

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2853

ANSWERED ON:29.08.2012

QUESTION CREDIT FACILITY TO SHGS

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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the credit facility to self help groups (SHGs) under livelihood programme is being provided by banks;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the government has any plan to make the credit linkage to rural poor simpler;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

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

(a): National Bank for Agriculture and Rural Development Bank (NABARD) has advised all banks to provide credit facilities to SHGs which are six months old, after due appraisal process. The quantum of credit provided is based on the quantum of savings mobilised by the group. Members of a group pursue different income generating activities with the assistance of bank credit extended to the group.

(b): The details of outstanding loans to the SHGs by the banks as on 31 March 2012 (Provisional) are as under:

(Rs. Crore)

S. No. Name of Agency Total Outstanding Bank Loans against SHGs

No. of SHGs Loan outstanding

1 Commercial Banks	25,99,000	25,591.85
2 Cooperative Banks	4,57,000	1,978.78
3 Regional Rural Banks	12,81,000	8,677.77

Total 43,37,000 36,248.40

(c) to (e): In order to avoid delay in renewal of credit facilities provided by banks to SHGs, repeat documentation and also to reduce the cost of borrowing to the groups, banks are now providing credit to SHGs by way of Cash Credit facilities, valid for 3 to 5 years.