

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:4705  
ANSWERED ON:30.03.2017  
SHGs under NRLM  
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**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) the criterion/norms for allocation of funds under the National Rural Livelihoods Mission (NRLM) in the country;
- (b) whether the Government has allocated sufficient funds under NRLM as per the said criterion/norms during each of the last three years and the current year and if so, the details thereof and if not, the reasons therefor, State/UT-wise;
- (c) whether the Government has implemented interest subvention scheme for Women Self Help Groups (SHGs) associated with NRLM and if so, the details thereof along with the number of poor rural women organised into SHGs under NRLM across the country during the said period, State/UT-wise;
- (d) whether the Union Government proposes to ensure effective functioning of Self Help Groups (SHGs) under NRLM as many of them become defunct after two or three years and if so, the details thereof;
- (e) whether the Government also proposes any mechanism to monitor the works done by the SHGs under the said scheme, and if so, the details thereof; and
- (f) whether the Government has taken steps/proposes to take steps to attend every micro and macro details required for the effective implementation and success of NRLM in a time bound manner without slackening its pace of coverage across the country to empower marginalised sections especially women and if so, the details thereof and the achievements made so far?

**Answer**

(b) : A statement indicating State/UT-wise allocation of funds under DAY-NRLM during the years 2013-14, 2014-15, 2015-16 and 2016-17 is enclosed as Annexure-I. The funds were allocated keeping in view the availability of funds and the criteria adopted for allocation of funds.

(c) : Under DAY - NRLM, Interest Subvention is given in the following forms:-

Interest subvention:- Interest subvention is provided to women SHGs to cover the difference between the bank's lending rate of interest and 7%, on credit availed by the SHGs from the banks for a maximum of Rs 3, 00,000 per SHG. This will be available across the country in two ways:

Category I:

i. Applicable to category I districts -250 most backward districts.

ii. All women SHGs can avail loans upto Rs 3 lakhs at 7 percent interest per annum.

iii. All women SHGs will also be eligible to an additional interest subvention of 3% on prompt repayment, reducing the effective rate to 4%.

Category II:

In the remaining districts, on prompt repayment, all women SHGs under NRLM will be eligible for interest subvention to the extent of the difference between the Banks' lending rate and 7% on loans upto Rs. 3 lakh.

A statement each indicating number of accounts and amount of interest subvention allowed under Category-I and Category-II is enclosed as Annexure-II & Annexure-III respectively.

(d): DAY-NRLM is a Centrally Sponsored Scheme. As per DAY-NRLM framework, each SHG needs to follow 'Panchsutra' viz. regular meetings, regular savings, regular lending, regular repayment and regular record keeping, which has to be ensured by the State Missions promoted by State Government through effective monitoring, which ensures effective functioning of Self Help Groups (SHGs) promoted under DAY-NRLM.

(e): The State Government implements the Mission activities and also monitors the work done by the SHGs regularly. The Ministry of Rural Development has rolled out an effective monitoring mechanism of SHGs functions through a Management Information System (MIS) of SHGs which records all the transactions of the SHGs crucial for the implementation of DAY-NRLM. States have been requested to implement the transaction based system effectively. As of now,16 out of 29 States have initiated rolling out of the transaction based monitoring system. In addition, the progress in all key parameters is monitored through an on-line system of Monthly

## Progress Report.

(f): DAY-NRLM works in a mission mode taking care of effective planning and implementation processes as prescribed under standard protocols issued by DAY-NRLM. This mission also uses differential strategies for social inclusion of all identified rural poor households into functionally effective and self-managed institutions, with particular focus on more vulnerable section. DAY-NRLM focuses on stabilizing and promoting existing livelihood portfolio of the poor by way of 'vulnerability reduction' and 'livelihoods enhancement' through deepening/enhancing and expanding existing livelihoods options and tapping new opportunities in farm and non-farm sectors. To this end Mahila Kisan Sashaktikaran Pariyojana (MKSP) and Start-up Village Entrepreneurship Programme (SVEP) have been initiated. In addition, dedicated funds under World Bank supported National Rural Livelihood Project (NRLP) have been allocated for livelihood projects, financial inclusion projects and convergence projects. Thus, under DAY-NRLM adequate steps and processes have been taken to cater to macro and micro details required for effective implementation of the programme.

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