

GOVERNMENT OF INDIA  
MINISTRY OF RURAL DEVELOPMENT  
DEPARTMENT OF RURAL DEVELOPMENT

**LOK SABHA**  
**UNSTARRED QUESTION NO. 382**  
TO BE ANSWERED ON 19.07.2018

**BANKING ROLE TO WOMEN SHGS**

**382. SHRI DHARMENDRA YADAV:**  
**SHRI SHRIRANG APPA BARNE:**  
**SHRI VINAYAK BHAURAO RAUT:**  
**SHRI ANANDRAO ADSUL:**  
**DR. SHRIKANT EKNATH SHINDE:**  
**SHRI ADHALRAO PATIL SHIVAJIRAO:**

Will the Minister of **RURAL DEVELOPMENT** be pleased to state:

- (a) whether banking in a remote village has turned into luxury due to the absence of last mile connectivity and if so, the details thereof;
- (b) whether his Ministry has requested the Ministry of Finance to employ women's Self-Help Groups (SHGs) to end the critical gap that is the source of harassment for the rural poor;
- (c) if so, the details thereof and the response of that Ministry thereto;
- (d) whether the growth of SHGs under National Rural Livelihoods Mission (NRLM) has made these women's bodies adept at handling finances and if so, the details thereof;
- (e) whether SHG women as Banking Correspondents would provide all banking services in villages designated under their jurisdiction; and
- (f) if so, the details thereof and proposals mooted by his Ministry in this regard and the time by which a final decision is likely to be taken in this regard?

**ANSWER**  
**MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT**  
**(SHRI RAM KRIPAL YADAV)**

(a) : It is true that there are no adequate banking services available in extreme remote villages in the country due to absence of bank branches. In order to alleviate the problem, the Ministry of Rural Development has been promoting deployment of members of Self Help Groups (SHGs) under Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) as Banking Correspondents in remote villages after providing them training in financial services.

(b) : Yes, Madam.

(c) : On the recommendation of the Ministry of Rural Development, the Ministry of Finance (Department of Financial Services) has issued advisories to banks to deploy SHG members as Business Correspondents (BCs) in locations not having banking facilities and also additional BCs within the Sub Service Area (SSA) wherever it is viable. So far 1700 women SHG members have been positioned as Banking Correspondents in different locations.

(d) : Developing capacity of SHG members to prudently manage their finances is one of the key objectives of DAY-NRLM. To achieve this, SHGs are provided training on bookkeeping, preparation of micro credit plan and financial literacy. Currently SHGs under DAY-NRLM are cumulatively managing Community Investment Funds totalling Rs.4900 crore provided under DAY-NRLM and Rs.68913 crore of bank loan, in addition to their own savings accrued as corpus. Through management of these funds, members of SHGs are acquiring and developing knowledge and skills for handling finances.

(e) : Service provided by women SHG member working as Banking Correspondents varies from bank to bank. The common services provided include – opening of savings account, aadhar seeding of accounts, cash deposit, cash withdrawal, fund transfer and enrolment under insurance products. However, the facility to transact in jointly operated accounts of Self Help Groups has not been enabled by all banks.

(f) : Ministry of Rural Development (MoRD) has requested Department of Financial Services to advise all banks to enable ‘Dual Authentication Facility’ on the BC channel so that SHGs can also do transaction in jointly operated accounts of Self Help Groups at BC points. On recommendation of MoRD, Department of Financial Services has advised the banks to enable this facility.

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