



# PUNJAB & SIND BANK

/(A Government of India Undertaking)

Form No. \_\_\_\_\_

## No. I Self Help Group -Savings Bank Account Opening Form

To:

**The Branch Manager**

\_\_\_\_\_ Bank  
\_\_\_\_\_ Branch

**Sub:-Application for SHG-SB A/C opening**

For Official Use Only	
SB A/c No	
Customer ID	
SHG Scheme Code (NRLM/Others)	
SHG Gender Code (Male/Female)	

Dear Madam/Sir,

1. We request you to open a Savings Bank Account in name of our Self Help Group. We agree to abide by the rules and regulation of the bank related to Savings Account.

Name of SHG					
Date of Formation		Number of Members		Name of Facilitating Agency (if any)	
Address	Street .....Village/ City.....Gram Panchayat..... Block .....District.....Pin.....				

2. The Savings Account will be operated by joint signature of any two among the following representatives of our Self Help Group. A copy of resolution taken by our Self Help Group in this regard is attached.
3. Request for Cheque Book : Yes / No

Bank Verification	Affix passport Size photograph	Affix passport Size photograph	Affix passport Size photograph
	Name :	Name:	Name:
	Date of Birth:                      Age:	Date of Birth:                      Age:	Date of Birth:                      Age:
	Designation:	Designation:	Designation:
	Address:	Address:	Address:
	Mobile:	Mobile:	Mobile:
	KYC Documents Provided	KYC Documents Provided	KYC Documents Provided
	Enclosed Copy of address &ID proof <input type="checkbox"/> Voter ID <input type="checkbox"/> Driving license <input type="checkbox"/> Aadhar Card <input type="checkbox"/> Job Card <input type="checkbox"/> PAN Card <input type="checkbox"/> Passport	Enclosed Copy of address &ID proof <input type="checkbox"/> Voter ID <input type="checkbox"/> Driving license <input type="checkbox"/> Aadhar Card <input type="checkbox"/> Job Card <input type="checkbox"/> PAN Card <input type="checkbox"/> Passport	Enclosed Copy of address &ID proof <input type="checkbox"/> Voter ID <input type="checkbox"/> Driving license <input type="checkbox"/> Aadhar Card <input type="checkbox"/> Job Card <input type="checkbox"/> PAN Card <input type="checkbox"/> Passport
	<input type="checkbox"/> Any other document accepted by	<input type="checkbox"/> Any other document accepted by	<input type="checkbox"/> Any other document accepted by

Bank (specify).....	Bank (specify).....	Bank (specify).....
Specimen Signature/Thumb Impression	Specimen Signature/Thumb Impression	Specimen Signature/Thumb Impression

4. We hereby declare that the above information is true and correct. We have agreed to the terms and conditions and also agree to abide by any amendments to the terms and conditions as may be stipulated by the Bank from time to time.

Yours faithfully,

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

(Signature/Thumb Impression of SHG Representatives with Seal of SHG)

Date:

Place:

*Enclosure:*

- i. Copy of Resolution by Self Help Group to open Savings Account*
- ii. Photographs of authorized representatives*
- iii. Copy of ID and address proof of authorized representatives.*

**For Bank Use Only**

- 1. The applicant has affixed his signature or thumb print, as the case may be, in my presence
- 2. I have explained the rules / regulations to the applicant \_\_\_\_\_
- 3. Account has been opened on \_\_\_\_\_
- 4. Cheque Book has been issued.

Date: \_\_\_\_\_ Officer \_\_\_\_\_

**Specimen copy of Resolution by Self Help Group for Opening Savings Account**

Name of SHG:

Address:

Date of Formation:

Total No. of Members:

Name of Facilitating Agency:

**Resolution for Opening Savings Bank Account**

Today on .....(Date), at the meeting of .....(name of SHG) at .....(meeting place of SHG/ address) in presence of all its members, it is resolved that our .....(name of SHG) will open a savings bank a/c in .....Bank .....Branch. It has also been further resolved that Shri/Smt.....(Designation .....);Shri/ Smt.....(Designation .....) and Shri/Smt .....(Designation .....) will sign all the necessary document related to the opening of Savings Account as representatives on behalf of .....(name of SHG). Transaction in the Savings a/c of the group will be done by joint signature of any two among the above mentioned representatives.

We, all members hereby agree to the above decision.

Sl	Name of SHG members	Name of Father/Husband	Gender (Male/Female)	Occupation	Date of Birth	Address	Aadhar Card No	Signature/Thumb Impression
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Signature/Thumb Impression

(Designation .....)

Signature/Thumb Impression

(Designation .....)

Signature/Thumb Impression

(Designation .....)

Seal of Self Help Group

### No. III

#### **Acknowledgement**

(To be handed over to SHG after submission of the Application Form)

**Received the following Application form for loan**

<b>Name of SHG</b>	
<b>Address</b>	
<b>Application No</b>	
<b>Savings Account No</b>	
<b>Date of Receipt of Application by branch</b>	

**Signature**

**Branch**

**Bank**



No. IV

Form No	
Bank	
Branch	

For Official Use Only	
Customer ID	
Loan A/c No	
Loan Type (CC/TL)	Cash Credit Term Loan
Product code	
Date of Sanction	
Sanctioned Amount in Rs.	
Loan Term	

## Self Help Group Loan Application Form

Name of the SHG			
Date of Formation		No of SHG members	
Address	Village/ City:..... GP:	Block	District:
SB A/C No			
Loan A/c No (if any)			
Supporting Agency (if any)			
Application for Loan Cycle			

## Self Help Group Loan Application Form

To:

**The Branch Manager**

\_\_\_\_\_ Bank  
 \_\_\_\_\_ Branch

Dear Madam/Sir,

### Sub:-Application for credit linkage

<div style="border: 1px solid black; border-radius: 15px; width: 80%; margin: 0 auto; padding: 10px;">                 Affix passport Size photograph             </div>	<div style="border: 1px solid black; border-radius: 15px; width: 80%; margin: 0 auto; padding: 10px;">                 Affix passport Size photograph             </div>	<div style="border: 1px solid black; border-radius: 15px; width: 80%; margin: 0 auto; padding: 10px;">                 Affix passport Size photograph             </div>
Name :	Name:	Name:
Designation:	Designation:	Designation:
Address:	Address:	Address:
Mobile:	Mobile:	Mobile:

1. We, the \_\_\_\_\_ duly \_\_\_\_\_ authorized \_\_\_\_\_ representatives \_\_\_\_\_ of \_\_\_\_\_ (name of SHG) \_\_\_\_\_ village/city \_\_\_\_\_ Block \_\_\_\_\_ District hereby apply for a loan aggregating Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) by way of Cash Credit(CC) / Term Loan(TL) for on-lending to our members. A copy of resolution taken by our Self Help Group in this regard is attached.
2. A copy of the member-wise requirement of loan is enclosed (*Compulsory from 3<sup>rd</sup> linkage onwards*)
3. We agree to repay the loan amount as per the repayment schedule which may be fixed by the Bank.
4. A copy of the Inter-se Agreement executed by all the members of the group authorizing us *inter alia* to borrow on behalf of the SHG is enclosed.
5. We hereby declare that the particulars given above are true and correct to the best of our knowledge and belief.
6. We hereby authorize the Bank to disclose all or any particulars or details or information relating to our loan accounts with the Bank, to any other financial institution including NABARD, Government or any agency as may be considered necessary or desirable by the Bank. It will be in order for the Bank to disqualify the SHG from receiving any credit facilities from the Bank and or recall the entire loan amount or any part thereof granted on this application, if any of the information pertaining to the group, furnished herewith is found incorrect and/or containing misrepresentation of facts.
7. A copy of the financial status of our SHG as on ..... (date) is attached.

Yours faithfully,

- 1.
- 2.
- 3

**[Signature of Authorized Representatives of SHG with Seal]**

**Specimen copy of Resolution for taking loan from Bank**

Name of SHG:

Address:

Date of Formation:

Total No. of Members:

Name of Facilitating Agency:

**Resolution for taking loan from Bank**

Today on .....(Date), at the meeting of .....(name of SHG) at .....(meeting place of SHG/ address) in presence of all its members, it is resolved that our .....(name of SHG) will seek loan of Rs.....(in words).....from (Name of Bank). It has also been further resolved that Shri/Smt.....(Designation .....);Shri/ Smt.....(Designation .....) and Shri/Smt .....(Designation .....) will sign all the necessary document related to the loan application to bank on behalf of the .....(name of SHG).

We, all members hereby agree to the above decision.

Sl	Name of SHG members	Name of Father/Husband	Gender (Male/ Female)	Occupation	Date of Birth	Address	Aadhar Card No	Signature/Thumb Impression
1								
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Signature/Thumb Impression

(Designation .....)

Signature/Thumb Impression

(Designation .....)

Signature/Thumb Impression

(Designation .....)

Seal of Self Help Group

**Details of Member wise Loan Requirement (As per Micro Credit Plan)**

(Compulsory from 3<sup>rd</sup> credit linkage onwards)

Name of the SHG:-

Date of formation:

Address

No. of Members:

Member-wise details of proposed investment, sources of fund & resultant Net Surplus of the family

S.N.	Name of member*	Purpose of investment	Amount of loan Required from SHG (Rs.)	Total Annual Income from various sources:- IGAs, Wages, Grants from Govt. etc. (Rs)	Total Annual Expenditure (Rs.)	Annual net income before repayment of loan installment (Rs.)	Annual repayment for the proposed loan & existing loan, if any (Rs.)	Annual Surplus (Rs.)
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19								
20								
<b>Total</b>								

(\* ) To be written in order of priority & rotation plan as decided in SHG meeting



**Financial Statement of .....(name of SHG) as on .....(date)**

Particulars	Amount (Rs)
Total Savings of members:	
Total interest and other incomes:	
Revolving Fund/ Grant Assistance received from project/ department/ other agencies	
Other Receipts (Specify .....)	
<b>Total</b>	

(Amount in Words .....)

We certify that the above statement is true and can be verified from the books of accounts maintained by our Self Help Group.

Signature  
(Designation .....)

Signature  
(Designation .....)

Signature  
(Designation .....)

Seal of Self Help Group

**Format 1: SHG Grading format for Fresh Linkage****A. Basic Information:-**

Name of the SHG:

Village: .....Gram Panchayat:.....Block:.....District:.....

Date of formation of the SHG:.....Date of opening of Bank S/B A/C:.....

Period considered for Grading: From.....to.....

(Usually last 6 months)

**B. Details of Grading /Evaluation Exercise:**

S.N.	Indicator	Allotted Marks	Formula for determining Marks	Marks obtained
1	<b>Regularity of Meeting:</b>			
(a)	Regularity of holding meetings by SHG	10	$\frac{\text{No. of meetings held} \times 10}{\text{No. of meetings required to be held as per rule of SHG}}$	
(b)	Regularity of Attendance of members in the meetings	10	$\frac{\text{Average no. of members attended the meetings} \times 10}{\text{Total no. of members of the SHG}}$	
2	<b>Regularity of Savings by members</b>	10	$\frac{\text{Amount of savings deposited by the members} \times 10}{\text{Amount of savings required to be deposited as per rule of SHG}}$	
3	<b>*Velocity of Lending</b> to members from Group Corpus	20	More than 1.5 :- 20 More than 1.0 up to 1.5:- 15 More than 0.5 up to 1.0:- 10 More than 0.2 up to 0.5:- 5 Up to 0.2:- 0	
4	<b>Regularity in Repayment of loan by members</b>	20	$\frac{\text{Amount of recovery against Demand} \times 20}{\text{Amount of Demand (required to be paid as per repayment schedule)}}$	
5	<b>Updated Record keeping:</b>			
a)	Resolution Book	4	Maintained up to date :- Full marks Maintained , but not up to date:- Half Marks Not maintained:- 0 (no Mark)	
b)	Cash Book	8		
c)	Savings Ledger	4		
d)	Loan Ledger	4		
e)	General Ledger	6		
f)	Individual Pass Book	4		
	<b>Total</b>	<b>100</b>		

\*Velocity of lending from Group Corpus=  $\frac{\text{Amount lent to the members from Group Corpus}}{\text{Average amount of Group Corpus}}$

- A Grade: 80 or more marks
- B Grade: 70-79 marks
- C Grade: 60-69 marks
- D Grade: less than 60 marks

Only A & B graded SHGs are to be considered for credit linkage

**Format 2: SHG Grading format for Repeat Linkage****A. Basic Information:-**

Name of the SHG:

Village: .....Gram Panchayat:.....Block:.....District:.....

Date of formation of the SHG:.....Date of opening of Bank S/B A/C:.....

Period considered for Grading: From.....to.....

(Usually last 6 months)

**B. Details of Grading /Evaluation Exercise:**

S.N.	Indicator	Allotted Marks	Formula for determining Marks	Marks obtained
1	<b>Regularity of Meeting:</b>			
(a)	Regularity of holding meetings by SHG	5	$\frac{\text{No. of meetings held} \times 5}{\text{No. of meetings required to be held as per rule of SHG}}$	
(b)	Regularity of Attendance of members in the meetings	5	$\frac{\text{Average no. of members attended the meetings} \times 5}{\text{Total no. of members of the SHG}}$	
2	<b>Regularity of Savings by members</b>	10	$\frac{\text{Amount of savings deposited by the members} \times 10}{\text{Amount of savings required to be deposited as per rule of SHG}}$	
3	<b>*Velocity of Lending</b> to members from Group Corpus	10	More than 1.5 : 10 More than 1.0 up to 1.5 - 7 More than 0.5 up to 1.0: 5 More than 0.2 up to 0.5: 2 Up to 02: 0	
4	<b>Regularity in Repayment of loan by members</b>	15	$\frac{\text{Amount of recovery against Demand} \times 15}{\text{Amount of Demand (required to be paid as per repayment schedule)}}$	
5	<b>Updated Record keeping:</b>			
a)	Meeting Resolution Book	4	Maintained up to date :- Full marks Maintained , but not up to date:- Half Marks Not maintained:- 0 (no Mark)	
b)	Cash Book	8		
c)	Savings Ledger	4		
d)	Loan Ledger	4		
e)	General Ledger	6		
f)	Individual Pass Book	4		
	<b>Operations in Cash Credit/ Term loan A/c and Credit history:</b>			
6	a) Number of transactions in last 12 months( Dr. & Cr.)	10	i) 12 or more:- 10	
			ii) 6 to less than 12 :- 6	
			ii) Less than 6 :- 0	
	b) Servicing of interest charged in CC A/c	10	i) Within 1 month :- 10	
			ii) Within 2 month:- 6	
			iii) After 2 months:- 0	
	c) Occasions of overdrawing in CC A/c due to charging of interest etc. during last 12 months	5	i) Never :- 5	
			ii) On 2 occasions :- 3	
			iii) On more than 2 occasions :- 0	
<b>Total</b>		<b>100</b>		

\*Velocity of lending from Group Corpus=  $\frac{\text{Amount lent to the members from Group Corpus}}{\text{Average amount of Group Corpus}}$

- **A Grade: 80 or more marks**
- **B Grade: 70-79 marks**
- **C Grade: 60-69 marks**
- **D Grade: less than 60 marks**

**Only A & B graded SHGs are to be considered for enhancement of CC limit / repeat dose of T/L**

## Specimen of Appraisal Note cum Sanction Order of Bank Branch for financing Self-Help-Group:

\* Credit Linkage (CC / TL) / \*Renewal of CC limit / \*Enhancement of CC limit / \*Repeat TL  
(\*Strike out which is not applicable)

### Basic Details of SHG

1. Name of the Bank:.....
2. Name of the Branch:.....
3. Name of the Processing / Inspecting Loan Officer:.....
4. Date of Processing/Inspection:.....
5. Name of the SHG:.....
6. Address of the SHG:.....
7. Date of formation of the SHG:.....
8. No. of members in SHG:.....
9. Facilitating Agency (if any):.....
10. S/B A/C No.....
11. CC A/C No. (in case of already CC-linked SHG):.....

### Assessment of SHG

1. Whether the SHG has completed 6 months from the date of formation / 12 months from the date of last sanction: Yes / No (\*Strike out which is not applicable)
2. Whether the SHG has been Graded /Evaluated: Yes / No (\*Strike out which is not applicable)
3. Whether the SHG has passed the Grading / Evaluation Exercise: Yes / No (\*Strike out which is not applicable)
4. % of Marks obtained in the Grading / Evaluation Exercise:.....
5. Financial position of the SHG( as on .....):

Liabilities		Assets	
Particulars	Amount	Particulars	Amount
Outstanding C/C of Bank		Cash in hand	
Outstanding T/L of Bank		Deposit with Bank	
Outstanding loan of VO/Federation		Deposit with Federation	
Savings of members		Loan outstanding from members	
Other Liabilities (Specify.....)		Other Assets (Specify.....)	
Surplus			
<b>Total</b>		<b>Total</b>	

Existing Corpus of SHG =Rs .....[ Total Assets – Outstanding loans (if any)]

**Assessment of eligibility CC Limit / TL to be sanctioned to the SHG:**

No. of dose of credit *	Eligibility	Eligible Amount (As per RBI guidelines)	Amount Proposed to be Sanctioned
Fresh Linkage (1 <sup>st</sup> dose)	a) Existing Corpus = Rs ..... b) Proposed savings for remaining part of the year = Rs..... Total Corpus = Rs .....[(a) + (b)]	4-8 time of total Corpus or minimum Rs 50,000 whichever is higher	Rs .....
2 <sup>nd</sup> Dose	a) Existing Corpus = Rs ..... b) Proposed savings for next 12 months = Rs..... Total Corpus = Rs .....[(a) + (b)]	5-10 time of total Corpus or minimum Rs 100,000 whichever is higher	Rs .....
3 <sup>rd</sup> Dose		Minimum Rs 200,000 as per Micro Credit Plan	Rs .....
4 <sup>th</sup> Dose		Rs 500,000- Rs 10,00,000 as per Micro Credit Plan	Rs .....

(\*Strike out which is not applicable)

**Terms of Sanction:**

Sanctioned a new Cash Credit limit / Renewed / Enhanced the existing Cash Credit limit / Repeat Term Loan for Rs.....Rupees.....only ) under the following terms & conditions:-

- (a) **Amount of CC limit / TL (New /Renewed/ Enhanced / Repeat) for .....(period in months):**  
Rs.....(Rupees ..... only)
- (b) **Documents to be obtained:**
  - i. Inter-se agreement
  - ii. Articles of loan agreement
  - iii. Demand Promissory Note
- (c) **Purpose of the credit facility:** On-lending to the members of the SHG
- (d) **Rate of interest:** .....% p.a.to be calculated on reducing balance method with monthly rest. The SHG will be eligible to get the benefit of interest subsidy if it fulfil the norms as specified by Government in this regard.
- (e) **Service charge:** Nil (Loan to SHG is treated as advance to weaker section).
- (f) **Repayment:**
  - i. For CC: Each withdrawal of principal loan from the C.C. A/C is to be repaid within.....(12-24) months of such withdrawal. Interest debited to the A/C is to be repaid / deposited promptly so that outstanding balance of the CC A/C does not exceed the sanctioned limit under no circumstances.
  - ii. For TL: Principal loan is to be repaid in .....equal monthly / quarterly / half-yearly instalments. Interest debited to the A/C is to be repaid / deposited promptly.

(g) Review / Evaluation of the C/C A/C will be done after 12 months.

.....  
Signature of the Processing / Appraising Officer

.....  
Signature of the Branch Manager

Date:-

(With Office Seal)  
Date:-

We, on behalf of .....SHG hereby accept the aforesaid terms & conditions of the above-noted CC facility / Term loan sanctioned to our SHG by the above-mentioned Bank Branch.

- 1.
- 2.
- 3.

[Signature of Authorized representatives of the SHG with office seal]

Date:  
Place:

## Arrangement letter acknowledge by SHG

We the (Bank Name),.....Branch has Sanctioned a new Cash Credit limit / Renewed / Enhanced the existing Cash Credit limit / Repeat Term Loan for Rs.....(Rupees.....only ) to..... ( Name of SHG) under the following terms & conditions:-

- (a) Amount of CC limit / TL (New/ Renewed/Enhanced/Repeat) for.....(period in months):  
Rs.....( Rupees.....only)
- (b) Documents to be obtained:
- i. Inter-se agreement
  - ii. Articles of loan agreement
  - iii. Demand Promissory Note /D P Note delivery letter
- (c) Purpose of the credit facility: On-lending to the members of the SHG
- (d) Rate of interest:.....% above/below base rate minimum.....% p.a. subject to change in base rate from time to time to be calculated on reducing balance method with monthly/qty/hlf yearly rest. The SHG will be eligible to get the benefit of interest subsidy if it fulfill the norms as specified by Government in this regard.
- (e) Service charge : Nil (Loan to SHG is treated as advance to weaker section).
- (f) Repayment:
- i. For CC: Each withdrawal of principal laon from C.C. A/C is to be repaid within.....(12-24) months of such withdrawal. Interest debited to the A/C is to be repaid/ deposited promptly so that outstanding of the CC A/C does not exceed the sanctioned limit under no circumstances.
  - ii. For TL: Principal loan is to be repaid in.....equal monthly / quarterly / half –yearly instalments. Interest debited to the A/C is to be repaid / deposited promptly.
- (g) Review / Evaluation of the C/C A/C will be done after 12 months.

.....

**Signature of the Branch Manager ( With Office Seal)**

Date:-

We, on behalf of.....SHG hereby accept the aforesaid termsw & conditions of Conditions of the above-noted CC facility / Term loan sanctioned to our SHG by the above-Mentioned Bank Branch.

- 1.
- 2.
- 3.

**(Signature of Authorized representatives of the SHG with office seal)**

Place:

Date:

## Specimen of INTER-SE AGREEMENT TO BE EXECUTED BY THE MEMBERS OF THE SELF HELP GROUP

THIS AGREEMENT made on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ BETWEEN

SI no	Members Name	Name of Father/ Husband	Gender (Male /Female)	Age
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who are members of the \_\_\_\_\_ group, hereinafter referred to collectively as "The Self Help Group (SHG) Members" which expression shall, unless repugnant to the context or meaning, include every members of the said SHG and their respective legal heirs, executors and administrators.

WHEREAS all SHG members are residents of \_\_\_\_\_ Village/ City.....in\_\_\_\_\_ Block of ..... District of .....State and are known to each other.

WHEREAS the SHG members above named have joined voluntarily together and formed the SHG with intent to carry on savings and credit and other economic activities for mutual benefit subject to the terms and conditions hereinafter appearing:

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT :-

1. Each member of the SHG shall save a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) or such sum as may be decided by the Group, on (weekly fortnightly/monthly) basis during the scheduled SHG meeting which shall be deposited with the authorised member(s)/representative of the group. The accumulated corpus of the SHG shall be given on loan to members based on their need and recovered along with interest as decided by the SHG members.
2. The SHG will take the responsibility for maintaining appropriate books of accounts to ensure transparency in transaction among SHG members
3. Each member shall strive for the success of the SHG and shall not act in any manner detrimental to the business interests of the SHG.



4. The SHG members shall be jointly and severally liable for all the debts contracted by the SHG.
5. All assets and goods acquired by the SHG shall be in the joint ownership of all the members of the SHG and shall ordinarily be in the constructive custody of such member as may be authorized by the Group and shall be kept at the place of business at \_\_\_\_\_ which shall not be changed without consent of the SHG members.
6. The SHG members hereby duly elect and appoint  
 Shri/Smt/Kum. \_\_\_\_\_ as \_\_\_\_\_,  
 Shri/Smt/Kum \_\_\_\_\_ as \_\_\_\_\_  
 Shri/Smt/Kum \_\_\_\_\_ as \_\_\_\_\_  
 to look after and manage the day to day affairs of the SHG's activities and also act in their name and on their behalf in all matters relating thereto. The authorized representatives, may however, be removed at any time by majority vote of the members and new representatives elected.
7. Each of the SHG members hereby agrees to abide by and ratify all such act, deeds and things as the authorized representatives may do in the interest of the said activities.
8. The authorized representatives shall take decisions in the day to day working of the SHG and each representative shall actively involve herself/himself and co-operate in looking after the day-to-day affairs of the SHG activities in particular to attend to the following activities.  
 - Every member of the SHG hereby authorizes the representatives to apply for the loan on behalf of the SHG and execute necessary agreements/documents on behalf of the SHG for the purpose. The authorized representative may collect loan amounts from the bank on behalf of SHG, deposit the same in the savings account of the SHG for on-lending to members in accordance with the decision of the SHG and also deposit recovery of loan installment from members in the loan account/s of SHG with the bank.
9. The SHG members hereby specifically authorize the representatives:-
  - i. To open Savings, Fixed Deposits and other accounts in .....Branch of..... Bank approved by the SHG and operate the same under the joint signature of any two of the following authorized representatives:  
 Shri/Smt/Kum \_\_\_\_\_ Shri/  
 Smt/Kum \_\_\_\_\_  
 Shri/Smt/Kum \_\_\_\_\_
  - ii. To keep or cause to be kept proper books of accounts of the savings, made by the SHG Members, loans granted to them and the recoveries made from them and render every year the full accounts to the SHG members for their approval and adoption;
  - iii. To receive all payments due to the SHG and issue requisite receipts or acknowledgments for and on behalf of the SHG;
  - iv. To institute and defend on behalf of the SHG members any legal proceedings and safeguard the interests of each member of the said SHG and for this purpose engage or disengage any lawyer or advocate or agent and incur the necessary legal expenses in connection therewith.
  - v. To apply for credit facility/loan, to accept the terms and conditions prescribed by Bank and to secure the credit facility/loan by pledge/hypothecation/mortgage/charge as the case may be of the assets/goods in the joint ownership of SHG.
  - vi. To open and operate the account relating to the said credit facility/loan, to give instructions for disbursement or withdraw the amount of loan by cheque or otherwise, to make payments into accounts from time to time and confirm balance and acknowledge liability on behalf of all or each of us as agent of us or each of us from time to time.

10. In the event of death of any of the members of the SHG, his/her legal heirs shall be entitled to or the benefits and be liable for the obligations of the deceased member under this agreement.

11. It is agreed that no new person shall be inducted as a member of the SHG without consent of all the existing members.

IN WITNESS WHEREOF the aforesaid members of the SHG have set their respective hands hereunto at the place \_\_\_\_\_ and on \_\_\_\_\_ day of \_\_\_\_\_ month \_\_\_\_\_ year first herein appearing.

S.N.	Name of member of the SHG	Signature/s/Thumb of the impression
1		
2		
3		
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WITNESSES:-

- 1.
- 2.

(Note: The SHG shall not consist more than 20 persons).

## Specimen of ARTICLES OF LOAN AGREEMENT FOR USE BY BANKS WHILE FINANCING SELF-HELP GROUPS

The Articles of Agreement made on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ at \_\_\_\_\_ By and Between M/s \_\_\_\_\_ [name of the SHG] an unregistered association of persons/individuals having its office at \_\_\_\_\_

represented by its authorized representative

Shri/Smt. \_\_\_\_\_ (Name) \_\_\_\_\_ (Designation);  
 Shri/Smt. \_\_\_\_\_ (Name) \_\_\_\_\_ (Designation) and  
 Shri/Smt. \_\_\_\_\_ (Name) \_\_\_\_\_ (Designation, who are fully

authorized by all the members of the SHG, ( a copy of such Authorization is annexed hereto and forms part of this agreement), hereinafter referred to as the "Borrower" which expression shall unless repugnant to the subject or context thereof, mean and include members of the unregistered association for the time being, their respective successors, legal heirs, administrators and assigns of the one part and \_\_\_\_\_ (name of the Bank) a body corporate constituted under the \_\_\_\_\_ Act, having its Head Office at \_\_\_\_\_ and the Branches, inter-alia, one at \_\_\_\_\_ here in after called "the Bank" which expression shall unless repugnant to the subject or context thereof mean and include its successors and assignees of the second part.

Whereas the borrower is an unregistered association of persons who have inter-se agreed to help each other as self-help group with a view to developing and ameliorating the socio-economic conditions of their members.

Whereas having formed the association as a Self Help Group, the Borrower as per application dated \_\_\_\_\_ made by the said

Shri/Smt. \_\_\_\_\_ (Name) \_\_\_\_\_ (Designation);  
 Shri/Smt. \_\_\_\_\_ (Name) \_\_\_\_\_ (Designation) and  
 Shri/Smt. \_\_\_\_\_ (Name) \_\_\_\_\_ (Designation, duly

authorized to borrow in terms of its resolution dated \_\_\_\_\_ [copy enclosed] requested the Bank to \*grant a Demand Loan /Term Loan/extend Cash Credit facility\* of Rs. \_\_\_\_\_/- up to the limit of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) for on-lending to its members.

And whereas the Bank has agreed to grant the \* Demand Loan / Term Loan /extend Cash Credit facility\* to the borrower on certain terms and conditions.(\* deleted whichever is not applicable)

And whereas the Bank and the borrower are desirous of reducing the agreed terms into writing.

Now, therefore, this agreement witnesses as follows:

1. The Bank has agreed to grant and the borrower has agreed to borrow by way of Demand Loan /Term Loan Cash / Credit (clean) up to the limit of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_-only) and the Bank has opened (SPECIFY THE KIND OF LOAN ACCOUNT) \_\_\_\_\_ A/C No. \_\_\_\_\_ of date \_\_\_\_\_ - in the name of the Borrower in its book of accounts.
2. \*In case the facility availed is Cash Credit the Borrowers will operate the Cash Credit account satisfactorily and within the limit and the Borrower shall repay the outstanding liability in the account inclusive of interest and other charges debited from time to time on demand without demur.
3. \*In case loan availed is Demand Loan, without prejudice to the right of the Bank to recall the loan on demand the Borrower undertakes to repay the loan with interest and other within the period stipulated in terms of sanction.

4. \*In case the credit facility availed of by the borrower is a Term Loan the same shall be repayable in installments in the manner specified herein-below in the repayment schedule. (to be specified) Besides the borrower will pay interest at the rates that may be prescribed for such lending by RBI/NABARD from time to time. (\*Delete whichever is not applicable)
5. It is clearly understood by and between the parties hereto that in the event of the borrower's failure to utilize the proceeds of the credit facility for the purpose for which the same has been made available by the bank to the borrower, the borrower shall repay immediately on demand without demur together with interest without prejudice to Bank's right to initiate other legal action.
6. The borrower shall pay interest on the loans to be calculated on the daily balances in the loan account and be debited thereto at quarterly rests or as the Bank may decide.
7. The borrower should utilize the proceeds of the credit facility for the purpose of lending to its members to improve the socio-economic conditions of their members and their families. That the loan will not be used for any Speculative purpose / activities prohibited by law.
8. The borrower shall repay the credit facility availed of together with interest payable as per the interest rates that may be fixed by RBI/NABARD from time to time for such lending
9. The borrower shall be liable to repay the facility on demand together with the interest and other charges payable by the borrower to the bank in accordance with the rules of the Bank.
10. That the interest at the rate of BR +(PLUS) \_\_\_\_\_ per cent per annum (plus \_\_\_\_\_ per cent term premia) i.e. \_\_\_\_\_ per cent per annum at present with monthly/quarterly/half-yearly/Yearly rests shall be calculated on the daily balance due to the Bank on the said account and shall be charged on the account on the last working day of the month so long as the debt herein incurred is not paid by Borrower(s) in its entirety and, will form part of principal and carry interest at the above mentioned rate.
11. The borrowers shall be liable to pay overdue interest at the rate of \_\_\_\_\_ or at the rate as may be fixed by the bank from time to time in the event of failure to repay the facility availed in the stipulated manner and/or failure to pay interest as stipulated
12. The Bank will always be at liberty to stop making fresh advances at any time without previous notice, which notice is hereby expressly waived, and without assigning any reason even though the said limit has not been fully availed of.
13. The borrowers, give their consent for the loans recovered from the assets hypothecated hereunder and/or other assets as a public demand or as land revenue in terms of any legislation relating to recoveries thereof, where such consent is necessary under such legislation
14. (i) The Borrower(s) understand(s) that as a pre-condition, relating to grant of loan/advances/other non-fund based credit facilities to the Borrower(s), the Bank requires their consent for disclosure by the Bank of, information and data relating to the Borrower(s), of the credit facilities availed of, to be availed, by the Borrower(s) obligations assumed/to be assumed, by the Borrower(s), in relation thereof and default, if any, committed by the Borrower(s), in discharge thereof.  
(ii) Accordingly, the Borrower(s), hereby agree(s) and give(s) consent for the disclosure by the bank of all or any such;  
  
(a) information and data relating to the borrower(s);

(b) the information or data relating to any credit facility availed of/to be availed, by the borrower(s) and

(c) default, if any, committed by the borrower(s), in discharge of his/her/their such obligation, as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. and any other Agency authorized in this behalf by Reserve Bank of India (RBI).

(iii) The Borrower(s) declare(s) that the information and data furnished by the Borrower(s) to the Bank are true and correct.

(iv) The Borrower(s) undertake(s) that:-

(a) The Credit Information Bureau (India) Ltd. and any other Agency so authorized may use, process the said information and data disclosed by the Bank in the matter as deem fit by them;

(b) The Credit Information Bureau (India) Ltd. and any other Agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them to banks/financial institutions and other credit grantors or registered users as may be specified by RBI in this behalf.

15. The Borrowers hereby agree as a pre-condition of the loan/advances given to them by the Bank that in case they commit default in the repayment of loan/advance or in the repayment of interest thereon or any of the agreed instalments of the loan on the due date(s), the Bank and/or the Reserve Bank of India will have an unqualified right to disclose their name(s) as defaulters in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.

## **REPAYMENT SCHEDULE:**

### **For Cash Credit:**

Each withdrawal of principal loan from the C.C. A/C is to be repaid within 12 months of such withdrawal. Interest debited to a/c is to be repaid / deposited into the A/C promptly so that outstanding balance of the CC A/C does not exceed the sanctioned limit under no circumstances.

### **For Term Loan:**

Principal loan is to be repaid in .....equal monthly / quarterly / half-yearly installments. Interest debited to the A/C is to be repaid / deposited promptly.

In witness where of the parties hereto have affixed their signature on the \_\_\_\_\_ date and the \_\_\_\_\_ month and \_\_\_\_\_ year first herein above written.

1) FOR THE BORROWER- SHG

2) FOR THE BANK

- 1.
- 2.
- 3.

**[Signature of Authorized representatives  
bearers) with office seal]**

**[Signature of Authorized representative (Office  
Manager) with office seal]**

## Specimen of DEMAND PROMISSORY NOTE FOR USE BY BANKS WHILE FINANCING SELF-HELP GROUPS

Place.....

Date:.....

Rs.....

On demand we .....(name of the SHG) and the members jointly and severally promise to pay..... Bank or order at ..... the sum of Rupees.....with interest thereon at the rate of .....percent per annum (below / above/ at) Base rate / Lending Rate of the Bank which is at present .....% per annum with .....rests for value received.

Revenue stamp
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[Signature of Authorized representatives of SHG with office seal]

Name of SHG:

Address of the SHG:

Street .....Village/ City.....Gram Panchyat.....  
Block .....District.....Pin.....

### D.P NOTE DELIVERY LETTER

The Branch Manager,  
State Bank of India,  
\_\_\_\_\_.

Place:

Date:

Dear Sir,

Please take the delivery of the accompanying Demand Promisory Note dated the \_\_\_\_\_201.. for Rs. \_\_\_\_\_(Rs. \_\_\_\_\_only) made by us i.e. office bearer of \_\_\_\_\_(Name of SHG ) \_\_\_\_\_resident of \_\_\_\_\_in favour of (Name of Bank), Branch\_\_\_\_\_. We further request you to note that we dispense with a notice of the dishonor in terms of Section 98 (a) of the Negotiable Instrument Act 1881 and that in the event of payment not been made on demand, the Banks is at liberty to give time for payment to either of us without discharging either of us from liability.

Yours faithfully,

(Signature of Authorised representatives of SHG with official seal)

Name of SHG:

Address: Street.....Village/ City.....Gram Panchyat.....  
Block.....District.....Pin.....