No. SGSY-9/NRLM/2011-12- RDD (D.O.) – 1112
Government of Himachal Pradesh
Department of Rural Development

From

The Chief Executive Officer, HPSRLM
Rural Development Department, H.P.

To

The D.G.M.,
UCO Bank, Zonal Office,
State Level Convener Bank,
Himland Hotel, Shimla.

Dated: Shimla-9 24th Feb., 2015

Subject:-

Approval of Common Application Form for SHGs opening of Saving Account and Loan Documentation from SLBC under NRLM.

Sir,

Govt. of India –MoRD has stipulated that NMMU in consultation with IBA developed Common Application Form for SHGs opening of Saving Account and Loan Documentation which has been approved by the MoRD. All banks are required to adopt above documents.

Accordingly this documentation based on 16th Central Level Coordination Communication Committee has been developed by NMMU & IBA (enclosed) which needs approval from SLBC for implementation.

You are requested to please include this item in Agenda under "Other Items" for consideration and approval by SLBC in its forthcoming meeting.

Your faithfully,

Project Director HPSRLM
Rural Development Department, H.P.

Contact@slbehp.com.

Diary No. 10386
Dated 12/2/15

T. Vijay Kumar, IAS
Additional Secretary
&
Mission Director, NRLM
Tel. No. 24122936
Fax No. 24104386

ग्रामीण विकास मंत्रालय
ग्रामीण विकास विभाग
भारत सरकार
6 वां तल, होटल सम्राट
कौटिल्य मार्ग नई दिल्ली-110021

Ministry of Rural Development
Deptt. of Rural Development
Government of India
6th floor, Hotel Samrat
Kautilya Marg, New Delhi-110021

D.O No. I-12011/23/2012-SGSY(C)

Date: 10.2.2015

Sub: Common Application Form for SHGs for opening of Savings Account and Loan Documentation

Dear Shri Sanjta,

Based on the discussions in the 16th Central Level Coordination Committee meeting held on 10th September, 2014, National Mission Management Unit (NMMU), NRLM in consultation with IBA developed Common Application Form for SHGs for opening of Savings Account and Loan Documentation which has now been approved by this Ministry. A copy of the above forms is enclosed. This is a path breaking measure and will go a long way in simplifying SHG transactions with the banks resulting in creating better access to institutional finance by them. All banks are required to adopt the common application forms developed jointly by the Ministry and the IBA.

In this regard you are requested to take up the following steps to ensure that the banks adopt the above documents:-

I. The common application form for Opening of SB a/c and the loan documentation may be placed before the SLBC in its next meeting and its approval obtained for the same.

II. SLBC may be advised to send a communication to all the banks of your State to adopt & use these new forms for SHGs' SB a/c opening and loan documentation

III. SRLM may give wide publicity about these forms in various Bankers forums / Committees for adoption.

IV. Orientation training to district and block level staff about adoption and usage of the forms may be arranged by the SRLMs. The district/block level staff would in turn give orientation training to the Cluster Coordinators.

SRLM may kindly ensure immediate adoption of the common forms by all the banks by continuous monitoring and follow up. A copy of this letter along with Common Bank A/c Opening and loan application forms are placed on our website www.aajeevika.gov.in.

With regards,

Yours sincerely,

(T Vijay Kumar)

Shri Jitender Sanjta,
Chief Executive officer
Himachal Pradesh State Rural Livelihood Mission (HPSRLM)
Block No. 27, SDA Complex
Kasumpati,
Shimla-9

Smt Nirmala

Bank's Name & Logo

Form No.

Self Help Group -Savings Bank Account Opening Form

To:

The Branch Manager

_____ Bank

_____ Branch

Sub:-Application for SHG-SB A/C opening

For Official Use Only	
SB A/c No	
Customer ID	
SHG Scheme Code (NRLM/Others)	
SHG Gender Code (Male/Female)	

Dear Madam/Sir,

1. We request you to open a Savings Bank Account in name of our Self Help Group. We agree to abide by the rules and regulation of the bank related to Savings Account.

Name of SHG					
Date of Formation		Number of Members		Name of Facilitating Agency (if any)	
Address	Street .....Village/ City.....Gram Panchayat..... Block .....District.....Pin.....				

2. The Savings Account may be operated by joint signature of any two among the following representatives of our Self Help Group. A copy of resolution taken by our Self Help Group in this regard is attached.
3. Request for Cheque Book : Yes / No

Affix passport Size photograph	Affix passport Size photograph	Affix passport Size photograph
Name :	Name:	Name:
Date of Birth: Age:	Date of Birth: Age:	Date of Birth: Age:
Designation:	Designation:	Designation:
Address: Mobile:	Address: Mobile:	Address: Mobile:
KYC Documents Provided	KYC Documents Provided	KYC Documents Provided
Enclosed Copy of address &ID proof ☐ Voter ID ☐ Driving license ☐ Aadhar Card ☐ Job Card ☐ PAN Card ☐ Passport ☐ Any other document accepted by Bank (specify).....	Enclosed Copy of address &ID proof ☐ Voter ID ☐ Driving license ☐ Aadhar Card ☐ Job Card ☐ PAN Card ☐ Passport ☐ Any other document accepted by Bank (specify).....	Enclosed Copy of address&ID proof ☐ Voter ID ☐ Driving license ☐ Aadhar Card ☐ Job Card ☐ PAN Card ☐ Passport ☐ Any other document accepted by Bank (specify).....
Specimen Signature/Thumb Impression	Specimen Signature/Thumb Impression	Specimen Signature/Thumb Impression

Bank Verification

4. Name and signature of SHG members

Sl No	Name of SHG members	Name of Father/Husband	Gender (Male/ Female)	Age	Signature /Thumb Impression
1					
2					
3					
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5.We hereby declare that the above information is true and correct. We have agreed to the terms and conditions and also agree toabide by any amendments to the terms and conditions as may be stipulated by the Bank from time to time.

Yours faithfully,

1._____ 2. _____ 3. _____

(Signature/Thumb Impression of SHG Representatives with Seal of SHG)

Date: Place:

Enclosure:

i. *Copy of Resolution by Self Help Group to open Savings Account*
ii. *Photographs of authorized representatives*
iii. *Copy of ID and address proof of authorized representatives.*

For Bank Use Only

1. The applicant has affixed his signature or thumb print, as the case may be, in my presence
2. I have explained the rules / regulations to the applicant _____
3. Account has been opened on _____
4. Cheque Book has been issued.

Date:_____ Officer_____

Specimen copy of Resolutionby Self Help Group for Opening Savings Account

Name of SHG:
Address:
Date of Formation:
Total No. of Members: Name of Facilitating Agency:

Resolution for Opening Savings Bank Account

Today on .....(Date), at the meeting of .....(name of SHG) at .....(meeting place of SHG/ address) in presence of all its members, it is resolved that our .....(name of SHG) will open a savings bank a/c in .....Bank .....Branch. It has also been further resolved that Shri/Smt.....(Designation .....);Shri/ Smt.....(Designation .....) and Shri/Smt .....(Designation .....) will sign all the necessary document related to the opening of Savings Accountas representatives on behalf of .....(name of SHG). Transaction in the Savings a/c of the group will be done by joint signature of any two among the above mentioned representatives.

We, all members hereby agree to the above decision.

Sl	Name of SHG members	Name of Father/Husband	Gender (Male/ Female)	Occupation	Signature/Thumb Impression
1					
2					
3					
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20					

Signature/Thumb Impression
(Designation .....)

Signature/Thumb Impression
(Designation .....)

Signature/Thumb Impression
(Designation .....)

Seal of Self Help Group

Acknowledgement

(To be handed over to SHG after submission of the Application Form)

Received the following Application form for loan

Name of SHG	
Address	
Application No	
Savings Account No	
Date of Receipt of Application by branch	

Signature

Branch
Bank

5

Bank's Name & Logo

Form No	
Bank	
Branch	

For Official Use Only	
Customer ID	
Loan A/c No	
Loan Type (CC/TL)	Cash Credit Term Loan
Product code	
Date of Sanction	
Sanctioned Amount in Rs.	
Loan Term	

Self Help Group Loan Application Form

Name of the SHG			
Date of Formation		No of SHG members	
Address	Village/ City:..... GP:	Block District:	
SB A/C No			
Loan A/c No (if any)			
Supporting Agency (if any)			
Application for Loan Cycle			

Self Help Group Loan Application Form

To:

The Branch Manager

_____ Bank
_____ Branch

Dear Madam/Sir,

Sub:-Application for credit linkage

Affix passport Size photograph	Affix passport Size photograph	Affix passport Size photograph
Name :	Name:	Name:
Designation:	Designation:	Designation:
Address: Mobile:	Address: Mobile:	Address: Mobile:

1. We, the duly authorized representatives of _____(name of SHG) _____village/city_____Block_____District hereby apply for a loan aggregatingRs. _____/- (Rupees _____only) by way of Cash Credit(CC) / Term Loan(TL) for on-lending to our members. A copy of resolution taken by our Self Help Group in this regard is attached.
2. A copy of the member-wise requirement of loan is enclosed (*Compulsory from 3rd linkage onwards*)
3. We agree to repay the loan amount as per the repayment schedule which may be fixed by the Bank.
4. A copy of the Inter-se Agreement executed by all the members of the group authorizing us *inter alia* to borrow on behalf of the SHG is enclosed.
5. We hereby declare that the particulars given above are true and correct to the best of ourknowledge and belief.
6. We hereby authorize the Bank to disclose all or any particulars or details or information relating to our loan accounts with the Bank, to any other financial institution includingNABARD, Government or any agency as may be considered necessary or desirable by theBank. It will be in order for the Bank to disqualify the SHG from receiving any credit facilities from the Bank and or recall the entire loan amount or any part thereof granted onthis application, if any of the information pertaining to the group, furnished herewith is foundincorrect and/or containing misrepresentation of facts.
7. A copy of the financial status of our SHG as on ..... (date) is attached.

Yours faithfully,

1.

2.

3

[Signature of Authorized Representatives of SHG with Seal]

Specimen of Resolution by SHG for taking loan from bank

Name of SHG:
Address:
Date of Formation:
Total no of Members: Name of Facilitating Agency:

Resolution for taking loan from bank

Today on .....(Date), at the meeting of .....(name of SHG) at .....(meeting place of SHG/ address) in presence of all its members, it is resolved that our .....(name of SHG) will seek loan of Rs ....., (in words)..... from bank. It has also been further resolved that Smt.....(Designation .....); Smt.....(Designation .....) and Smt .....(Designation .....) will sign all the necessary document related to the loan application to bank on behalf of the .....(name of SHG).

We all members hereby agree to the above decision.

Sl No	Name of SHG members	Name of Father/Husband	Gender (Male/ Female)	Signature /Thumb Impression
1				
2				
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Signature
(Designation .....)

Signature
(Designation .....)

Signature
(Designation .....)

Seal of Self Help Group

Details of Member wise Loan Requirement (As per Micro Credit Plan)

(Compulsory from 3rd credit linkage onwards)

Name of the SHG:-
Date of formation:
Address

No. of Members:

Member-wise details of proposed investment, sources of fund & resultant Net Surplus of the family

S.N.	Name of member*	Purpose of investment	Amount of loan Required from SHG (Rs.)	Total Annual Income from various sources:- IGAs, Wages, Grants from Govt. etc. (Rs)	Total Annual Expenditure (Rs.)	Annual net income before repayment of loan installment (Rs.)	Annual repayment for the proposed loan & existing loan, if any (Rs.)	Annual Surplus (Rs.)
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Total								

(*) To be written in order of priority& rotation plan as decided in SHG meeting

Specimen of INTER-SE AGREEMENT TO BE EXECUTED BY THE MEMBERS OF THE SELF HELP GROUP

THIS AGREEMENT made on this _____day of _____20____BETWEEN

Sl no	Members Name	Name of Father/ Husband	Gender (Male /Female)	Age
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who are members of the _____ group, hereinafter referred to collectively as "The Self Help Group (SHG) Members" which expression shall, unless repugnant to the context or meaning, include every members of the said SHG and their respective legal heirs, executors and administrators.

WHEREAS all SHG members are residents of _____ Village/ City.....in_____ Block of ..... District of .....State and are known to each other.

WHEREAS the SHG members above named have joined voluntarily together and formed the SHG with intent to carry on savings and credit and other economic activities for mutual benefit subject to the terms and conditions hereinafter appearing:

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT :-

1. Each member of the SHG shall save a sum of Rs. _____ (Rupees_____ only) or such sum as may be decided by the Group, on (weekly fortnightly/monthly) basis during the scheduled SHG meeting. The accumulated corpus of the SHG shall be given on loan to members based on their need and recovered along with interest as decided by the SHG members.

2. The SHG will take the responsibility for maintaining appropriate books of accounts to ensure transparency in transaction among SHG members

3. Each member shall strive for the success of the SHG and shall not act in any manner detrimental to the business interests of the SHG.

theSHG.

5. All assets and goods acquired by the SHG shall be in the joint ownership of all the members of the SHG and shall ordinarily be in the constructive custody of such member asmay be authorized by the Group and shall be kept at the place of business at_____ which shall not be changed without consent of the SHG members.

6. The SHG members hereby duly elect and appoint
Shri/Smt/Kum._____ as _____,
Shri/Smt/Kum _____ as_____
Shri/Smt/Kum _____as_____
to look after and manage the day to day affairs of the SHG's activities and also act in their name and on their behalf in all matters relating thereto. The authorized representatives, may however, be removed at any time by majority vote of the members and new representatives elected.

8. Each of the SHG members hereby agrees to abide by and ratify all such act, deeds and things as the authorized representatives may do in the interest of the said activities.

9. The authorized representatives shall take decisions in the day to day working of the SHG and each representative shall actively involve herself and co-operate in looking after the day-to-day affairs of the SHG activities in particular to attend to the following activities.
- Every member of the SHG hereby authorizes the representatives to apply for the loan on behalf of the SHG and execute necessary agreements/documents on behalf of the SHG for the purpose. The authorized representative may collect loan amounts from the bank on behalf of SHG, deposit the same in the savings account of the SHG for on-lending to members in accordance with the decision of the SHG and also deposit recovery of loan installment from members in the loan account/s of SHG with the bank.

10. The SHG members hereby specifically authorize the representatives:-
   i. To open Savings, Fixed Deposits and other accounts in .....Branch of..... Bank approved by the SHG and operate the same under the joint signature of any two of the following authorized representatives:
   Shri/Smt/Kum_____
   Shri/Smt/Kum_____
   Shri/Smt/Kum_____
   ii. To keep or cause to be kept proper books of accounts of the savings, made by the SHG Members, loans granted to them and the recoveries made from them and render every year thefull accounts to the SHG members for their approval and adoption;
   iii. To receive all payments due to the SHG and issue requisite receipts or acknowledgments for and on behalf of the SHG;
   iv. To institute and defend on behalf of the SHG members any legal proceedings and safeguard the interests of each member of the said SHG and for this purpose engage or disengage any lawyer or advocate or agent and incur the necessary legal expenses in connection therewith.

11. In the event of death of any of the members of the SHG, his/her legal heirs shall be entitled or the benefits and be liable for the obligations of the deceased member under this agreement.

12. It is agreed that no new person shall be inducted as a member of the SHG without consent of all the existing members.

IN WITNESS WHEREOF the aforesaid members of the SHG have set their respective hands hereunto at the place _____ and on _____ day of _____ month _____ year first herein appearing.

S.N.	Name of member of the SHG	Signature/s/Thumb of the impression
1		
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WITNESSES:-

1.

2.

(Note: The SHG shall not consist more than 20 persons).

Financial Statement of .....(name of SHG) as on .....(date)

Particulars	Amount (Rs)
Total Savings of members:	
Total interest and other incomes:	
Revolving Fund/ Grant Assistance received from project/ department/ other agencies	
Other Receipts (Specify .....)	
Total	

(Amount in Words .....)

We certify that the above statement is true and can be verified from the books of accounts maintained by our Self Help Group.

Signature
(Designation .....)

Signature
(Designation .....)

Signature
(Designation .....)

Seal of Self Help Group

For Official Use Only

Format 1: SHG Grading format for Fresh Linkage

A. Basic Information:-

Name of the SHG:
Village: .....Gram Panchayat:.....Block:.....District:.....
Date of formation of the SHG:.....Date of opening of Bank S/B A/C:.....
Period considered for Grading: From.....to.....

(Usually last 6 months)

B. Details of Grading /Evaluation Exercise:

S.N.	Indicator	Allotted Marks	Formula for determining Marks	Marks obtained
1	**Regularity of Meeting:**			
(a)	Regularity of holding meetings by SHG	10	No. of meetings held X10 / No. of meetings required to be held as per rule of SHG	
(b)	Regularity of Attendance of members in the meetings	10	Average no. of members attended the meetings X10 / Total no. of members of the SHG	
2	**Regularity of Savings by members**	10	Amount of savings deposited by the members X 10 / Amount of savings required to be deposited as per rule of SHG	
3	***Velocity of Lending** to members from Group Corpus	20	More than 1.5 :- 20 More than 1.0 up to 1.5:- 15 More than 0.5 up to 1.0:- 10 More than 0.2 up to 0.5:- 5 Up to 0.2:- 0	
4	**Regularity in Repayment of loan by members**	20	Amount of recovery against Demand X 20 / Amount of Demand (required to be paid as per repayment schedule)	
5	**Updated Record keeping:**			
a)	Resolution Book	4	Maintained up to date :- Full marks Maintained , but not up to date:- Half Marks Not maintained:- 0 (no Mark)	
b)	Cash Book	8		
c)	Savings Ledger	4		
d)	Loan Ledger	4		
e)	General Ledger	6		
f)	Individual Pass Book	4		
	Total	**100**		

*Velocity of lending from Group Corpus= Amount lent to the members from Group Corpus / Average amount of Group Corpus

- **A Grade: 80 or more marks**
- **B Grade: 70-79 marks**
- **C Grade: 60-69 marks**
- **D Grade: less than 60 marks**

Only A & B graded SHGs are to be considered for credit linkage

Format 2: SHG Grading format for Repeat Linkage

A. Basic Information:-

Name of the SHG:

Village: .....Gram Panchayat:.....Block:.....District:.....

Date of formation of the SHG:.....Date of opening of Bank S/B A/C:.....

Period considered for Grading: From.....to.....

(Usually last 6 months)

B. Details of Grading /Evaluation Exercise:

S.N.	Indicator	Allotted Marks	Formula for determining Marks	Marks obtained
1	**Regularity of Meeting:**			
(a)	Regularity of holding meetings by SHG	5	No. of meetings held X10 / No. of meetings required to be held as per rule of SHG	
(b)	Regularity of Attendance of members in the meetings	5	Average no. of members attended the meetings X10 / Total no. of members of the SHG	
2	**Regularity of Savings by members**	10	Amount of savings deposited by the members X 10 / Amount of savings required to be deposited as per rule of SHG	
3	***Velocity of Lending** to members from Group Corpus	10	More than 1.5 : 10 More than 1.0 up to 1.5 - 7 More than 0.5 up to 1.0: 5 More than 0.2 up to 0.5: 2 Up to 02: 0	
4	**Regularity in Repayment of loan by members**	15	Amount of recovery against Demand X 20 / Amount of Demand (required to be paid as per repayment schedule)	
5	**Updated Record keeping:**			
a)	Meeting Resolution Book	4	Maintained up to date :- Full marks Maintained , but not up to date:- Half Marks Not maintained:- 0 (no Mark)	
b)	Cash Book	8		
c)	Savings Ledger	4		
d)	Loan Ledger	4		
e)	General Ledger	6		
f)	Individual Pass Book	4		
6	**Operations in Cash Credit/ Term loan A/c and Credit history:**			
	a) Number of transactions in last 12 months(Dr. & Cr.)	10	i) 12 or more:- 10 ii) 6 to less than 12 :- 6 ii) Less than 6 :- 0	
	b) Servicing of interest charged in CC A/c	10	i) Within 1 month :- 10 ii) Within 2 month:- 6 iii) After 2 months:- 0	
	c) Occasions of overdrawing in CC A/c due to charging of interest etc. during last 12 months	5	i) Never :- 5 ii) On 2 occasions :- 3 iii) On more than 2 occasions :- 0	
	Total	**100**		

*Velocity of lending from Group Corpus= Amount lent to the members from Group Corpus / Average amount of Group Corpus

- **A Grade: 80 or more marks**
- **B Grade: 70-79 marks**
- **C Grade: 60-69 marks**
- **D Grade: less than 60 marks**

Only A & B graded SHGs are to be considered for enhancement of CC limit / repeat dose of T/L

Specimen of ARTICLES OF LOAN AGREEMENT FOR USE BY BANKS WHILE FINANCING SELF-HELP GROUPS

The Articles of Agreement made on this ____ day of _____20__ at _____ By and Between M/s _____ [name of the SHG] an unregistered association of persons/individuals having its office at _____

represented by its authorized representative
Shri/Smt._____(Name)_____(Designation);
Shri/Smt._____(Name)_____(Designation) and
Shri/Smt._____(Name)_____(Designation, who are fully authorized by all the members of the SHG, (a copy of such Authorization is annexed hereto and forms part of this agreement), hereinafter referred to as the "Borrower" which expression shall unless repugnant to the subject or context thereof, mean and include members of the unregistered association for the time being, their respective successors, legal heirs, administrators and assigns of the one part and _____ (name of the Bank) a body corporate constituted under the _____Act, having its Head Office at _____ and the Branches, inter-alia, one at_____ here in after called "the Bank" which expression shall unless repugnant to the subject or context thereof mean and include its successors and assignees of the second part.

Whereas the borrower is an unregistered association of persons who have inter-se agreed to help each other as self-help group with a view to developing and ameliorating the socio-economic conditions of their members.

Whereas having formed the association as a Self Help Group, the Borrower as per application dated _____ made by the said
Shri/Smt._____(Name)_____(Designation);
Shri/Smt._____(Name)_____(Designation) and
Shri/Smt._____(Name)_____(Designation, duly authorized to borrow in terms of its resolution dated _____[copy enclosed] requested the Bank to *grant a Term Loan/extend Cash Credit facility* of Rs._____/- up to the limit of Rs. _____/- (Rupees_____ only) for on-lending to its members.

And whereas the Bank has agreed to grant the * Term Loan /extend Cash Credit facility* to the borrower on certain terms and conditions.(* deleted whichever is not applicable)

And whereas the Bank and the borrower are desirous of reducing the agreed terms into writing.

Now, therefore, this agreement witnesses as follows:

1. The Bank has agreed to grant and the borrower has agreed to borrow by way of Term Loan Cash / Credit (clean) up to the limit of Rs. _____/- (Rupees _____-only) and the Bank has opened (SPECIFY THE KIND OF LOAN ACCOUNT)_____ A/C No._____ of date _____- in the name of the Borrower in its book of accounts.

2. *In case the facility availed is Cash Credit the Borrowers will operate the Cash Credit account satisfactorily and within the limit and the Borrower shall repay the outstanding liability in the account inclusive of interest and other charges debited from time to time on demand without demur.

3. *In case loan availed is Demand Loan, without prejudice to the right of the Bank to recall the loan on demand the Borrower undertakes to repay the loan with interest and other within the period stipulated in terms of sanction.

4. *In case the credit facility availed of by the borrower is a Term Loan the same shall be repayable in installments in the manner specified herein-below in the repayment schedule. (to be specified) Besides the borrower will pay interest at the rates that may be prescribed for such lending by RBI/NABARD from time to time.

(*Delete whichever is not applicable)

5. It is clearly understood by and between the parties hereto that in the event of the borrower's failure to utilize the proceeds of the credit facility for the purpose for which the same has been made available by the bank to the borrower, the borrower shall repay immediately on demand without demur together with interest without prejudice to Bank's right to initiate other legal action.

6. The borrower shall pay interest on the loans to be calculated on the daily balances in the loan account and be debited thereto at quarterly rests or as the Bank may decide.

7. The borrower should utilize the proceeds of the credit facility for the purpose of lending to is members to improve the socio-economic conditions of their members and their families.That the loan will not be used for any Speculative purpose / activities prohibited by law.

8. The borrower shall repay the credit facility availed of together with interest payable as per the interest rates that may be fixed by RBI/NABARD from time to time for such lending

9. The borrower shall be liable to repay the facility on demand together with the interest and other charges payable by the borrower to the bank in accordance with the rules of the Bank.

REPAYMENT SCHEDULE:

For Cash Credit:
Each withdrawal of principal loan from the C.C. A/C is to be repaid within 12 months of such withdrawal. Interest debited to a/c is to be repaid / deposited into the A/C promptly so that outstanding balance of the CC A/C does not exceed the sanctioned limit under no circumstances.

For Term Loan:
Principal loan is to be repaid in .....equal monthly / quarterly / half-yearly installments. Interest debited to the A/C is to be repaid / deposited promptly.

In witness where of the parties hereto have affixed their signature on the _____date and the _____ month and _____ year first herein above written.

1) FOR THE BORROWER- SHG

1.
2.
3.
[Signature of Authorized representatives office seal]

2) FOR THE BANK

[Signature of Authorized representative (Office bearers) with (Branch Manager) with office seal

Specimen of DEMAND PROMISSORY NOTE FOR USE BY BANKS WHILE FINANCING SELF-HELP GROUPS

Place.....
Date:.....

Rs.....

On demand we .....(name of the SHG) and the members jointly and severally promise to pay..... Bank or order at ..... the sum of Rupees.....with interest thereon at the rate of .....percent per annum (below / above/ at) Base rate / Lending Rate of the Bank which is at present .....% per annum with .....rests for value received.

Revenue stamp

[Signature of Authorized representatives of SHG with office seal]

Name of SHG:

Address of the SHG:

Street .....Village/ City.....Gram Panchyat.....
Block .....District.....Pin.....

financing Self-Help-Group:

* Credit Linkage (CC / TL) / *Renewal of CC limit /*Enhancement of CC limit / *Repeat TL
(*Strike out which is not applicable)

Basic Details of SHG

1. Name of the Bank:.....
2. Name of the Branch:.....
3. Name of the Processing / Inspecting Loan Officer:.....
4. Date of Processing/Inspection:.....
5. Name of the SHG:.....
6. Address of the SHG:.....
7. Date of formation of the SHG:.....
8. No. of members in SHG:.....
9. Facilitating Agency (if any):.....
10. S/B A/C No.....
11. CC A/C No. (in case of already CC-linked SHG):.....

Assessment of SHG

1. Whether the SHG has completed 6 months from the date of formation / 12 months from the date of last sanction: Yes / No (*Strike out which is not applicable)

2. Whether the SHG has been Graded /Evaluated: Yes / No (*Strike out which is not applicable)

3. Whether the SHG has passed the Grading / Evaluation Exercise: Yes / No (*Strike out which is not applicable

4. % of Marks obtained in the Grading / Evaluation Exercise:.....

5. Financial position of the SHG(as on .....):

Liabilities		Assets	
Particulars	Amount	Particulars	Amount
Outstanding C/C of Bank		Cash in hand	
Outstanding T/L of Bank		Deposit with Bank	
Outstanding loan of VO/Federation		Deposit with Federation	
Savings of members		Loan outstanding from members	
Other Liabilities (Specify.....)		Other Assets (Specify .....)	
Surplus			
Total		Total	

Existing Corpus of SHG =Rs .....[Total Assets – Outstanding loans (if any)]

Assessment of eligibility CC Limit / TL to be sanctioned to the SHG:

No. of dose of credit *	Eligibility	Eligible Amount (As per RBI guidelines)	Amount Proposed to be Sanctioned

Fresh Linkage (1st dose)	a) Existing Corpus = Rs ..... b) Proposed savings for remaining part of the year = Rs..... Total Corpus = Rs .....[(a) + (b)]	4-8 time of total Corpus or minimum Rs 50,000 whichever is higher	Rs .....
2nd Dose	a) Existing Corpus = Rs ..... b) Proposed savings for next 12 months = Rs..... Total Corpus = Rs .....[(a) + (b)]	5-10 time of total Corpus or minimum Rs 100,000 whichever is higher	Rs .....
3rd Dose		Minimum Rs 200,000 as per Micro Credit Plan	Rs .....
4th Dose		Rs 500,000- Rs 10,00,000 as per Micro Credit Plan	Rs .....

(*Strike out which is not applicable)

Terms of Sanction:

Sanctioned a new Cash Credit limit / Renewed / Enhanced the existing Cash Credit limit / Repeat Term Loan for Rs.....Rupees.....only) under the following terms & conditions:-

(a) **Amount of CC limit / TL (New /Renewed/ Enhanced / Repeat) for .....(period in months)**: Rs.....(Rupees ..... only)

(b) **Documents to be obtained**:
   i. Inter-se agreement
   ii. Articles of loan agreement
   iii. Demand Promissory Note

(c) **Purpose of the credit facility**: On-lending to the members of the SHG

(d) **Rate of interest**: .....% p.a.to be calculated on reducing balance method withmonthly rest. The SHG will be eligible to get the benefit of interest subsidy if it fulfil the norms as specified by Government in this regard.

(e) **Service charge**: Nil (Loan to SHG is treated as advance to weaker section).

(f) **Repayment**:
   i. For CC: Each withdrawal of principal loan from the C.C. A/C is to be repaid within.....(12-24) months of such withdrawal. Interest debited to the A/C is to be repaid / deposited promptly so that outstanding balance of the CC A/C does not exceed the sanctioned limit under no circumstances.

   ii. For TL: Principal loan is to be repaid in .....equal monthly / quarterly / half-yearly instalments. Interest debited to the A/C is to be repaid / deposited promptly.

9) Review / Evaluation of the C/C A/C will be done after 12 months.

.....	.....
Signature of the Processing / Appraising Officer	Signature of the Branch Manager
Date:-	(With Office Seal) Date:-

We, on behalf of ..... SHG hereby accept the aforesaid terms & conditions of the above-noted CC facility / Term loam sanctioned to our SHG by the above-mentioned Bank Branch.

1.
2.
3.

[Signature of Authorized representatives of the SHG with office seal]

Date:
Place: