

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:587
ANSWERED ON:24.11.2006
CREDIT FLOW TO RURAL AREAS
Adhalrao Patil Shri Shivaji

Will the Minister of FINANCE be pleased to state:

- (a) whether the National Bank for Agricultural and Rural Development has prepared three-tier credit flow to the rural areas with focus on micro- credit;
- (b) if so, the details `hereof; and
- (c) the steps taken by the Government to implement the said scheme?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Yes Sir, NABARD has prepared following three models for financing Self Help Groups (SHGs):-

1. Model-I : SHGs formed and financed by Banks.
2. Model-II : SHGs formed by formal agencies and NGOs but directly financed by Banks.
3. Model-III : SHGs financed by Banks through NGOs.

(c) : In the Budget speech for 2006-07, a target of 3.85 lakh SHGs to be credit linked during 2006-07 was fixed. NABARD has formulated a strategy in each State for linking the stipulated number of groups with banks. Region wise allocation for 3.85 lakh SHG is broadly as follows:

Sr.No. Region Number of SHGs

1. Northern 38,500
2. North-Eastern 26,950
3. Eastern 88,550
4. Central 57,750
5. Western 57,750
6. Southern 115,500

Total 385,000

Against the target, 1.33 lakh SHGs have already been credit linked as on 31st October, 2006.