

**Mission for Elimination of Poverty in Municipal Areas
Department of MA&UD, Government of Telangana**

From
The Mission Director,
MEPMA,
Telangana.

To
The General Manager,
SLBC,
Telangana.

Sir/Madam,

Sub: MEPMA - SHG credit disbursement loans under COVID-19 and normal SHG Bank Linkage – Reg

Ref: Circular no 35/2020, dated: 03.04.2020 from the General Manager, Punjab National Bank.

I invite your attention to the subject cited. It is to inform that majority of SHG women in urban areas belong to poor and weaker sections. They need immediate financial assistance to cope with Covid-19 outbreak.

In view of the COVID – 19 and its impact on the livelihoods of SHGs, we would like to request the State Level Bankers' Committee (SLBC) that the lockdown and related hardships, banks should provide financial assistance to Self Help Group members. We have learnt that a few banks like Punjab National Bank, Bank of Baroda have already been very proactive in providing support by lending different kind of loans.

Hence, we would like to request the following which could facilitate the process and provisions which enable SHGs to avail loans without any hitches and continue to run and earn from their businesses.

1. All banks to percolate instructions to branches to extend immediate credit support under "SHG COVID – TATKAL SAHAYATA RIN" to all the SHGs.
2. To provide immediate financial assistance to the Women SHGs to meet the emergent needs of its members for their domestic purposes.

3. SHG women being poor and helpless during this crisis can be provided with alternatives by providing immediate financing to cope with Covid-19 outbreak.
4. Banks to increase SHG loan limit from Rs. 10.00 lakh to Rs. 20.00 lakhs immediately as announced by the Hon'ble Union Finance Minister.

We request you to issue necessary instructions in the matter to all the controllers in the state with a copy to MEPMA at the earliest.

faithfully,

Yours

Director,

Mission

MEPMA

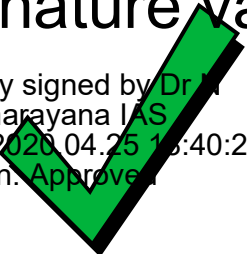
Copy to all the Project Directors, MEPMA for necessary action.

Copy to OSD to Hon'ble Minister for MA&UD Dept.. for favour of information.

Copy submitted to Principal Secretary to Government, MA&UD Dept, Telangana govt.

Signature valid

Digitally signed by Dr. M.
Satyanarayana IAS
Date: 2020.04.25 13:40:23 IST
Reason: Approved



April 03, 2020

TO ALL OFFICES

PSFID/PRIORITY SECTOR/ CIRCULAR NO. 35/2020

Scheme for providing financial Assistance to SHG members to meet emergent needs in the wake of COVID-19 outbreak

World Health Organization (WHO) has declared the Corona Virus Disease (COVID-19) as a public health emergency of international concern. COVID-19 has spread to several countries around the world. The outbreak is also impacting Indian economy across all the sectors.

Most of the country's workforce is in informal /unorganised sector. The daily wage earners will be most affected segment because of this outbreak.

The members of SHGs are from the informal/ unorganized workforce in the Rural and Semi-urban areas. In order to provide immediate financial assistance to them a new product namely "SHG COVID Tatkai Sahayata Rin" has been launched to meet emergent needs.

Details of the scheme are as per annexure- I.

Details of the codes to be entered in CBS are as per annexure-II. In addition to the codes branches are advised to enter COVSH (as identifier) under free code 8.

Field functionaries are advised to take steps for compliance of the guidelines issued by the Reserve Bank of India and to maximize the credit flow under scheme. All inspecting officials are advised to note the guidelines for compliance. Noncompliance of above may be flagged/ reported to the competent authority for taking further action in the matter.

(PUNIT JAIN)
GENERAL MANAGER

Encl: As above.

**Scheme for providing financial Assistance to SHG members to meet emergent needs
in the wake of COVID-19 outbreak**

PARAMETERS	DESCRIPTION
PURPOSE	To meet emergent needs of SHG members in the wake of COVID-19 outbreak.
ELIGIBILITY	Existing Self Help Groups (SHGs) with satisfactory track record (should be in standard/ SMA-0 category as on 15.03.2020) and who have availed minimum two doses of credit.
NATURE OF LOAN	Term loan.
EXTENT OF LOAN	Rs.5000/- per member max. upto Rs.100000/-
MARGIN	Nil
SECURITY	No Collateral Security.
RATE OF INTEREST	1 year MCLR+1% (Present ROI in SHG accounts is MCLR+2.10% to MCLR+2.70%)
SERVICE CHARGES	Nil
LOANING POWERS	Powers delegated at field level as per IRMD Loans & Advances Circular issued from time to time.
LOAN APPLICATION AND DOCUMENTATION	<ul style="list-style-type: none"> • PNB-1239, Application Cum appraisal and inter-se agreement form. • Resolution for "SHG COVID Tatkal Sahayata Rin". (Annexure-A)
DISBURSEMENT OF LOAN	Direct in the Saving Account of SHG
REPAYMENT	36 Months including moratorium period of 6 months.
Validity of scheme	Loan may be sanctioned/ Disbursed Upto 30.09.2020.
Others	<ul style="list-style-type: none"> • This facility is in addition to the existing facilities to the group. • All the existing facilities should be in standard/ SMA-0 category as on 15.03.2020. • Group resolution with specific request for the loan by the members to meet emergent needs in the wake of COVID – 19 outbreak should be obtained. • The members who have already availed such type of facility from our Bank/ other institutions will not be eligible. • Overall sanctioned limit to group should not be more than Rs.10 Lacs.

Resolution by SHG for taking “Tatkal Sahayata Rin” 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 the SHG/ address) in
presence in all of its members, it is resolved that our
(name of SHG) will seek loan of Rs. (in words)
.....from Punjab National Bank, BO: _____
for collective requirement of the group members towards emergent needs in wake
of COVID- 19 outbreak.

During meeting it has inter-alia been resolved that :

That,

1. Shri/ Smt. (designation)
2. Shri/ Smt. (designation)
3. Shri/ Smt. (designation)

Will approach the bank and seek the above said loan for and on behalf of the group mentioned to meet emergent need of the amount to take safeguard post spread COVID- 19 pandemic and will sign all necessary documents related to loan application/ loan transactions in entirety and action of the authorized signatories binds each member and they are deemed to be agent / attorney / representative of each member till repayment of entire dues of the group to the Bank on behalf of SHG members of the (name of the SHG).

1. It is further resolved that :

Smt.....(Designation.....),

Smt.....(Designation.....),

Smt.....(Designation.....),

are irrevocably authorized to deal with PNB BO:....., jointly and severally, in all matters related to said loan transaction including submission of loan proposal / application, execution of loan / security documents / revival letters / acknowledgement of debts, furnishing of security documents such as hypothecation of assets created by the individual member or by the

collectively with other group members out of the said loan, availment of loan, operation of account, disbursement of respective loan amount to each member of group, collection of amount from members and repayment of dues to the bank and on all such dealings this shall be deemed to be our agent/ attorney/ representative till the repayment of the entire dues of the group to the bank.

2. It is further resolved that the following members of our group will get Rs._____ under the **“SHG COVID TATKAL SAHAYATA RIN”** from PNB.
3. It is resolved that all the members of the said SHG will utilize the loan amount for the purpose of meeting the emergent needs of the family members in wake of covid-19 outbreak
4. We promise to repay the loan as per the repayment schedule fixed by the bank.
5. We further resolve that we will not avail loan from any other FIs for the same purpose.
6. This authority will be irrevocable till continuance of the loan unless changed, if any, is agreed to/ by the Bank in writing. Such duly authorized change with consent of all the members and approved by the Bank will not affect the rights of the Bank in respect of Loan being allowed under these covenants in any way.
7. We further resolve that a true copy of the resolution signed by all the members of the group and countersigned by Office bearers may be furnished to the Bank who can act on the basis of the Resolution, and for all such actions of the Bank done on the basis of this resolution shall be jointly and severally binding on us.
8. We all members hereby agree to the above decision.

S.N.	Name of SHG Members	Father/ Husband Name	(Male/ Female)	Amount	Signature /Thumb Impression
1					
2					
3					
4					

5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Signature
(Designation)

Signature
(Designation)

Signature
(Designation.....)

Seal of Self Help Group

1. Deendayal Antodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM)

In CIF

ITEM	CODE	DESCRIPTION
Customer constitution	16	Self Help Group
Status	7	Self Help Group
Gender	F OR M	

V DETAIL

ITEM	CODE	DESCRIPTION
Borrower type	SHGPS	Self Help Group
Free Code-7	NRLM	Other than Women NRLM SHG
Free Code-7	WNRLM	For Women NRLM SHG

2. Deendayal Antodaya Yojana -National Urban Livelihoods Mission (DAY-NULM)

In CIF

ITEM	CODE	DESCRIPTION.
Status	7	Self Help Group
Gender	F OR M	

V DETAIL

ITEM	CODE	DESCRIPTION
Free Code-7	NULSG	For Group Loan under Self Employment Programme
Borrower type	SHGPS	Self Help Group
Free Code-7	NULSH	Other than Women NULM SHG
Free Code-7	WNULM	For Women NULM Self Help Group

3. SELF HELP GROUPS

For SHG Accounts other than NRLM/NULM.

In CIF

ITEM	CODE	DESCRIPTION
Customer constitution	016	Self Help Group
Status	007	Self Help Group
GENDER	F OR M	

V DETAIL

ITEM	CODE	DESCRIPTION
Borrower type	SHGPS	Self Help Group
Free code 7	WSHG	For Women SHG other than NRLM/NULM
Free code 7		Nothing to mention in case of other than women SHG