MICRO-FINANCE BY NABARD: AN EXPERIENCE OF AURANGABAD DISTRICT

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ABSTRACT

Micro-finance is a major instrument of change that support the sustainable development of any region, it has the significant task of preparing leaders for different walks of life-social, political, cultural, scientific, technological etc.

It has emerged as a powerful instrument for creating access to ‘adequate and timely’ credit to the hitherto ‘un-served or under-served’ poor. Microfinance involves a variety of things viz., poverty alleviation, income distribution amongst a wider section of population, redistribution of purchasing power in a market economy, savings in small amounts, small loans, gender development etc. in India, the recent spurt in microfinance activities can be attributed to the growth of SHGs as well as NGOs and MFIs.

In an Aurangabad district, SHG-Bank Linkage Programme has been showing good progress. As many as 3862 SHGs were credit linked during 2011-12 and the trend is likely to be continued for the years to come. With the RBI's Internal Committee having recommended utilization of external agencies extensively for development of micro Finance, non-financial functions relating to micro Finance could be outsourced through Farmer Clubs, JLGs(Joint Liability Group) etc. by banks so that they can increase the flow of credit to SHGs arid other micro-entrepreneurs, without any difficulty.

KEY WORDS: Microfinance, NABARD, Self-Help Groups, Rural development.