

INTRODUCTION

Formal financial institutions in the country have been playing a leading role in the micro finance program. They have joined hands proactively with informal delivery channels to give micro finance sector the necessary momentum. During the current year too, micro finance has registered an impressive expansion at the grass root level.



For the year 2006-07, NABARD has made an attempt to present the data on progress in micro finance sector on the basis of returns furnished by Commercial Banks (CBs), Regional Rural Banks (RRBs) and Cooperative Banks operating in the country. The main highlight of the report is that, for the first time, this report presents information related to SHGs' savings with banks, loans disbursed by banks to SHGs during the year 2006-07 and bank loans outstanding against SHGs and also the recovery performance of bank loan to SHGs as on 31 March 2007. The report includes self Help Groups (SHGs) financed under Swarnjayanti Gram Swarojgar Yojna (SGSY) also. In addition, credit facilities provided by banks to Micro Finance Institutions (MFIs) have been compiled.

This report seeks to place before its readers, details of the financial support provided by Banks and NABARD during 2006-07¹.



¹ Data provisional.