

**GOVERNMENT OF INDIA
URBAN EMPLOYMENT AND POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1402
ANSWERED ON:02.08.2005
SPECIAL LOAN SCHEMES FOR POOR PEOPLE
Ahir Shri Hansraj Gangaram

Will the Minister of URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

- (a) whether the Union Government has formulated any special loan scheme for poor people living in urban areas;
- (b) if so, the details thereof;
- (c) whether the Union Government has issued any instructions to the State Government for making subsidised loans available to provide employment to the unemployed and the poor living in urban areas;
- (d) if so, the details thereof; and
- (e) the amount of subsidy made available under the said scheme during the current financial year?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF URBAN EMPLOYMENT & POVERTY ALLEVIATION (KUMARI SELJA)

(a)to(e): Ministry of Urban Employment & Poverty Alleviation is already implementing a Centrally sponsored urban poverty alleviation Scheme named Swarna Jayanti Shahari Rozgar Yojana (SJSRY) on all India basis with effect from 1.12.1997.

Under the Urban Self Employment Programme (USEP) component of this scheme urban un-employed or under-employed poor living below the poverty line who have not studied beyond 9th standard, are encouraged to set up small enterprises for which they are provided loan and subsidy, through Banks. Under USEP (Subsidy), each beneficiary is required to contribute 5% of the project cost as margin money and the subsidy would be provided at the rate of 15% of the project cost subject to a ceiling of Rs.7500/- per beneficiary and the loan would be provided at the rate of 80% of the project cost. In order to give special incentive to urban poor women, who decide to set up self employment ventures in a group as opposed to individual effort, there is special sub-component called Development of Women & Children in Urban Areas (DWCUA) under the USEP. Under DWCUA (Subsidy), each group is entitled to a subsidy of Rs.1,25,000/- or 50% of the cost of the project, whichever is less.

The amount of total subsidy provided under the Scheme depends upon the number of total beneficiaries selected and their project proposals for the assistance being accepted by the Banks. The total allocation for the entire Scheme of Swarna Jayanti Shahari Rozgar Yojana for 2005-2006 is Rs.160.00 crore.