

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:516

ANSWERED ON:30.04.2010

LOANS FOR EMPLOYMENT GENERATION PROGRAMMES

Kumar Shri Vishwa Mohan;Pandey Shri Ravindra Kumar

Will the Minister of FINANCE be pleased to state:

(a) the targets and achievements in regard to the loans disbursed by the scheduled commercial banks including gramIn banks to be the beneficiaries under the employment generation programmes in the rural areas during the last three years, State-wise including Bihar and Jharkhand, bank-wise;

(b) whether the banks have not been able to achieve the targets set for the aforesaid schemes during the said period;

(c) if so, the details thereof and the reasons therefor;

(d) the number of loan applications sanctioned by the banks but lying pending pertaining to the said period, State-wise and bank-wise; and

(e) the steps taken/being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (A) TO (E) OF LOK SABHA STARRED QUESTION NO.516 TO BE ANSWERED ON 30-04-2010 TABLED BY SHRI RAVINDRA KUMAR PANDEY & SHRI VISHWA MOHAN KUMAR REGARDING LOANS FOR EMPLOYMENT GENERATION PROGRAMMES.

(a): The Swarnjayanti Gram Swarozgar Yojana (SGSY), an employment generating centrally sponsored scheme, is implemented through Scheduled Commercial Banks, including Regional Rural Banks (RRBs), in the rural areas of the country.

State-wise (including Bihar and Jharkhand) details of targets and loans disbursed by the public and private sector banks, under SGSY, during the years 2006-07, 2007-08 and 2008-09 are given at Annexure-I. Bank-wise (public and private sector banks) details are at Annexure-II.

RRBs wise, state-wise details of loans disbursed, as reported by National Bank for Agriculture and Rural Development (NABARD), available for the years 2007-08 and 2008-09, are at Annexure-III.

Further, Ministry of Micro, Small and Medium Enterprises (MSME), has been implementing the Prime Minister's Employment Generation Programme (PMEGP), from 2008-09 through Khadi and Village Industries Commission (KVIC) as the nodal agency in both rural and urban areas of the country.

As per information furnished by Ministry of MSME, State-wise details of number of applications disbursed and number of applications pending for disbursement, for the year 2008-09 and 2009-10 (tentative), are given at Annexure-IV.

(b) and (c): Banks have not been able to achieve the set target under SGSY for some of the following reasons identified by Reserve Bank of India(RBI):

i. Lack of co-ordination between banks and Government Sponsoring Agencies;

ii. Non fulfillment of formalities by borrowers due to illiteracy;

iii. Bunching of applications and their submission at the fag end of the financial year, by Sponsoring Agencies;

iv. Inadequate sponsoring by the District Rural Development Agencies (DRDAs);

v. Lack of awareness regarding the guidelines of the scheme among bank officials and officials of Government Sponsoring Agencies;

vi. Non receipt of subsidy/delay in receipt of subsidy;

vii. Groups were not cohesive and responding;

viii. Change in economic activities undertaken by groups;

ix. Lack of proper training and guidance from Sponsoring Agencies and banks.

(d): State-wise details available for SGSY in respect of number of applications sanctioned and number of applications pending for disbursement with the public and private banks, as at the end of March 2007, 2008 and 2009, are at Annexure-V and bank-wise details are at Annexure-VI.

(e): RBI monitors the performance of domestic scheduled commercial banks under SGSY Scheme through receipt of monthly/quarterly progress reports. The progress under the scheme is discussed at various fora, ie Block Level Bankers' Committee (BLBC), District Consultative Committee (DCC)/ District Level Review Committee (DLRC), State Level Review Committee (SLRC) .Central Level Coordination Committee (SLCC) and High Level Monitoring Committees formed under the scheme.

Further, RBI has advised banks to initiate necessary redressal measures and to issue suitable instructions to their controlling offices to ensure smooth implementation of the scheme.