Ministry of Rural Development

Loans to Self-Help Groups

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The cumulative loans disbursed by Banks to women Self Help Groups since inception of the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) is Rs. 11,10,945.88 crores and outstanding amount is Rs. 3,00,342.21 crores.

Following steps have been taken by the Government to facilitate access to credit for the rural poor:

The Mission has been engaged with financial regulators and commercial banks, at strategic as well as operational level through conduct of several workshops, consultative forums and capacity building programs. These include: -

1. Every year, on the request of the Ministry, a Master circular on Women Self Help Groups is issued by Reserve Bank of India for Public Sector Banks/Private Banks and Small Financing Banks. Similar circular is issued by NABARD for Regional Rural Banks and Co-operative banks.

2. Central Level Coordination Committee meeting under the chairmanship of Secretary Rural Development is held every year in which Managing Directors/ Executive Directors, Chief General Managers/General Managers of the Banks, Chairman & Managing Director NABARD, Chief General Manager RBI, Director, Department of Financial Inclusion, Ministry of Finance, representatives from World Bank, other Government Departments and State Mission Director/Chief Executive Officers of State Rural Livelihoods Missions participate.

3. Consultation meeting on SHG Bank Linkage is held with General Managers of Public Sector Banks/Private Banks, Chairpersons of Regional Rural Banks, Co-operative Banks, and State Rural Livelihoods Missions from time to time.

4. Prior to the finalization of targets, credit target planning is undertaken, and the Division convenes a meeting with the major banks at the Indian Banks' Association (IBA) Headquarters, Mumbai. The targets are then fixed based on the potential of banks, the trend of credit growth, and their outreach.

5. Based on the target, states prepared district, block, and branch wise targets, which are placed before the State Level Bankers Committee (sub-committee) for approval.

6. Dedicated staff have been placed at district level, besides positioning bank Sakhi at branch level. The Bank Sakhi and the Mission staff have been preparing the list of eligible SHGs for linkage and facilitating submission of loan applications including review/enhancements and following up pending loan application by uploading them on the portal monthly. In addition, Community Based Recovery Mechanism (CBRM) has been instituted to ensure regular repayment of loans.

7. To monitor the progress of SHG Bank Linkage and keep a track of repayment of bank loan by SHGs, a dedicated portal "NRLM SHG-Bank Linkage Portal"(banklinkage.lokos.in) has been developed. The portal sources all its data directly from Core Banking solution (CBS) of banks. All Public Sector, Private Sector, Regional Rural Banks, Small Finance Banks, and cooperative Banks including District Central Cooperative Banks lending SHGs are sharing data with the portal on monthly basis. Various performance and management reports are placed on the portal to aid SRLMs and Banks regularly monitor the progress on ground.

8. Training/orientation to Bankers is provided for their capacity building and implementation of the Scheme. Reserve Bank of India and NABARD issues master circular containing detailed instructions for financing to women SHGs under DAY-NRLM

Non-Performing Assets (NPA) on the loans given by Banks to women Self Help Groups is 1.76%.

This information was given by the Minister of State for Rural Development Dr. Chandra Sekhar Pemmasani in a written reply in Lok Sabha today.

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