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GOVERNMENT OF ANDHRA PRADESH  
MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (UBS) DEPARTMENT

Memo No. 1977/UBS/13 M.A.

Dated: 3.04.2013



MEPMA- Vaddi Leni Runalu – Interest subvention scheme for the Urban SHG Bank Linkage programme – Guidelines for implementation – Instructions-Issued-Reg.

- Ref:-
- 1) G.O.Ms.No.403 PR& RD (RD.II) Dept., Dated: 26.12.2011
  - 2) G.O.Ms.No.389 PR& RD (RD.II) Dept., Dated: 31.12.2012
  - 3) From M.D., MEPMA Lr.No.15183/D/2/VLR dated 3.1.2013.

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Government have announced Vaddi Leni Runalu (VLR) scheme from 01.01.2012 for the benefit of poor SHG women who avail Bank loans and repay promptly within the stipulated dates fixed by the Banks. Under this scheme total interest will be reimbursed by the Government and the SHGs will pay only principal amount financed by the Bank.

2. This novel scheme was introduced with a view to encourage better repayment and to reduce the interest burden on the urban poor, for the loans taken by the Self Help Groups (SHGs) from Banks and to improve profitability of SHG enterprises, Government vide their orders 1<sup>st</sup> and 2<sup>nd</sup> read above have announced full interest subvention on the SHG – Bank Linkage loans repaid promptly with effect from 01.01.2012.

*And -  
Spl. Bankings*

Government vide reference 2<sup>nd</sup> cited, while issuing the guidelines of implementation of VLR has also issued certain directions for procedure for releasing the eligible VLR to the urban SHG under Para 2 (e) (Special provisions for urban areas)

4. The Mission Director, MEPMA, vide reference 3<sup>rd</sup> cited, requested the Government to issue necessary orders to implement the above scheme for Urban SHGs also in line with para (2)(e) of the orders issued by PR & RD Department in the reference 2<sup>nd</sup> cited.

5. After careful examination of the proposal of MD, MEPMA and in view of orders already issued by the PR&RD Department, Government hereby reiterate the said modalities / guidelines as it covers both urban and rural areas for implementation of the Vaddi Leni Runalu (VLR) Scheme for all Urban SHG Bank Loans of Urban areas which are outstanding as well as new loans, for implementation of the scheme approved vide reference 1 & 2<sup>nd</sup> cited.

6. This issues with concurrence of Finance Department vide their U.O.No.6097/122/A1/Expr.M&F/13, Dated: 23.3.2013.

7. The Mission Director, MEPMA shall take further necessary action accordingly.

ADHAR SINHA  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

- The Mission Director, MEPMA., Hyderabad.
- The Commissioner and Director of Municipal Administration, Hyderabad to inform all All Municipal Commissioners
- All the District Collectors in the State through M.D., MEPMA.
- All the Project Directors in the State through M.D., MEPMA.
- The Project Officers of the Mission Cities through M.D., MEPMA.
- The Commissioner, GHMC

Copy to:

- The P.S. to Principal Secretary to Govt. (MA)
- The O.S.D. to Hon'ble M(MA)
- The P.S. to Secretary to Hon'ble C.M.

Sf/Sc

//FORWARDED BY ORDER//

*[Signature]*  
ASSISTANT DIRECTOR