00
26	The Nilgiris	213	32.00
27	Theni	353	53.00
28	Thoothukkudi	473	71.00
29	Tiruchirappalli	793	119.00
30	Tirunelveli	327	49.00
31	Tirupathur	387	58.00
32	Tiruppur	393	59.00
33	Tiruvallur	927	139.00
34	Tiruvannamalai	1165	175.00
35	Tiruvarur	760	114.00
36	Vellore	440	66.00
37	Vilupuram	747	112.00
38	Virudhunagar	587	88.00
	Total	20000	3000.00