Chapter – 7
Self Help Group – Bank Linkage Model

Introduction

7.01 The SHG - Bank Linkage Programme is a major plank of the strategy for delivering financial services to the poor in a sustainable manner. The search for such alternatives started with internal introspection regarding the innovations which the poor had been traditionally making, to meet their financial services needs. It was observed that the poor tended to come together in a variety of informal ways for pooling their savings and dispensing small and unsecured loans at varying costs to group members on the basis of need.

7.02 The SHG – Bank Linkage Programme was started as an Action Research Project in 1989 which was the offshoot of a NABARD initiative during 1987 through sanctioning Rs. 10 lakh to MYRADA as seed money assistance for experimenting Credit Management Groups. In the same year the Ministry of Rural Development provided PRADAN with support to establish self-help groups in Rajasthan.

7.03 The experiences of these early efforts led to the approval of a pilot project by NABARD in 1992. The pilot project was designed as a partnership model between three agencies, viz., the SHGs, banks and NGOs. This was reviewed by a working group in 1995 that led to the evolution of a streamlined set of RBI approved guidelines to banks to enable SHGs to open bank accounts, based on a simple "inter se" agreement. This was coupled with a commitment by NABARD to provide refinance and promotional support to banks for the SHG - Bank Linkage Programme.

7.04 Initially there was a slow progress in the programme up to 1999 as only 32,995 groups were credit linked during the period 1992 to 1999. Since then the programme has been growing rapidly and the number of SHGs financed increased from 81,780 in 1999-2000 to more than 6.20 lakh in 2005-06 and 6.87 lakh in 2006-07 (table below).

Year	No. of SHGs financed during the year (in lakh)	Cumulative no. of SHGs financed (in lakh)
2001-02	1.98	4.61
2002-03	2.56	7.17
2003-04	3.62	10.79
2004-05	5.39	16.18
2005-06	6.20	22.38
2006-07	6.87	29.25

7.05 NABARD, in association with GTZ, conducted a study, in 2005, on the comparative performance of SHG – Bank Linkage Programme vis-à-vis other priority sector credit. The findings are based on the data received from 27 commercial banks, 192 RRBs and 114 cooperative banks participating in the programme. One of the important observations of the study was that 1.44 million SHGs had loans outstanding of Rs. 4,200 crore with the banking system. 2.63 million SHGs had saving accounts with the banks and the savings outstanding was Rs. 2,391 crore.

7.06 To cover all the 50 million odd poor households in India, the existing number of SHGs will have to be more than doubled and the extent of credit to the members of each SHG will have to be increased substantially.

Positive Features of the SHG - Bank Linkage Programme

7.07 The financial inclusion attained through SHGs is sustainable and scalable on account of its various positive features. The programme confronts many challenges and for further scaling up, these challenges need to be addressed.

Financial Inclusion of Poor Women

7.08 The Committee noted that more than 90% of the members of SHGs are women and most of them are poor and assetless. The SHG movement has been instrumental in mainstreaming women by-passed by the banking system.

Loan Repayments

7.09 One of the distinctive features of the SHG - Bank Linkage Programme has been very high on-time recovery. As on June 2005, the on-time recovery under SHG - Bank Linkage Programme was 90% in commercial banks, 87% in RRBs and 86% in cooperative banks.

Programme Impact

7.10 The major findings and recommendations of three studies on the impact of the SHG - Bank Linkage Programme are summarised in Annexure III.

7.11 The main findings reveal that the programme has :

- Reduced the incidence of poverty through increase in income, and also enabled the poor to build assets and thereby reduce their vulnerability.
- Enabled households that have access to it to spend more on education than non-client households. Families participating in the programme have reported better school attendance and lower drop out rates.
- Empowered women by enhancing their contribution to household income, increasing the value of their assets and generally by giving them better control over decisions that affect their lives.
- Reduced child mortality, improved maternal health and the ability of the poor to combat disease through better nutrition, housing and health - especially among women and children.
- Contributed to a reduced dependency on informal money lenders and other non-institutional sources.
- Facilitated significant research into the provision of financial services for the poor and helped in building "capacity" at the SHG level.
- Finally, it has offered space for different stakeholders to innovate, learn and replicate. As a result, some NGOs have added micro-insurance products to their portfolios, a couple of SHG federations have experimented with undertaking livelihood activities and grain banks have been successfully built into the SHG model in the Eastern Region. SHGs in some areas have employed local accountants for keeping their books, and IT applications are now being explored by almost all for better management information sytems (MIS), accounting and internal controls.

Challenges

Group Loans to SHGs and SHG Loans to Members

7.12 The average loan provided to SHGs by the banks for the last three years is presented in the following table :

Year	No. of SHGs financed		Bank loan (Rs. crore)		Per group loan (Rs.)	
	New	Existing	New	Existing	New	Existing
2003-04	361731	171669	1157.74	697.74	32005	40644
2004-05	539365	258092	1726.60	1267.60	32012	49114
2005-06	620109	344502	2330.45	2168.63	37581	62949

7.13 During the year 2005-06, the average loan provided to new SHGs was Rs. 37,581. On an average, per member loans work out to less than Rs. 4,000. Many believe that such loan amounts are grossly inadequate for pursuing any meaningful livelihood activity. Per capita loans in mature SHGs are increasing very gradually. It has also to be kept in view that members take very short term loans of 3 to 6 months on many occasions and there can be more than one cycle of borrowing/ repayment in one year.

Cost Recovery and Sustainability

7.14 It is important for banks to carefully work out their actual costs for SHG lending. While the SHG portfolio is often only a small part of the total bank lending, and since the portfolio quality is good, it may be possible to reduce interest rates while ensuring recovery of costs.

7.15 In the initial phase of the SHG movement, the groups were formed by NGOs and hence start-up costs were low for banks. However, over the years, banks have also evolved as SHPIs. In the process, the start-up costs of group formation, etc. have devolved on the banks, impacting their pricing policies.

7.16 It is an accepted fact that banks will base their lending rate decisions on three important criteria – their cost of funds, transaction costs and the required spreads. While the sources of funds will determine the cost of funds, the transaction costs will depend mostly on the efficiency with which the transfer of funds is enabled. Banks need to recognize the cost elements involved in the decision-making process while approving credit linkage and in maintaining the accounts of the group, throughout the repayment period. Considering the small value of loans purveyed to groups, the rate of interest charged will also be in the lower slabs, thereby earning on thinly spread margins. The other major component of costs, viz., risk costs, is intrinsically low in SHG lending and, therefore, could play a limited role in pricing of credit products for SHGs. In this regard, the Committee perused the analysis made by the RBI on cost of transactions for small accounts. The same is indicated in Annexure IV.

7.17 Further, there is an element of indirect subsidy as presently NABARD supports the costs involved in formation and nurturing of SHGs up to the stage of credit linkage. This financial support is around Rs. 3,000 per SHG. The Ministry of Rural Development (MoRD) has established a norm of Rs. 10,000 per group for the Swarnajayanti Gram Swarojgar Yojana (SGSY) Programme, payable over four phases. If an additional one million SHGs have to be formed, the fund support would amount to nearly Rs. 1,000 crore, going by the MoRD norms. Accordingly, the Committee is of the view that the existing dispensation of subsidy in the form of a revolving fund initially and as capital subsidy for income generating activities in the second stage may not be sustainable with the exponential growth recently observed in the formation of groups under the programme.

7.18 At present, banks do not incur incremental costs for lending to SHGs, as it is done through the existing branch network. SHG lending to members has been reportedly at interest rates ranging between 15% and 24%. While this has been considered high, it is also reported that members borrow for short periods and do not feel the annualized burden of interest rates. Further, the interest income of SHGs is ploughed back into the corpus for lending and is beneficial to all members.

Regional Imbalances

7.19 The spread of the SHG - Bank Linkage Programme in different regions has been uneven on account of various factors like pro-active role of State Governments, presence of well performing NGOs, socio-cultural factors, better performance of SHGs, etc. In March, 2001, 71% of the linked SHGs were from Southern Region consisting of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu. The share of Southern Region has come down progressively over the years but it is still at 44%. Many States such as Uttar Pradesh and Bihar with high incidence of poverty have shown poor performance under the programme.

7.20 One of the major concerns was the slow progress of the SHG Bank Linkage movement in the north-eastern and central parts of the country. It was even argued in some quarters that the SHG strategy was not suitable to the social configurations that prevailed in the north-east. As a result of the special efforts made by NABARD, progress in the Regions / States where imbalances and low performance had been observed has picked up considerably, as detailed in the following table :

Region / State	**Development of cumulative nos. of SHGs financed**					
	March 2001	**March 2002**	**March 2003**	**March 2004**	**March 2005**	**March 2006**
NE Region	477	1,490	4,069	12,278	34,238	62,517
KBK Region	4,192	9,869	18,934	31,372	45,976	64,550
Orissa	8,888	20,553	42,272	77,588	123,256	180,896
West Bengal	8,739	17,143	32,647	51,685	92,698	136,251
Bihar	4,592	3,957	8,161	16,246	28,015	48,138
Jharkhand	0*	4,198	7,765	12,647	21,531	28,902
Uttar Pradesh	23,152	33,114	53,696	79,210	119,648	163,439
Uttaranchal	0*	3,323	5,853	10,908	14,043	16,060
Rajasthan	5,616	12,564	22,742	33,846	60,006	98,171
Himachal Pradesh	2,545	5,069	8,875	13,228	17,798	22,920
Madhya Pradesh	5,699	7,981	15,271	27,095	45,105	58,912
Chattisgarh	0*	3,763	6,763	9,796	18,569	29,504
Maharashtra	10,468	19,619	28,065	38,535	71,146	131,470
Gujarat	4,929	9,496	13,875	15,974	24,712	34,160
All India	**263,825**	**461,478**	**717,360**	**1,079,091**	**1,618,456**	**2,238,565**

NE = North-East, KBK = Kalahandi-Bolangir-Koraput * included in the undivided State Source : NABARD

Monitoring, Capacity-building and Synergy Issues

7.21 The general reports on the progress of SHGs show statistics of growth and spread of SHGs without providing details on the development process and internal health of SHGs. The system for monitoring of SHGs and compiling data on the health indicators need to be built up in order to ensure long term sustainability of the groups. There could be a separate SHG Monitoring Cell in every State promoted by the State Government in cooperation with other stakeholders.

7.22 Currently, the major emphasis of capacity building efforts is on bankers, NGOs and government officials involved in promoting and financing SHGs. Since many of the SHGs are maturing and their business level has increased substantially, the focus should shift to capacity building of SHG members so that the accounts keeping, auditing and credit management at the group level improves.

7.23 There are a few Government sponsored programmes, particularly the SGSY, that are also using the group approach for addressing poverty alleviation. The main objective of the SGSY is to organize the identified families into groups and assist them in coming out of poverty by providing them income generating assets through a mix of bank loan and government subsidy. It covers all aspects of self-employment of the rural poor, viz., organisation of the poor into groups and their capacity building, training, selection of key activities, planning of activity clusters, infrastructure build-up, technology and marketing support.

7.24 The programme has some positive features such as (i) per capita loans to SGSY group members for undertaking economic activities is much higher than under the SHG - Bank Linkage Programme; and (ii) there is a good coverage of SC / ST and disabled persons. The success of the SHG-Bank linkage programme has motivated the Government to borrow its design features and incorporate them in their poverty alleviation programme. This is certainly welcome but for the fact that the SGSY has an inbuilt subsidy element which tends to attract linkage group members and cause migration generally for the wrong reasons. Also, micro level studies have raised concerns regarding the process through which groups are formed under the SGSY and have commented that in many cases members are induced to come together not for self help, but for subsidy. Therefore, there is a need to bring better synergy between SGSY groups and the SHGs of the linkage programme which are premised on savings.

Joint Liability Groups

7.25 SHGs are now emerging as an effective credit delivery channel for mid-segment clients such as share croppers and tenant farmers as their loan requirements are much larger. For developing an effective model for this group, NABARD had introduced a pilot project for formation and linking of JLGs.

7.26 A JLG is an informal group comprising 4 to10 individuals coming together for the purposes of availing bank loan either singly or through the group mechanism against mutual guarantee. The JLG members are expected to engage in similar type of economic activities like crop production. Under the Scheme, tenant farmers cultivating land either as oral lessees or sharecroppers and small farmers who do not have proper title of their land holding will be eligible for collateral-free credit through formation and financing of JLGs. Towards ensuring greater inclusion of these vulnerable groups, all the members of the JLG, which is intended primarily to be a credit group, will be encouraged to open individual “no frills” account. NABARD had piloted the project for formation and linking of JLGs during 2004-05 in 8 States of the country through 13 RRBs through the mechanism of joint liability approach. During the year 285 JLGs with bank finance of Rs. 4.48 crore were promoted. During 2005-06, banks disbursed Rs. 6.79 crore to 488 JLGs.

7.27 Based on the considerations indicated above, the Committee makes the following **recommendations** for deepening microfinance interventions and making it an effective tool in achieving greater inclusion :

Encouraging SHGs in Excluded Regions – Funding support

7.28 In order to further increase efforts in addressing regional imbalances, there is a need to involve State Governments. In some States, the programme is driven mainly through NGOs and other SHPIs like banks, farmers' clubs, individual rural volunteers, etc. The Committee is of the view that if the programme is to reach a critical scale, the Department of Women and Child Development at the State-level should be actively involved in promoting and nurturing of SHGs. The State Govts. and NABARD may, therefore, set aside specific funds out of the budgetary support and the Micro Finance Development and Equity Fund (MFDEF) respectively for the purpose of promoting SHGs in regions with high levels of exclusion.

7.29 The spread of SHGs in hilly regions, particularly in the North-Eastern Region, is poor. One of the reasons for this is that the population density in hilly areas is often low and the banking network is weak. There is a need to evolve SHG models suited to the local context of such areas.

Capacity building of Government functionaries

7.30 Certain deficiencies in the involvement of Government Departments have been brought to the Committee's notice, including poor follow up, ineffective monitoring and inadequate training and capacity building efforts which have, in turn, diluted the quality of programme implementation. The Committee is, therefore, of the view that adequate safeguards may be devised and built in future programme implementation strategies. NABARD can also facilitate this process by providing support for capacity building of Government functionaries from grass root level upwards within the SHG framework.

Legal Status for SHGs

7.31 As of now, SHGs are operating as thrift and credit groups. They may, in future, evolve to a higher level of commercial enterprise. The question of providing a simplified legal status to the SHGs may have to be examined in full, in this context. This would also facilitate their becoming members of PACS.

Maintenance of participatory character of SHG movement

7.32 A movement of such large scale involving people's participation could lead to attempts towards politicization. This must be avoided. Sufficient care has to be taken to ensure that the SHG movement retains its participatory and self-help character.

NABARD to open 'Project Offices' in identified Priority States

7.33 The Committee further notes that NABARD is managing the MFDEF with a corpus of Rs. 200 crore. One of the major focus of the fund should be promoting the SHG-Bank Linkage Programme in States where it has been comparatively slow moving. NABARD has already identified 13 States with large population of the poor, but exhibiting low performance in implementation of the programme. The ongoing efforts of NABARD to upscale the programme in the identified States need to be given a fresh impetus.

7.34 In this context, it is recommended that NABARD can open dedicated project offices in the 13 States for upscaling the SHG - Bank Linkage Programme by strategizing interventions such as stronger involvement of State Governments, capacity building of NGOs, broadening the range of SHPI, etc.

Incentive package for NGOs

7.35 Many of the NGOs have played a commendable role in promoting SHGs and linking them with banks. NGOs, being local initiators with their low resources are finding it difficult to expand in other areas and regions. There is, therefore, a need to evolve an incentive package which should motivate these NGOs to diversify into other backward areas. Incentive package could be in the form of expeditious and hassle-free grant support.

RBI/NABARD to study the issue of 'evergreening'

7.36 It was also noted by the Committee that a certain element of "evergreening" of loans is taking place among credit linked SHGs. This, if established, is a matter of concern. The Committee advises RBI/ NABARD to expeditiously study this aspect and come out with suggestions for reversing this unsettling trend.

Transparency in maintenance of records

7.37 In order to ensure sustainability of the SHGs, their activities and linkages, the Committee recommends that there should be better transparency in the books of accounts maintained at the group level. These books should reflect the position of deposits in members' accounts, interest paid on savings, distribution of corpus or operating surplus among members, evergreening of loan accounts, etc. The Committee also recommends that the banks, with the help of NABARD, should evolve a checklist for concurrent monitoring of SHGs.

SHGs to evolve norms for distribution of surplus

7.38 Many of the SHGs do not have the practice of distributing the surplus generated from their business activities within the group and the awareness on this issue among the SHG members is very low. The Committee recommends that there is a need to evolve norms for distribution of surplus (akin to dividend) especially at the time when a member drops out of the group.

Need to restructure design & direction of SGSY subsidy

7.39 It is recommended that subsidies provided under SGSY are restructured. Various studies, conducted by the National Institute of Bank Management (NIBM) and National Institute of Rural Development (NIRD), point out that linking credit with subsidy is not an effective approach for reaching out to the poor. The Committee is of the view that there is a need to formulate a single programme synergising the positive features of SGSY such as specific targeting of below poverty line (BPL) families, etc. and those of the SHG – Bank Linkage Programme such as group cohesiveness, discipline, etc.

7.40 While recognizing that individual subsidies are distortionary, the Committee recommends that the Government may consider redirecting subsidy in the SGSY Programme for the following purposes:

- Capacity building of NGOs and other field based agencies such as Krishi Vigyan Kendras, to form and strengthen SHGs.
- Exposure visits to successful models by bankers, government officials and SHG leaders etc.
- For strengthening input supply and marketing arrangements.

7.41 Some of the State Governments like West Bengal and Andhra Pradesh have initiated efforts in this direction. Further, it is understood that the proposals are awaiting approval of the GoI. The Committee recommends that the approaches adopted by these States for bringing synergy between SGSY groups and the SHGs of the linkage programme can be studied so that the same can be replicated in other States. The broad features of the proposed convergence model are indicated in Annexure V.

7.42 The need for technology adoption for effective disbursal of Govt. subsidy should be recognized. The existing dispensation of subsidy under SGSY and payouts under NREGP could be routed thru' bank accounts, with suitable technology support.

Interest rate subsidy

7.43 It has been brought to the notice of the Committee that certain States are providing a subsidy on interest rates being charged by banks to the SHGs. While the average rate of interest on banks' lending to SHGs is around 12%, most SHGs charge interest rates of around 22%-24% to members. The margin available to SHGs is, thus, sufficient to take care of operational costs, even after considering the small amounts of loan provided to members. The Committee is of the opinion that a subsidy on interest rates cuts at the very root of the self help character of SHGs. As already indicated, the subsidy could be re-directed towards capacity building efforts or in providing input supplies and marketing support to the SHGs.

Resource Centres

7.44 For ensuring the long term sustainability of SHGs and for helping the members of mature SHGs to graduate from microfinance to micro-enterprises, it is proposed that resource centres on the lines of the Andhra Pradesh Mahila Abhivruddhi Society (APMAS) can be set up in different parts of the country.

7.45 The SHG - Bank Linkage Programme is now more than 15 years old. There are a large number of SHGs in the country which are well established in their savings and credit operations. The members of such groups want to expand and diversify their activities with a view to attain economies of scale. Many of the groups are organising themselves into federations and other higher level structures. To achieve this effectively, resource centres can play a vital role.

7.46 Resource centres can be set up by various stakeholders such as NGOs, banks, Government departments, NABARD at the State/ district level to play an important role in preparing training modules, developing a cadre of trainers, conduct of field studies and in promoting interface between SHG members and service providers. The specific role of Resource Centres would be to :

- Work towards a comprehensive capacity building of SHGs,
- Share innovative ideas and models that can be replicated elsewhere,
- Enhance functional literacy among SHG members,
- Support livelihood interventions among SHG members,
- Facilitate availability of all services to SHG members under one roof.

7.47 The committee recommends that the cost for setting up Resource Centres can be met out of the Financial Inclusion Fund and/ or the MFDEF.

SHGs to provide alternative savings products

7.48 One of the distinguishing features of the SHGs is that it is a savings-led model providing opportunities to its members to pool their small savings within the group. Most of the SHGs encourage compulsory savings with equal small amounts by members on a regular basis. SHGs need to offer a wide range of savings products so as to capture the huge potential of savings that remains untapped. Groups should be free to design savings products suiting to members' requirements. Certain level of experimentation could be attempted by the Resource Centres in designing new saving products and NABARD should encourage and support such experiments.

Adoption of JLG Model to cover marginalized groups

7.49 Based on the encouraging experience gained in implementation of the pilot project, a scheme for financing JLGs of tenant farmers and oral lessees has been evolved by NABARD for implementation by all the commercial banks, RRBs and cooperatives. The committee recommends adoption of the concept of JLGs which, if properly grounded, could be another effective method for purveying credit to mid-segment clients such as small farmers, marginal farmers, tenant farmers, etc. and thereby reduce their dependence on informal sources of credit.

From Microcredit to Microenterprise - Challenges

7.50 The present challenge is to induce SHGs and their members to graduate into matured levels of enterprise, factor in livelihood diversification, increase their access to the supply chain, linkages to the capital market and appropriate production and processing technologies.

7.51 A spin off of this challenge is how to address the investment capital requirements of matured SHGs, which have initially met members' consumption needs and are now on the threshold of taking off into "enterprise". There is evidence in MYRADA experience where lending for productive purposes has already been given greater emphasis by SHGs. The Community Managed Resource Centres (CMRCs) organized by MYRADA provide a variety of linkage services to SHGs and individual entrepreneurs among SHG members. This model requires to be studied. The SHG - Bank Linkage Programme needs to introspect whether it is sufficient for SHGs to only meet the financial needs of their members, or whether there is also a further obligation on their part to meet the non-financial requirements necessary for setting up business and enterprises. Ideally, it must meet both.

Greater role for NABARD

7.52 The Committee is of the view that while greater emphasis is needed for growth and spread of SHGs across the country, the quality in terms of outreach of financial services, capacity building, sustainability etc., needs to be reemphasized. NABARD shall play a pro-active role and identify new initiatives that will contribute to effectively improving outreach to the poor thru' SHGs, MFIs, etc.

Federations

7.53 Federations of SHGs at village and taluk levels have certain advantages. However, the disadvantage is that banks lose their direct contact with SHGs if federations act as intermediaries between the financing banks and SHGs. Further, federations may become intrusive, thereby diluting the democratic features of SHG operations. A few models of Federations have been studied by the Committee and their basic features are indicated in the Annexure VI. A review of the various models is included as Annexure VII.

7.54 The Committee is of the view that federations, if they emerge voluntarily from amongst SHGs, can be encouraged. However, the Committee feels that they cannot be entrusted with the financial intermediation function. In Andhra Pradesh, federations are registered as societies under the MACS Act. The SHG members (as individuals) are permitted to be members in the federation. In Uttarakhand, SHGs are permitted to become members of PACS directly. States may adopt similar enabling legislation.

7.55 The Committee recommends that the voluntary establishment of federations could be supported out of the Financial Inclusion Fund and the MFDEF. While extending support, it should be ensured that federations :

- emerge voluntarily, on the felt need of the SHGs,
- provide other value added services to member SHGs. Based on a study of Federations operating across the country, a broad list of such services and the modus operandi of federations in providing such services can be prepared and circulated by NABARD.
- in terms of distance, operate in close proximity to members.

Urban Microfinance

7.56 There are no clear estimates of the number of people in urban areas with no access to organized financial services. This may be attributed, in part at least, to the migratory nature of the urban poor, comprising mostly of migrants from the rural areas. Even money lenders often shy away from lending to urban poor.

7.57 There have been a few instances of MFIs venturing into this area of lending to urban poor who are undertaking micro-enterprises and small business activities. Urban branches of banks, even though having manpower and technology support, are not attuned to SHG lending or microfinance. They are busy with multiple and diversified activities and generally find no time to cater to the microfinance market segment. Lending opportunities in other sectors dissuade them from attempting the laborious task of microlending. The migratory nature of parts of the low income urban population is also contributing that urban bankers are not venturing into this field.

7.58 Opening of specialised microfinance branches / cells in potential urban centers exclusively catering for microfinance and SHG - bank linkages could be thought of, to address the requirements of the urban poor. BFs / BCs could be the mechanism to reach the target clientele in these areas. However, banks need to implement proper risk management practices, develop suitable models and products tailor-made to this segment. Banks can also consider associating with MFIs undertaking urban microlending as a viable option.

Amendment to NABARD Act

7.59 At present, NABARD is permitted, as per its Act and Mandate, to support micro finance activities in rural and semi-urban areas only. Considering the levels of exclusion prevalent among the urban poor, the unique nature of difficulties faced by them in accessing institutionalized banking services and with a view to leveraging the expertise of NABARD in microfinance, the Committee recommends that an enabling provision be made in the NABARD Act, 1981 permitting NABARD to provide micro finance services to the urban poor.