

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4869
ANSWERED ON:07.08.2009
LOAN TO SELF HELP GROUPS
Nahata Smt. P. Jaya Prada

Will the Minister of FINANCE be pleased to state:

- (a) the number and details of Self Help Groups which have been sanctioned loan by the banks during the last three years and the current year so far, State-wise;
- (b) the rate of interest charged against these loans;
- (c) whether the Government proposes to lower the interest rates on such loans; and
- (d) if so, the details thereof?

Answer

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

- (a): The details of Self Help Groups (SHGs), which have been sanctioned loans, along with the amount of bank loans disbursed, during the last three years is at Annex.
- (b): Public Sector Banks, Cooperative Banks and Regional Rural Banks are reportedly charging interest rates in the range of 9.5% to 14% on loans to SHGs, based on their cost of funds, transaction costs, provisioning for NPA and a small margin.
- (c): No, Sir.
- (d): Does not Arise.