

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:5291
ANSWERED ON:13.12.2010
INTEREST SUBSIDY ON LOANS TAKEN BY SHGS
Sarvey Shri Sathyanarayana

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government of Andhra Pradesh introduced Pavala Vaddi in 2004-05 with an objective to provide interest subsidy on the loans taken by the Self Help Groups (SHGs);
- (b) if so, the details thereof, year-wise and the present status; and
- (c) the financial assistance so far given by the Union Government for this project, year- wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN `ADITYA`)

(a)&(b): Yes, Sir. The Government of Andhra Pradesh introduced Pavalavaddi Scheme (Interest Subsidy) during the year 2004-05 with an objective to provide interest subsidy on the Bank loans taken by the Self Help Groups in Andhra Pradesh to reduce the financial burden on them. The Scheme is applicable to all loans extended by banks on or after 01.07.2004, under SHG Bank Linkage Programme.

As per information received from Government of Andhra Pradesh, banks have been giving loans under SHG-Bank Linkage Programme with different rates of interest ranging from 10% to 13%. The Government of Andhra Pradesh gives incentive as back end reimbursement of the interest paid by SHGs above 3% per annum on the loans taken by the Self Help Groups under this scheme. Year-wise details of the Scheme including its present status are given below:-
(In Crores)

Year Demand Allocation Releases Expenditure Physical Achievement
(Groups)

2004-05 15.00 10.00 10.00 475164

2005-06 61.00 48.00 48.00 52.67

2006-07 121.00 75.00 56.25 50.02 290825

2007-08 196.00 100.00 100.00 112.30 554359

2008-09 300.00 250.00 250.00 175.30 714930

2009-10 550.00 200.00 100.00 173.57 426611

2010-11 749.17 200.00 270.00 268.24 741313

Total 1992.17 883.00 834.25 832.10

(c): The Union Government has not extended any financial assistance for the Pavala Vaddi Scheme being implemented by the Government of Andhra Pradesh.

