

DBOD.DIR.BC.11/13.01.08/98

February 10, 1998
Magha 21, 1919 (s)

All commercial banks
(including Regional Rural Banks)

Dear Sirs,

**Opening of savings bank accounts in the
name of Self-Help Groups (SHGs)**

Please refer to our circular DBOD.BC.63/13.01.08/92-93 dated January 4, 1993 advising that Self-Help groups, registered or unregistered, financed by banks under a pilot project launched by National Bank for Agriculture and Rural Development may be allowed to open savings bank accounts with banks.

2. It is now advised that Self-Help Groups (SHGs), registered or unregistered, which are engaged in promoting the savings habits among their members (c.f. Paragraph 7 of Circular No. RPCD.PL.BC.120/04.09.22/95-96 dated April 2, 1996 addressed to Scheduled Commercial Banks (excluding paragraph 8 of circular No. NB.DPD.NFS.1238/CDID/92A/96-97 dated October 1, 1996 addressed to sponsor banks and Regional Rural Banks by National Bank for Agriculture and Rural Development) will be eligible to open savings bank accounts. It is further clarified that SHGs need not necessarily have already availed of credit facilities from the banks before opening of savings bank accounts.

Yours faithfully

Sd/-

(S.P.Padgaonkar)
Dy.General Manager