

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4089
ANSWERED ON:03.12.2010
LOANS TO BPL PEOPLE
Punia Shri P.L.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public and Private Sector Banks have disbursed loans to the people living Below Poverty Line (BPL);
- (b) if so, the details thereof for the last three years and if not, the reasons therefor;
- (c) whether the Government has taken note of complaints of lending money by moneylenders to such people at a high rate of interest and are using unlawful method for recovery of such loans;
- (d) if so, the details thereof; and
- (e) the corrective action taken by the Government in this regard?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRI NAMO NARAIN MEENA)

(a) & (b) : Loans are provided by banks under the following Government Sponsored Schemes meant for BPL population in Rural and Urban areas:

(1) Swarnajayanti Gram Swarozgar Yojana (SGSY): for rural BPL population. SGSY is a holistic scheme conveying all aspects of self employment, such as organizing of poor into Self Help Groups, training, credit, technology, infrastructure and marketing. The loan provided under the scheme is composite loan comprising of term loan and working capital loan.

(2) Swarna Jayanti Shahari Rozgar Yojana(SJSRY): to provide gainful employment to the urban poor (living below poverty line), unemployed or under employed, through setting up of self-employment ventures or provision of wage employment.

(3) Differential Rate of Interest(DRI) Scheme: Under the scheme, loans upto Rs. 15,000/- per beneficiary or a housing loan of Rs. 20,000/- per beneficiary can be provided by the banks at concessional rate of interest of 4% per annum.

Schemes 2008 2009 2010

SGSY (Amount Disbursed in crore) 1272.84 1282.73 1568.73

SJSRY (No. of Accounts Disbursed) 67342 73837 73888

Source: Reserve Bank of India Total loans outstanding under DRI Scheme for the year 2007, 2008 & 2009 (latest available) areas follows:

Year Amount Outstanding (Rs. in crore)

2007 733.11

2008 720.56

2009 853.45

Source: RBI

(c) to (e) : Despite rapid expansion of the banking network over the last few decades, vast number of the people in the country do not have access to the institutional credit.

With a view to ensure greater financial inclusion and increasing out reach of the banking sector, numerous steps have been initiated by the Government/Reserve Bank of India (RBI), which inter-alia include the following:

Banks have been advised to provide the facility of `No-frills` accounts with nil or very minimum balance;

Banks are permitted to open branches in tier III to tier VI center (with a population upto 49999 as per 2001 census) without permission of RBI;

Banks have been advised to provide banking services through a banking outlet in every village having a population of over 2000 by March, 2012;

Easier credit facility to smaller customers through general credit card;

Use of Business Correspondents/ Business Facilitators;

Mobile Banking facilities;

Setting up of Financial Literacy and Credit Counselling centers