

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3291

ANSWERED ON:13.08.2010

LOANS FOR GOVERNMENT SCHEMES

Mishra Shri Govind Prasad;Roy Shri Arjun;Tomar Shri Narendra Singh ;Yadav Shri M. Anjan Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received complaints regarding refusal in granting loans by banks under various Governmental schemes;
- (b) if so, the details thereof; and
- (c) the steps taken/being taken by the Government to provide easy and soft loans to persons belonging to weaker sections?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): General complaints are received regarding various aspects of implementation of the Government Sponsored Schemes like Swarnajayanti Gram Swarajgar Yojna (SGSY), Swarna Jayanti Shahari Rojgar Yojna (SJSRY) and Prime Minister's Employment Generation Programme (PMEGP) regarding delay in sanction/disbursement of loans by banks, etc. These are being periodically reviewed by the District Level Consultative Committees and State Level Bankers' Committees and corrective measures taken for proper implementation.

(c): Loans to Weaker Sections form part of Priority Sector Lending (PSL) of Domestic Scheduled Commercial Banks.

As per extant guidelines of Reserve Bank of India (RBI) on PSL, a target of 10% of Adjusted Net Bank Credit (ANBC) has been stipulated for Weaker Section under PSL.

With a view to ensure smooth flow of credit under PSL including Weaker Sections, the following has been advised by RBI to banks:

- (i) Field level functionaries of banks to ensure there is no inordinate delay between sanction and disbursement of loans;
- (ii) Documentation process is kept simple by banks;
- (iii) Loan applications be disposed off within 15 days and not later than one month;
- (iv) Branch Managers be vested with adequate discretionary powers to sanction loans under SGSY, etc.