

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
QUESTION NO02.03.2010
ANSWERED ON
CONCESSIONAL FINANCE TO SHGS

479

Shri Bhagat Singh Koshyari

Will the Minister of COALHEALTH AND FAMILY WELFARE INFORMATION AND BROADCASTING FINANCE be pleased to state :-

- (a) whether the National Bank for Agriculture and Rural Development (NABARD) has any proposal for renewed concessional finance to Self-Help Groups (SHGs) for micro-finance;
- (b) if so, what are the steps taken in this regard; and
- (c) if not, the reasons therefore?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI NAMO NARAIN MEENA)

(a) to (c) : National Bank for Agriculture and Rural Development (NABARD) has reported that at present it is providing refinance to all the banks at the rate of 7% per annum, on the loans that the banks provide to SHGs (this is subject to revision from time to time).

NABARD is providing incentives to Self – Help Promoting Institutions (SHPIs) for forming, nurturing and credit linking of SHGs.

NABARD is also providing financial support to Micro Financial Institutions in the form of tier II Capital and Revolving Fund Assistance in order to finance Self Help Groups (SHGs)/Joint Liability Groups (JLGs) as well as individuals under microfinance at a very concessional rate of interest.