

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3615  
ANSWERED ON:27.04.2007  
NGK COOPERATION OF BANKS UNDER SGSY  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is aware that the non-cooperative attitude of nationalised banks in implementing important Rural Development Scheme like Swarnjayanti Gram Swarajgar Yojana (SGSY) created hindrance in achievement of goals;
- (b) if so, whether the complaints regarding non-cooperation of Banks in providing economic assistance to Self-Help Groups through Swarnjayanti Gram Swarajgar Yojana. have been received; and
- (c) if so, the details thereof and the action taken by the Government thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) : Under SGSY programme, the Government of India fixed State-wise targets for disbursement of loans by 1 institutional agencies which is being allocated amongst different institutions at the state level and branch-wise allocations are made at the respective Zonal/State level of the banks. The achievement during the three years is as under:-

(Rs.in crores)

Year	Target	Total Loan Disbursed	Amount	No.of Persons assisted	Amount	% of achievement
2004	1363.12	962396	816.11		59.87	
2005	15115.76	1055335	927.30		61.05	
2006	1597.06	1177366	1095.15		68.57	

As evident from the table, the disbursement is showing an increasing trend. A quick study of SGSY was conducted by Reserve Bank of India to ascertain the reasons for the pendency of applications at bank branch level. The study, inter-alia, revealed the following reasons/ constraints in sanctioning of applications:-

Forwarding unviable and un-bankable proposals to the banks. Most of the applications pertained to similar type of activity resulting in saturation of activity.

Lack of co-ordination between govt. agencies and bank officials.

Bunching of applications by the Sponsoring Agencies and submission of applications at the end of the year.

The Government has, however, instructed the Public Sector Banks to ensure that all branches achieve targets under Swarnjayanti Gram Swarajgar Yojna Scheme (SGSY), RBI and NABARD have instructed Commercial Banks and Regional Rural Banks/ Cooperative Banks respectively to initiate concrete steps to scale up the pace of credit flow under the programme of SGSY. Banks were also advised to consider proper delegation of powers to the Branch Managers for sanction of loans without a need to refer to higher authorities.