

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3852
ANSWERED ON:16.12.2011
INCREASE IN NUMBER OF SHGS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the number of Self Help Groups(SHGs) have increased in the country during each of the last three years and the current year;
- (b) if so, the details thereof, State-wise including Andhra Pradesh alongwith its advantages to the economy of the country;
- (c) whether the bank lendings to the SHGs have also increased during the said period; and
- (d) if so, the details, State-wise including Andhra Pradesh alongwith the parameters adopted for such lending?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): The number of Self Help Groups (SHGs) having Savings Bank account with the banks have increased from 61.21 lakh as on 31 March, 2009 to 69,53 lakh as on 31 March, 2010 and to 74,62 lakh as on 31 March 2011. State Wise details are given in Annex-I.

State wise details of bank loan disbursed during the last three years including Andhra Pradesh are given in Annex II. It may be observed that during 2008-09, banks disbursed loans to 16.10 lakh SHGs to the extent of Rs.12,253.49 crore while in 2009-10, banks disbursed loans to 15.87 lakh SHGs to the extent of Rs.14,453.30 crore. During 2010-11, banks disbursed loans to 11,96 lakh SHGs to the extent of Rs.14,547.73 crore.

Banks have been advised by Reserve Bank of India/National Bank for Agriculture and Rural Development to follow the following parameters in lending to SHGs.

SHG lending to be a part of planning process: Bank lending to SHGs should be included in branch credit plan, block credit plan, district credit plan and state credit plan of each bank. While no target is being prescribed under SHG bank linkage programme, utmost priority should be accorded to the sector in preparation of these plans, it should also form an integral part of the bank's corporate credit plan.

Margin and Security Norms: SHGs are sanctioned savings linked loans by banks (varying from a saving to loan ratio of 1:1 to 1:4). However, in case of matured SHGs, loans may be given beyond

Margin and Security Norms: SHGs are sanctioned savings linked loans by banks (varying from a saving to loan ratio of 1:1 to 1:4). However, in case of matured SHGs, loans may be given beyond the limit of four times of the savings as per the discretion of the bank. Loans extended to groups are without any margin and Security.

Interest rates: The rate of interest on the loans given by the Self Help Groups to its members out of bank lending is left to the discretion of the group.