



Ref. No.NB.MCID / 801 / DAY-NRLM-Policy / 2021-22
Circular No.168 / MCID - 04 / 2021

24 August 2021

(1) The Chairman
All Regional Rural Banks (RRBs)

(2) The Managing Director
All State Cooperative Banks / District Central Cooperative Banks

Madam/Dear Sir,

**Enhancement of collateral free loans to Self Help Groups (SHGs)
under DAY-NRLM from ₹10 lakh to ₹20 lakh**

Please refer to our circular letter Ref. No.NB.MCID/144/DAY-NRLM-Policy/2021-22 dated 11 May 2021 on Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).

2. In this connection, the Government of India, vide their Gazette Notification S.O. 2668(E) dated July 1, 2021, has notified amendments in the Credit Guarantee Fund for Micro Units (CGFMU) Scheme in paragraph (2) sub-paragraph (xii) of the notification of the Government of India, Ministry of Finance (Department of Financial Services), number S.O. 1443(E), dated the April 18, 2016, published in the Gazette of India.

3. In view of the above amendment, paragraph 7.4 (Annexure I) of NABARD Circular Ref.No.NB.MCID/144/DAY-NRLM-Policy/2021-22 dated 11 May 2021 stands modified as under:

7.4 Security and Margin:

7.4.1 For loans to SHGs up to ₹10.00 lakh, no collateral and no margin will be charged. No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans.

7.4.2 For loans to SHGs above ₹10 lakh and up to ₹20 lakh, no collateral should be charged and no lien should be marked against savings bank account of SHGs. However, the entire loan (irrespective of the loan outstanding, even if it subsequently goes below ₹10 lakh) would be eligible for coverage under Credit Guarantee Fund for Micro Units (CGFMU).”

4. All other provisions of the Circular remain unchanged.

Yours faithfully

(S Vijayalakshmi)
Chief General Manager

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

सूक्ष्म ऋण नवप्रवर्तन विभाग

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