



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2015-16/291

DBR.CID.BC.No.73/20.16.56/2015-16

January 14, 2016

All Scheduled Commercial Banks (including RRBs)
All Credit Information Companies

Dear Sir/ Madam

Credit information reporting in respect of Self Help Group (SHG) members

Please refer to the instructions contained in paragraph (v) of the Annex III to our [circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated 27 June, 2014](#) advising banks to report the member level data relating to the SHGs within six months from the date of the circular.

2. A review of the implementation of the aforesaid directions by the Reserve Bank of India (RBI) revealed that banks had not made a significant progress in this regard. The banks also pointed out a number of challenges in implementation of these directions and requested for greater clarity on their scope. Consequently, the RBI constituted a working group with members from within RBI, NABARD, banks and credit information companies (CICs), to study the implementation challenges and suggest measures to address them.

3. Underscoring the importance of credit information reporting in respect of the SHG members for financial inclusion, credit decision of banks and Micro Finance Institutions (MFIs) and credit quality of the SHG loan portfolios, the working group has emphasised the need for putting in place the credit information reporting for SHG members sooner than later. Nonetheless, the group has suggested following a phased approach to the implementation of the RBI direction so as to ensure that the data quality is not compromised. This circular sets out the implementation requirements in the first two phases.

बैंकिंग विनियमन विभाग, केंद्रीय कार्यालय, 13 मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, मुम्बई 400001 Department of Banking Regulation, 13th floor, Central Office Building, Mumbai 400001

Tel No: 22661602, 22601000 Fax No: 022-2270 5670, 2260 5671, 5691 2270, 2260 5692

हिंदी आसान है, इसका प्रयोग बढ़ाएँ

II. Structure of credit information collection and reporting

4. The structure of the credit information in respect of SHG members to be collected and reported by banks to the CICs is set out below.

1	Information to be collected by banks from individual SHG members where the total amount of loan to be attributed to or to be availed by the SHG member exceeds Rs.30,000/-	Table 1
2	Information to be collected by banks from individual SHG members where the total amount of loan to be attributed to or to be availed by the SHG member is upto Rs.30,000/-	Table 2
3	Information on all individual SHG members to be reported by banks to CICs	Table 3
4	Information on individual SHG members to be collected by banks at the time of opening of new Savings Bank Accounts of the SHG	Table 4

5. The data tables are given in the Annex. As indicated above, banks shall collect information from all SHG members in Tables 1 and 2 and report it to the CICs as set out in Table 3. The tables have been designed based on the following considerations:

(i) Some of the information (Item number 17 of Tables 1 and 2) is related to the existing exposures of the SHG members including that of the SHG groups with whom they might have been previously associated. This is intended to help banks make informed credit decisions with regard to the SHG members. This information may be collected by banks directly from the CICs based on lead information provided by the SHG members. Hence, there would be no need for banks to include this information in the dataset reported to the CICs as per Table 3.

(ii) The information requirements will be implemented in two phases. The first phase will commence from 1 July 2016 and last for one year. The depth of the credit-related information to be collected would increase in Phase II to be implemented from 1 July 2017. Additions/modifications to be effected during Phase II are indicated in the last column of Tables 1 and 2.

(iii) The collection and reporting of credit information in respect of SHG members will be restricted to the members of those SHGs that take bank loans exceeding Rs. 1,00,000/-. However, the members of all SHGs, regardless of the amount of group loan, shall report the non-credit information to banks through the SHG Group at the time when the SHG approaches the bank for a loan.

(iv) Subject to (iii) above, the credit information requirements for SHG members having a share above Rs.30,000 or more in the SHG loan is more detailed than that in respect of those upto Rs.30,000. The difference will be reduced, though not totally eliminated, as some more details are added to the latter in Phase II.

(v) The non-credit information requirements have been designed both from the perspective of identification of the individual borrowers and supplementing the information requirements of banks, regulatory and government development agencies for the purpose of evaluating the flow of credit to various sub-segments of the SHG members and designing suitable credit penetration strategies keeping in view the socio-economic profile of the sub-segments. The information shall be reported by banks to the CICs in a manner that allows the CICs to identify all members associated with a particular SHG and a particular person to be identified with all SHGs with whom he/she is/was associated.

6. Banks shall put in place necessary systems and procedures including making necessary changes to their system software so as to be able to begin collection of the relevant information from the SHG members and reporting the required information to the CICs from 1 July 2016 (Phase I) and 1 July 2017 (Phase II).

7. Banks have the option to collect and report the SHG member level data either themselves or by outsourcing it to other entities. However, banks shall follow all general instructions on outsourcing set out in [DBR circular No.BP.40/21.04.158/2006-07 dated November 3, 2006](#) as amended from time to time to the extent applicable and shall continue to be responsible for the correctness of the data submitted by the outsourced agencies to the CICs. Banks must put in place appropriate controls to ensure the correctness of the data submitted by the entities to which it is outsourced.

8. Banks shall immediately start monitoring the NPA levels in the SHG segment on an ongoing basis, if not being already done, and collect detailed information from SHG members availing of loans exceeding a lower threshold of Rs.20,000, if the gross NPA in the SHG segment exceeds 10% or is higher than the total gross NPA of the bank by 5 percentage points.

9. Non-adherence to the above instructions by banks shall result in exclusion of non-compliant SHG loan accounts from the loan portfolios eligible to be reckoned for the purpose of complying with the Priority Sector Loan (PSL) targets. The determination with regard to loans qualifying for PSL benefit would be made at the

end of each phase, based on a review of the compliance with the credit and non-credit information requirements as applicable to that phase.

III. Other operational instructions

10. At this stage, it is envisaged to capture details of only the credit facilities availed of by the SHG member from the banks and MFIs. Therefore, any information relating to inter-lending among the SHG members out of their own savings will not be covered. However, in order to know the overall indebtedness of a SHG member it may be necessary to know their exposures to the SHGs with regard to inter-lending as well. As part of the continued endeavour to improve the quality of information of a SHG member, the need for capturing the inter-lending would be reviewed after stabilisation of Phase II.

11. Given significant challenges in monitoring and reporting the performance of individual loans availed by the SHG members out of the amounts lent by banks to the SHGs, it is also not envisaged to extend the credit reporting system to the monitoring of repayment and recovery of these loans. However, this will also be considered after Phase II has taken ground.

12. With a view to building up the adequate information base of the potential SHG member borrowers, and expediting the process of collection and reporting of KYC compliant information relating to the members of the SHGs when the SHGs are credit-linked, banks are encouraged to offer Small Accounts/ Basic Savings Bank Deposit Account to the SHG members when an SHG approaches them for opening its Savings Account. In cases where the SHG members agree to open such accounts, the information in Table 4 may be collected and kept on record to be used at the time when the SHG approaches the bank for a loan. However, it must not be made a pre-condition for opening the Savings Account of the SHG.

13. None of the data requirements specified in this circular should be made a pre-condition for extending loans to the SHGs, though banks must make sincere efforts to comply with these requirements.

14. Banks may encourage the SHGs to keep written records of loans distributed to their members out of the bank loan including the digitization scheme for SHGs of NABARD, where applicable, and may consider introducing appropriate incentives in this regard.

15. Banks shall develop appropriate policies to deal with applications for credit facilities from members of SHGs/SHGs on whom default is reported by the CICs. Care needs to be taken that the SHGs/individual members are not denied loans merely because of such defaults and banks should appropriately evaluate the credit history of the members themselves and take into account the economic viability of their activity/ies and the Groups' capacity to service the loan proposed to be taken by considering their loan applications.

16. The credit information relating to individual SHG members shall be collected, reported and disseminated as per the provisions of the Credit Information Companies (Regulations) Act, 2005 and the extant RBI directions on credit information reporting by banks and MFIs.

IV. Specific instructions to the CICs

17. The CICs shall make the necessary changes in their systems and procedures to implement the above directions as per the timelines indicated above.

18. CICs shall formulate appropriate policies with the approval of their Boards to share the credit information relating to SHGs or SHG members, on an aggregate basis with the Government agencies, NABARD, banks and MFIs for the purpose of credit planning and research. In accordance with their board approved policies, the CICs could also share the aggregate information with other parties for the purpose of undertaking research that could potentially benefit the SHG segment. The aggregate information shall be shared in a manner that is non-discriminatory and respects the confidentiality of the individual SHG groups and the SHG members as per the relevant laws of the country.

Yours faithfully

(Rajinder Kumar)
Chief General Manager

Annex¹

I. Information to be collected by banks

Table 1: Information to be collected from individual SHG members where the total amount of loan to be attributed to or to be availed by the SHG member exceeds Rs. 30, 000²

Particulars required	Particulars provided	Basis	Modifications during Phase II
I. Non-Credit information			
1. Name of the SHG		To be provided by the SHG member	
2. Savings Bank Account Number of the SHG		To be provided by the SHG member	
3. Loan Account Number of the SHG		To be assigned by the bank	
4. Name of the SHG member		As it appears on the identity document accepted by the bank or record of the bank	
5. The identity document accepted by the bank		Aadhaar Card No. /Voter ID/PAN /Driving licence/ NREGA Card /Passport ³	
6. Unique number of the identity document accepted by the bank, if available		Documentary proof needed	
7. Father's /Husband's Name		As mentioned in the identity document accepted by the bank	
8. Male or Female		As declared by the SHG member	
9. Date of birth (if printed on the identity document)		DD/MM/YYYY	
10. Address (Complete address with State Code and PIN Code)		Declaration basis ⁴	
11. Information about other existing bank accounts		Declaration basis	

¹ The forms set out in this annex are meant to indicate the information requirements and could be digitized in any format, subject to all the particulars and details indicated herein being collected.

² To be collected at the time of sanctioning a loan to new SHGs or at the time of renewal of existing loans or granting additional loans to the existing SHGs. With the approval of their boards, the banks with Gross NPA ratio exceeding 10% in the SHG loan segment may fix a lower threshold for collecting the information/data indicated in this Table and the next one. This amount will not include any subsidy or margin out of the member's own savings that goes towards funding the activity or the purpose for which the loan is taken (both either back end or front end)

³ The banks may specifically see if any of the SHG members would fall within the purview of DBR circular DBR. AML.BC.No.15/14.01.001/2015-16 dated 1 July 2015 relating to introduction of simplified measures for proof of identity by RBI and offer Small Deposit Accounts/Basic Saving Bank Deposit Account to them. Wherever a SHG member is willing to open such an account, the KYC should be done as per RBI circular and reported to the Central KYC Registry and the CICs. No document to be collected if the KYC has already been done at the time of opening of the Savings bank Account of the SHG member, or otherwise.

⁴ The bank to pull out information from Central KYC registry as and when that is set up.

12. Educational level	<u>Codes to be used</u> Illiterate : 1 Passed 5 th class : 2 Passed 8 th class : 3 Passed 10 th class : 4 Above 10 th : 5	Declaration basis	
13. Occupation	<u>Codes to be used</u> Home maker : 1 Landless labourer : 2 Marginal Farmer : 3 Small Farmer : 4	Declaration basis	
14. Annual income in thousands of Rs.		Declaration basis	
15. Social strata	<u>Codes to be used</u> SC: 1 ST: 2 OBC: 3 General : 4	Declaration basis	
16. Mobile Number (if available)		Declaration basis	

II. Credit related information ⁵			
<p>17. Information about existing loans – through other SHGs where the individual is a member</p> <p>17.1 <i>Status of the SHG Account</i></p> <p><input type="checkbox"/> Name of the SHG</p> <p><input type="checkbox"/> SHG's loan Account Number</p> <p><input type="checkbox"/> Name of the lending bank</p> <p><input type="checkbox"/> Amount borrowed</p> <p><input type="checkbox"/> Amount outstanding</p> <p><input type="checkbox"/> Status of the account</p> <p style="padding-left: 20px;"><input type="checkbox"/> Regular</p> <p style="padding-left: 20px;"><input type="checkbox"/> Defaulter</p> <p style="padding-left: 20px;"><input type="checkbox"/> Settled</p> <p style="padding-left: 20px;"><input type="checkbox"/> Sub-judice</p>		<p>Based on the CIC report obtained by the bank or a bank report (in the absence of a CIC report)</p> <p>Based on the CIC report obtained by the bank, if available</p>	
<p>17.2 <i>If in default, status of the SHG member's loan account if the SHG loan was distributed to him/her⁶</i></p> <ul style="list-style-type: none"> • Name of the SHG • Name of the lending bank • Amount borrowed • Amount outstanding 			<p>In phase I, the status of the SHG member's loan account is to be enquired only if the SHG account was in default.</p> <p>In Phase II, the status of the SHG member's loan account to be enquired if the SHG loan was distributed to him/her regardless of the status of SHG loan account</p> <p>[Based on CIC report, if available; in other cases a letter from the SHG to be relied upon]</p>

⁵ Not applicable, if the group loan is upto Rs. 1, 00, 000/-.

⁶ Until the data base of individual SHG members is accumulated in the CICs, this information may be collected and relied upon based on a letter provided by the SHG concerned. 17.2 will not be applicable if the SHG account is regular.

18. The amount of loan proposed to be taken out of the group loan granted by the bank to the SHG ⁷		Letter from the President/Secretary of the SHG. To be verified by the bank later on.	
19. The loans taken by the member in individual capacity from other sources		During Phase I, this information may be collected based on CIC reports, if available.	During Phase II, this information may be collected on a more firm basis i.e., if not available with CICs, individual bank/MFIs' reports may be sought once the member declares his previous borrowings.

⁷ All SHGs must decide upfront how they propose to utilize the SHG loan. The actual distribution of the loan to individual members wherever it was agreed to be above Rs. 30,000 or where the actual amount disbursed exceeded Rs.30000 though not agreed at the time of taking loan from the bank, must be reported to the bank by the SHG office bearers. Non-adherence to this condition may be taken into account while extending further loan to the SHG or renewing its cash credit limit next time. The banks need to incorporate suitable clauses in the loan agreements relating to penal provisions for providing wrong information regarding the amount of loans taken out of the group loans. Depending upon their experience, banks may also insist on maintenance of verifiable record of the amounts distributed out of bank loans in cases where the average amount of loan availed by the SHG per member exceeds Rs.20,000/-.

Table 2: Information to be collected from individual SHG members where the total amount of loan to be attributed to or to be availed by the SHG member is upto Rs.30,000⁸

Particulars required	Particulars provided	Basis	Modifications during Phase II
I. Non-Credit information			
1. Name of the SHG		To be provided by the SHG member	
2. Savings Bank Account Number of the SHG		To be provided by the SHG member	
3. Loan Account Number of the SHG		To be assigned by the bank	
4. Name of the SHG member		As it appears on the identity document accepted by the bank or record of the bank	
5. The identity document accepted by the bank		Aadhaar Card No. /Voter ID/PAN/Driving licence/NREGA Card /Passport ⁹	
6. Unique number of the identity document accepted by the bank, if available		Documentary proof needed	
7. Father's /Husband's Name		As mentioned in the identity document accepted by the bank	
8. Male or Female		As declared by the SHG member	
9. Date of birth (if printed on the identity document)		DD/MM/YYYY	
10. Address (Complete address with State Code and PIN Code)		Declaration basis ¹⁰	
11. Information about other existing bank accounts		Declaration basis	

⁸ To be collected at the time of sanctioning a loan to new SHGs or at the time of renewal of existing loans or granting additional loans to the existing SHGs. With the approval of their boards, the banks with Gross NPA ratio exceeding 10% in the SHG loan segment may fix a lower threshold for collecting the information/data indicated in this Table . This amount will not include any subsidy or margin out of the member's own savings that goes towards funding the activity or the purpose for which the loan is taken (both either back end or front end)

⁹ The banks may specifically see if any of the SHG members would fall within the purview of DBR circular DBR. AML.BC.No.15/14.01.001/2015-16 dated 1 July 2015 relating to introduction of simplified measures for proof of identity by RBI and offer Small Deposit Accounts/Basic Saving Bank Deposit Account to them. Wherever a SHG member is willing to open such an account, the KYC should be done as per RBI circular and reported to the Central KYC Registry and the CICs. No document to be collected if the KYC has already been done at the time of opening of the Savings bank Account of the SHG member, or otherwise.

¹⁰ The bank to pull out information from Central KYC registry as and when that is set up.

12. Educational level	<u>Codes to be used</u> Illiterate : 1 Passed 5 th Class : 2 Passed 8 th Class : 3 Passed 10 th class : 4 Above 10 th : 5	Declaration basis	
13. Occupation	<u>Codes to be used</u> Home maker : 1 Landless Labourer : 2 Marginal farmer : 3 Small Farmer : 4	Declaration basis	
14. Annual income in thousands of Rs.		Declaration basis	
15. Social strata	<u>Codes to be used</u> SC : 1 ST : 2 OBC : 3 General : 4	Declaration basis	
16. Mobile Number (if available)		Declaration basis	
II. Credit related information¹¹			
17. Information about existing loans – through other SHGs where the individual is a member <i>17.1 Status of the SHG Account</i> <input type="checkbox"/> Name of the SHG <input type="checkbox"/> SHG loan account number <input type="checkbox"/> Name of the lending bank <input type="checkbox"/> Amount borrowed <input type="checkbox"/> Amount outstanding <input type="checkbox"/> Status of the account <input type="checkbox"/> Regular <input type="checkbox"/> Defaulter <input type="checkbox"/> Settled <input type="checkbox"/> Sub-judice	Not to be collected during phase I	Based on the CIC report obtained by the bank or a bank report (in the absence of a CIC report) Based on the CIC report obtained by the bank, if available	To be collected only during Phase II based on the CIC report obtained by the bank.

¹¹ Not applicable, if the group loan is upto Rs. 1, 00, 000/-.

18. The loans taken by the member in individual capacity from other sources	Not to be collected during phase I		To be collected during Phase II; based on CIC report if available
19. The amount of loan proposed to be taken out of the group loan granted by the bank to the SHG		During phase I: The amount to be recorded based on a letter from the President/Secretary of the SHG	During Phase II: The amount of loan to be verified by the bank from the SHG records.

II. Information to be uploaded/submitted to the CICs

Table 3¹²: Information on all individual SHG members to be reported by banks to CICs

I. Non- credit related information		Modifications during Phase II
1. Name (as it appears on the identity document)		
2. The nature of the identity document accepted by the bank		
3. Unique number of the identity document accepted by the bank, if available		
4. Date of birth (DD/MM/YYYY)		
5. Father's /Husband's Name		
6. Address (Complete address with State Code and PIN Code)		
7. Male or Female		
8. Name of the SHG of which the person is a member		
9. Savings Account Number of the SHG		
10. Loan Account Number of the SHG		
11. Reference number of any other identity document that has been relied upon by the bank		
12. Educational level of the SHG member	<u>Codes to be used</u> Illiterate : 1 Passed 5 th class : 2 Passed 8 th class : 3 Passed 10 th class : 4 Above 10 th : 5	
13. Annual Income	<u>Codes to be used</u> Home maker : 1 Landless labourer : 2 Marginal farmer : 3 Small Farmer : 4	
14. Occupation		
15. Social strata	<u>Codes to be used</u> SC : 1 ST : 2 OBC : 3 General : 4	
16. Mobile No.		
II. Credit related information¹³		
17. Amount of loan availed by the member from the SHG loan if it exceeds Rs.30,000.		The amount of loan availed by the member from the SHG loan regardless of the amount.

¹² RBI has set up a Standing Technical Working Group comprising representatives from various credit institutions and CICs to institutionalise a continuing mechanism for reviewing and making changes where necessary to the data formats. This Group shall suitably adapt Table 3 for the purpose of reporting of data by banks to the CICs electronically.

¹³ Not applicable, if the group loan is upto Rs. 1, 00, 000/-.

Table 4: Information on individual SHG members to be collected at the time of opening of new SHG Savings Bank Accounts of the SHG

Particulars required	Particulars provided	Basis
1. Name of the SHG		To be filled in by the SHG member
2. Savings Bank Account Number of the SHG		To be assigned by the bank
3. Name of the SHG member		As it appears on the identity document accepted by the bank
4. The identity document accepted by the bank		Aadhaar Card No. /Voter ID/PAN/Driving licence/NREGA Card /Passport ¹⁴
5. Unique number of the identity document accepted by the bank, if available		Documentary proof needed
6. Father's /Husband's Name		As mentioned in the identity document accepted by the bank
7. Male or Female		As declared by the SHG member
8. Date of birth (if printed on the identity document)		DD/MM/YYYY
9. Address (Complete address with State Code and PIN Code)		Declaration basis ¹⁵
10. Information about other existing bank accounts		Declaration basis
11. Educational level	<u>Codes to be used</u> Illiterate : 1 Passed 5 th class : 2 Passed 8 th class : 3 Passed 10 th class : 4 Above 10 th : 5	Declaration basis
12. Occupation	<u>Codes to be used</u> Home maker : 1 Landless Labourer : 2 Marginal Farmer : 3 Small Farmer : 4	Declaration basis

¹⁴ The banks may specifically see if any of the SHG members would fall within the purview of DBR circular DBR. AML.BC.No.15/14.01.001/2015-16 dated 1 July 2015 relating to introduction of simplified measures for proof of identity by RBI and offer Small Deposit Accounts/Basic Saving Bank Deposit Account to them. Wherever a SHG member is willing to open such an account, the KYC should be done as per RBI circular and reported to the Central KYC Registry and the CICs.

¹⁵ The banks will pull out information from Central KYC registry as and when that is set up.

13. Annual income in thousands of Rs.		Declaration basis
14. Social strata	<u>Codes to be used</u> SC : 1 ST : 2 OBC : 3 General : 4	Declaration basis
15. Mobile Number (if available)		Declaration basis