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Title : Reported incidents of suicide committed by Self Help Groups (SHG) particularly the folk women due to exorbitant interest rates charged by private micro finance companies.

SHRI L. RAJAGOPAL (VIJAYAWADA): Sir, thank you very much for giving me this opportunity to raise an important issue, especially relating to the women folk. There is a large-scale exploitation of self-help groups by the private and micro finance companies. It has come to light in various districts, especially in the State of Andhra Pradesh but practically it is going on in other parts of the country as well.

The institutions that have found existence in the name of micro finance companies are availing of loan facilities from the banks. The banks are lending to these companies at 12 per cent interest rate and, in turn, these companies are lending to vulnerable self-help groups, particularly the women folk, at exorbitant rates ranging from 36 per cent to 60 per cent.

I had a personal discussion with the bankers in this regard and I asked them as to why they are funding these intermediaries instead of funding directly to the self-help groups. In the State of Andhra Pradesh alone Government funding directly to self-help groups is to the tune of Rs. 1500 crore and funding through these intermediaries is to the tune of Rs. 3,500 crore. It means that funding through regular banking institutions is only one-third of the amount actually being funded through these micro-finance companies.

Sir, at times of dire need and requirement, helpless women, mostly rural uneducated and even women living in urban slums, take money from these companies and utilise it for various purposes. These companies are forcibly recovering these loan amounts from them. This is not only causing heartburn but there are also many instances of women having committed suicide on account of this. In the State of Andhra Pradesh alone 100 such cases have come of light.

MR. DEPUTY-SPEAKER: What is your demand?

SHRI L. RAJAGOPAL : Sir, I raised this issue a year back. I urged upon the Government to put restrictions on the banks so that they did not lend money to these micro-finance companies and the RBI should also come out with strict guidelines saying that this should not be treated as priority lending...*(Interruptions)* Such a thing is happening in many other parts of the country as well. I want the entire country to be aware of this and I want the hon. Prime Minister to...*(Interruptions)*

MR. DEPUTY-SPEAKER: Nothing will go on record.

*(Interruptions) â€¹ \**

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\* Not Recorded.