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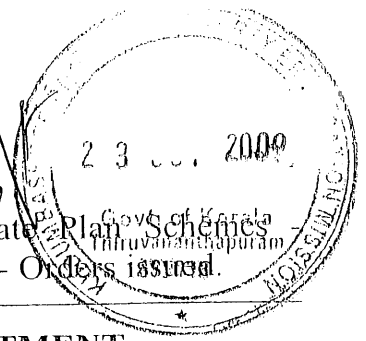
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GOVERNMENT OF KERALA

Abstract

Local Self Government Department- Kudumbashree State Plan Schemes
Interest subsidy to NHGs - Administrative Sanction accorded - Orders issued.



LOCAL SELF GOVERNMENT (IA) DEPARTMENT

G.O.(Rt) No.2725/09/LSGD.

Dated, Thiruvananthapuram, 22/10/2009.

Read:- Letter No.KS/C/3537/09, dated: 1/7/2009 from the Executive Director,
Kudumbashree, Thiruvananthapuram

ORDER

As per the letter read above The Executive Director, Kudumbashree has forwarded a proposal for Administrative Sanction for Interest subsidy to 50000 NHGs for an amount of Rs.19.75 crores. Government have examined the proposals in detail and are pleased to accord Administrative sanction for Interest Subsidy to 50000 NHGs for an amount of Rs.19.75 crores, subject to the following conditions.

1. Interest subsidy up to 5% will be provided to all Bank loans including Co-operative Bank loans. For this banks have to agree to lend least at 9% and the beneficiary group would get the loan at an effective rate of 4% interest per annum.

2. NHGs of Kudumbashree with requisite grading will be eligible.

3. Joint liability Groups doing collective farming will also be eligible.

4. All new loans and those rescheduled loans after date of Government Order would be eligible.

5. Subsidy would be paid up front - by SPEM in the case of banks with Core Banking system and by DMC for Co-operative Bank.

6. Subsidy will be paid in three annual installments. Second installment would be paid only if there is no default.

7. Loans up to Rs. One Lakh (within a period of 3 years) would be eligible.

8. Matching grant for savings would continue as of now.

By order of the Governor
ABBEY PAUL
UNDER SECRETARY

To

The Executive Director, Kudumbashree Thiruvananthapuram.
The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E) Kerala, Thiruvananthapuram.
Finance Department (vide UO No.51451/Dev.2/09/Fin, dated: 22/9/2009)
SF/OC.

Forwarded/By order

Section Officer

Copy to : PS to Hon'ble Minister (LSG)