

**Government of Bihar**  
**Urban Development & Housing Department**

Letter No. 04/NULM-05/16/...../UD&HD Dated:

From,

The Principal Secretary  
Urban Development and Housing Department  
Vikas Bhawan, New Secretariat  
Government of Bihar

To,

Mr. Rajiv Kumar Das  
Convener  
State Level Bankers Committee  
State Bank of India, Gandhi Maidan  
Patna- Bihar

**Subject: Credit Linkage and Financial Assistance to SHGs and Urban Poor under DAY-NULM Reg.**

**Ref:** Letter Nos. NULM-PMC/001/SEP-SLBC/2016-17/330 dated 29/07/2016, 04/NULM-5-16/2674 dated 23/11/2017 and 04/NULM-35/2016/2552 dated 15/10/2018.

Dear Mr. Das,

As you are aware, Urban Development and Housing Department, Bihar is implementing Deendayal Antodaya Yojana- National Urban Livelihoods Mission across all the towns in the state with the principal objective of addressing poverty in urban areas through the provision of skill development, formation of women self-help groups and financial assistance to SHGs and individual entrepreneurs at lower rates of interest. In order to achieve the objectives of the Mission, bankers play very important role by extending credit linkage to SHGs and credit to both groups and individual beneficiaries.

However, it has been observed that the bank have not been taking adequate interest in granting credit linkage and credits to the beneficiaries approved under the DAY-NULM scheme despite our best efforts to sensitise bank officials. One of the reasons cited by most of the local bank branches for not entertaining applications has been lack of instructions from their regional/zonal offices to treat DAY-NULM under priority lending scheme.

In order to ensure affirmative actions from the bank branches, the Urban Development and Housing Department, Government of Bihar has written several letters (referred above) to the State Level Bankers Committee seeking necessary direction to bank branches from their zonal/regional offices. These letters contained detailed information about the scheme and the government circulars and orders issued from time to time with regard to implementation of the scheme and the role of the banks. Further, to address the issue, a meeting Chaired by the Principal Secretary, UD&HD was organised on 15.02.2019 with senior functionaries of the leading banks in which they had agreed to issue directions to their branch offices. The issue was also raised by the

Hon'ble Minister, Urban Development and Housing Department, Government of Bihar in the SLBC meeting held on 19.06.2019.

Nevertheless, it is a matter of great disappointment that despite several communications from the department to SLBC requesting it to issue directions to regional/zonal offices of the leading banks in the state, it has failed to issue any such directions till date. As a result, hundreds of applications are pending either at the bank level or have not been entertained despite approval by the Task Force leading to dismay amongst the urban poor.

Therefore, you are requested yet again to take note of our correspondences made vide letter nos. referred above and issue necessary directions to the regional/zonal offices as well as branches of the leading banks operating in the state to provide financial assistance to urban poor and credit linkage to the SHGs as per the guidelines/circulars issued by the Government of India and the Reserve Bank time to time in this regard.

With regards.  
Enclo. As above.

Yours faithfully,

Sd/-

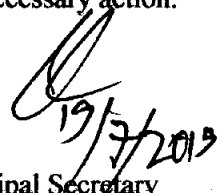
Principal Secretary  
Urban Development & Housing Department

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Memo No. 04/NULM-05/16/.....UD&HD

Date 19/7/19.....

Copy to:

1. Principal Secretary, Department of Finance, Government of Bihar for information and necessary action.
2. Joint Secretary cum Mission Director, DAY-NULM, Government of India for information.
3. Regional Director, Reserve Bank of India for information and necessary action.

  
19/7/2019  
Principal Secretary  
Urban Development & Housing Department