

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2863
ANSWERED ON:30.03.2012
LOANS FOR SELF EMPLOYMENT SCHEME
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to review and simplify its policy in respect of providing loans to poor unemployed youths, labourers, under privileged, small and marginal farmers, SCs/STs and OBCs through banks and financial institutions;
- (b) if so, the details thereof;
- (c) the number of applications for grant of loans pending in each of the nationalized banks under various self-employment schemes, State-wise;
- (d) the reasons for their pendency; and
- (e) the steps taken by the Government/RBI/concerned bank for early clearance of these applications?

Answer

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

(a) and (b): As per Reserve Bank of India's (RBI) extant guidelines on priority sector lending (PSL), loans provided by all domestic scheduled commercial banks to weaker sections includes small and marginal farmers, SCs/STs, landless labourers, under privileged, beneficiaries of government sponsored employment generating programmes like Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Sahari Rozgar Yojana (SJSRY), Prime Minister's Employment Generation Programme (PMEGP) and Scheme for Rehabilitation of Manual Scavengers

(SRMS).

The Committee constituted by RBI to re-examine the existing classification and suggest revised guidelines with regard to Priority Sector Lending classification has recently presented its report which has been placed on the RBI's website for seeking views/comments from Banks, non-bank financial institutions, other institutions and members of public.

(c), (d) and (e): State-wise details of number of loan applications pending under government sponsored schemes viz., SGSY and SJSRY as on March 2011 is at Annexure-1.

In order to expeditiously dispose of pending applications under Centrally Sponsored Government Schemes, RBI has advised the banks to take following measures:

Finalize targets expeditiously in coordination with Government Agencies and organize sensitization programme for banks and nodal agencies about proper and effective implementation Government Sponsored Schemes by the lead banks in their respective districts;

Bring to the notice of all their branches and regional offices the various directions of Government of India/ RBI about the need for expeditious disposal of applications received under the Government Sponsored Schemes;

Ensure that Regional Offices of the Scheduled Commercial banks regularly review the performance of the branches \n implementation of various Government Sponsored Schemes;

Monitor that the branches ensure adequate flow of credit to target groups under the schemes;

Ensure that branches strictly adhere to RBI guidelines while sanctioning loans under Government Sponsored Schemes;

Ensure that Regional Managers of the banks identify the branches with high level of pendency and take necessary steps for quick disposal.