

## Credit linkage to SHG

### Features of the scheme:

- SHGs are eligible for credit linkage 6 months from the date of formation.
- The eligibility will be arrived based on the savings & corpus.
- For loans to SHGs upto Rs.10.00 Lakhs, no collateral and no margin will be charged. No lien will be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans.
- For loans above Rs.10.00 lakhs and upto Rs.20.00 lakhs, no collateral will 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 Rs.10.00 lakh) would be eligible for coverage under Credit Guarantee Fund for Micro Units (CGFMU).
- Details of eligibility of linkage is given below:

Type of loan	1 <sup>st</sup> year/ 1 <sup>st</sup> linkage	2 <sup>nd</sup> year/ 2 <sup>nd</sup> linkage (whichever is later)	3 <sup>rd</sup> year/ 3 <sup>rd</sup> linkage (whichever is later)	4 <sup>th</sup> year / linkage (whichever is later)	4 <sup>th</sup> is
(i) Cash Credit facility	(ii) 6 times of the existing saving/corpus or minimum of Rs.1,00,000/-, whichever is higher, subject to a maximum of Rs.4,00,000/-	(iii) 8 times of saving/corpus or at the time review/enhancement or minimum of Rs.2,00,000/-, whichever is higher, subject to a maximum of Rs.8,00,000/-	(iv) 10 times of saving/corpus or minimum of Rs.6,00,000/-, whichever is higher, subject to a maximum of Rs.16,00,000/-	(v) 10 times of saving/corpus or above Rs.6,00,000/-, subject to a maximum of Rs.20,00,000/-	