



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2021-22/83

FIDD.GSSD.CO.BC.No.09/09.01.003/2021-22

August 9, 2021

The Chairman/ Managing Director/Chief Executive Officer
Public Sector Banks
Private Sector Banks
(including Small Finance 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 the [Master Circular FIDD.GSSD.CO.BC.No.04/09.01.01/2021-22 dated April 1, 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 of [RBI Master Circular FIDD.GSSD.CO.BC.No.04/09.01.01/2021-22 \(on DAY-NRLM\) dated April 01, 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 Master Circular remain unchanged.

Yours faithfully

(Kaya Tripathi)
Chief General Manager