

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:201  
ANSWERED ON:05.12.2013  
CREDIT TO RURAL POPULATION  
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**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

(a) whether the gap between credit available to self-help groups and the demand for credit is wide in many States like U.P., Rajasthan, M.P., Bihar, Jharkhand, Maharashtra and Gujarat compared to Southern States like Tamil Nadu, Kerala, Andhra Pradesh and Karnataka where eighty per cent of all banks support self-help groups; and

(b) if so, the details thereof and the steps taken by the Government to step up linkages to self-help groups in high poverty States and making bank credit facility accessible for them?

**Answer**

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

a) As per the figures furnished in NABARD's "Status of Microfinance in India" Report 2012-13, 35,21,425 SHGs were savings linked and 24,01,220 (68.1%) were credit linked in the Southern States. The corresponding figures for UP, Rajasthan, MP, Bihar, Jharkhand, Maharashtra and Gujarat are 20,47,503 and 9,62,934 (47%) respectively. State-wise number of saving bank linked and credit linked SHGs in these States is at Annexure.

b) Following steps have been taken by the Government to improve bank linkages of Self Help Groups:-

1. SGSY was restructured as National Rural Livelihoods Mission (NRLM) and launched on 3rd June, 2011. NRLM, through a dedicated implementation mechanism under the State Rural Livelihood Missions (SRLM) is focusing on improving the quality of SHGs. NRLM is being implemented in a phased manner, wherein 177 districts and 1157 blocks have been selected as intensive areas by the respective SRLMs. Dedicated support staff has been recruited to facilitate SHG-Bank linkage in the intensive blocks of the country.

2. A Master circular was released on NRLM as "Priority Sector Lending- Restructuring of SGSY as National Rural Livelihood Mission (NRLM) - Aajeevika " by RBI on 27th June, 2013 which spells out various steps required to de-bottleneck the credit flow to the SHGs.

3. At State level the SLBC sub-committee on SHG Bank Linkage has been formed to focus on SHG Bank Linkages.

4. To enhance the flow of credit to SHGs, provision of Interest Subvention has been introduced under NRLM. In select 150 districts all the women SHGs will avail the credit at 7% and an additional 3% interest subvention on prompt repayment. In the remaining districts, the scheme will be extended to all NRLM compliant SHGs to enable them to avail credit at 7% on prompt repayment.

5. Under Women Self Help Group (WSHG) scheme administered by NABARD, in 150 districts, 80,742 SHGs have been formed up to 30.9.2013 of which 19,357 have been credit linked.