

**ESTIMATES COMMITTEE**

**SEVENTH REPORT**

**(2001-2002)**

**(THIRTEENTH LOK SABHA)**

**MINISTRY OF FINANCE  
(DEPARTMENT OF ECONOMIC AFFAIRS-  
BANKING DIVISION)**

*[Action taken by Government on the recommendations contained in the Fourth Report of Estimates Committee (Thirteenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs-Banking Division)-Role of Public Sector Banks in Self-Employment Scheme including PMRY]*



LOK SABHA SECRETARIA  
NEW DELHI

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COMPOSITION OF THE ESTIMATES COMMITTEE  
(2001-2002)

Prof. Ummareddy Venkateswarlu — *Chairman*

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3. Shri S. Bangarappa
4. Shri Surendra Singh Barwala
5. Shri Lal Muni Chaubey
6. Shri A.B.A. Ghani Khan Choudhury
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27. Shri Kodikunnil Suresh
28. Shri Lal Bihari Tiwari
29. Shri Shankersinh Vaghela
30. Shri Ravi Prakash Verma

SECRETARIAT

1. Shri John Joseph — *Additional Secret,*
2. Shri K.L. Narang — *Director*
3. Shri Cyril John — *Under Secretary*
4. Shri M.K.Madhusudhan - **Committee Officer**

## INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Seventh Report on action taken by Government on the recommendations contained in the Fourth Report of Estimates Committee (Thirteenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Role of Public Sector Banks in Self-Employment Schemes including PMRY.

2. The Fourth Report (Thirteenth Lok Sabha) was presented to Lok Sabha on 28th April, 2000. The Government furnished their replies indicating action taken on the recommendations contained in that Report on 20th April, 2001. The Draft Report was considered and adopted by the Estimates Committee (2001-2002) at their sitting held on 28th September, 2001.

3. The Report has been divided into the following Chapters:—

- I. Report;
- II. Recommendations/Observations which have been accepted by Government;
- III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies;
- IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee; and
- V. Recommendations/Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in the Fourth Report of Estimates Committee (13th Lok Sabha) is given in Appendix II. It would be observed therefrom that out of 19 observations/recommendations replies to which have been furnished by the Government, 14 recommendations, *i.e.* 73.68% have been accepted by Government. Replies of Government in respect of 4 recommendations *i.e.* 21% have not been accepted by the Committee.

NEW DELHI;  
November 21, 2001

UMMAREDDY VENKATESWARLU,  
*Chairman*  
*Committee on Estimates.*

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*Karlika 30, 1923 (Saka)*

## CHAPTER I REPORT

1.1 This Report of the Estimates Committee deals with the action taken by Government on the recommendations contained in their Fourth Report (Thirteenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Role of Public Sector Banks in Self-Employment Schemes including PMRY.

1.2 The Committee's Fourth Report (Thirteenth Lok Sabha) was presented to Lok Sabha on 28<sup>th</sup> April, 2000. It contained 19 observations/recommendations. Action Taken Notes on all these observations/recommendations have been received from the Ministry of Finance.

1.3 Replies to the observations and recommendations contained in the Report have broadly been categorised as under:—

- (i) Recommendations/Observations which have been accepted by the Government:  
SI. Nos. 1, 4, 6, 8 to 17 & 19
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:  
SI. No. Nil
- (iii) Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee:  
SI. Nos. 3, 5, 7, & 18
- (iv) Recommendations/Observations in respect of which final replies of Government are still awaited:  
SI. No. 2

1.4 The Committee will now deal with the action taken by Government on some of the recommendations.

## Allocation of Funds under SJSRY Scheme

Observation/Recommendation (SI. No. 2, Para No. 1.113)

1.5 Expressing concern over the low allocation of funds for poverty reduction in urban areas under SJSRY Scheme, the Committee recommended as under:—

"The Swarna Jayanti Shahari Rojgar Yojana (SJSRY) consists of two special schemes *viz.* Urban Self-Employment Programme (USEP) and Urban Wage Employment Programme (UWEP). USEP seeks to provide assistance to individual urban poor, groups of urban poor women for setting up gainful self-employment ventures and training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme. The Urban Wage Employment programme. (UWEP) seeks to provide wage employment to beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets. The SJSRY is funded on a 75:25 basis between the Centre and States. However, no physical targets have been fixed and this matter has been left to be decided by the State Governments in conformity with the guidelines of this Scheme and result of the house-to-house survey, which is being conducted.

Central funds to the tune of Rs. 295 crores have been released to the States/Union territories under this Scheme during 1997-98, 1998-99 and 1999-2000 (upto 31.12.99). Out of this only Rs. 111 crore have been utilised for sanction and disbursement of subsidy to beneficiaries under USEP and Development of Women and Children in Urban Areas (DWCUA) including training and infrastructure support and assistance given to Thrift and Credit Societies. The Committee are not satisfied with this low allocation for poverty reduction in urban areas under SJSRY Scheme. The Committee desires that in order to provide a substantial impetus to poverty reduction activities in the urban areas of the country, allocation of funds under SJSRY needs to be enhanced considerably. They also stress upon the timely utilisation of funds allocated under the Scheme."

1.6 The Ministry in their action taken reply have stated as follows:—

"The Ministry of Urban Development and Poverty Alleviation who are implementing Ministry for the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) *vide* their letter dated 7th June, 2000 requested Planning Commission for enhancing the allocation of funds for the said scheme. Simultaneously the States/Union Territories *vide* letter dated 8th June, 2000 have also been directed to utilise the funds

allocated under SJSRY expeditiously."

### **Recommendation**

1.7 The Committee note that pursuant to their recommendation the Ministry of Urban Development and Poverty Alleviation *vide* their letter dated 7 June, 2000 have requested the Planning Commission for enhancing the allocation of funds for the SJSRY Scheme. However, the Committee are of the view that mere writing of letters to the Planning Commission for allocation of more funds to the scheme and issuing of directions to the State Governments for utilisation of funds under the scheme would not yield concrete results. The urgent need of eradicating urban poverty with the help of SJSRY is of paramount importance. The Committee, therefore, urge upon the Government to make concerted efforts for securing more funds for the scheme as also for its full utilisation by way of timely sanction and disbursement of loans to the beneficiaries.

The Committee would like to be apprised of the outcome of the request made to the Planning Commission for enhancing allocation of funds under SJSRY and the progress achieved in utilisation of the funds allocated upto 2000-2001. The Committee earnestly desire and expect the Government of India to effectively monitor the utilisation by State Governments of the allocations made under SJSRY.

### **Increased Participative role of Banks**

#### **Observation/Recommendation (SI. No. 3, Para No. 1.114)**

1.8 Emphasising the need for greater role of the banks in selection of beneficiaries for Government sponsored self-employment and poverty alleviation programmes, the Committee recommended as under:—

"The Committee note that under PMRY Scheme, the names of the beneficiaries approved by the Task Force Committee are recommended for loans by the banks. Banks are included as representatives in Town Task Force (TTF) under PMIUPEP Scheme, which finalises the list of genuine borrowers from a priority list. In regard to SUME, banks are associated with the process of identification of borrowers. On receipt of applications sponsored by the Task Force, banks are required to satisfy themselves regarding the viability and bankability of the project. The entire responsibility of implementation of DRI Scheme vests with the banks. As far as IRDP Scheme is concerned, banks provide organisational and institutional support with the basic objective of enabling the poor to cross the poverty line through additional employment and income generation. Under SLRS Scheme, the role of banks is to receive applications which are sponsored by the National/State level SC/ST

Financial and Development Corporation/District level/local level implementing agencies and scrutinise, sanction and disburse the loan. The Committee are surprised to find that although the banks have a pivotal role to play in all these Government sponsored employment generation and poverty alleviation schemes like providing the essential input of loans, they have only a very limited role or no role at all in the selection of beneficiaries for various schemes. In the opinion of the Committee, this is a major flaw in the schemes. The Committee, therefore, desire that the Ministry of Finance and other concerned Ministries should revise their guidelines in such a manner as to enable the banks to have an increased participative role in the selection of beneficiaries in these Government sponsored self-employment and poverty alleviation schemes."

- 1.9 The Ministry in their action taken reply have stated as follows:—
- "SGSY guidelines envisage greater involvement of the bank. They are involved closely in the selection process of the Swarozgaris. For this purpose, 3 member team consisting of the Block Development Officer (EDO) or his representative, banker and Sarpanch should visit each of the habitation in the Panchayat according to a schedule drawn up for this purpose and duly published. In each habitation, the team must then from the Below Poverty Line (BPL) families, the persons who can be covered under the identified key activities. The selection of Swarozgaris must be done in an open and transparent manner so that the poor may have the confidence that if they fulfil the requisite conditions they may avail of the facilities under the programme. Bankers are also actively involved in planning and preparation of projects, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of the Self Help Groups (SHGs), pre-credit and post-credit monitoring including loan recovery. Banks are also required to ensure proper monitoring and quality of assets procured by the Swarozgaris. Banks have been asked by Reserve Bank of India (RBI) to set up SGSY cells at regional/zonal offices. These cells periodically monitor and review the flow of credit to SGSY Swarozgaris, ensure effective implementation of the scheme. The scheme provides for setting up of similar committee at block/district state and central level.

The view of the Committee for increased participation of banks in selection of beneficiaries under SJSRY has been included in the proposal relating to the amendment of guidelines on SJSRY *vide* their Ministry's letter No. G-24011/7/2000-SJSRY (UPA-I) dated 7th June, 2000 is at Annexure-I.

Under Prime Minister Rozgar Yojana (PMRY) Task Force



Committees have been set up at district/sub-divisional/block level for selection of beneficiaries. Banks are members of the Task Force Committee and hence are actively involved in the selection process. Besides participating in the selection of beneficiaries banks have also

been requested to send applications of beneficiaries on their own

directly to District Industries Centres with their recommendations for re-sponsoring them for sanction of loan."

### **Recommendation**

1.10 The reply of the Government is not convincing enough to the Committee. Undoubtedly the banks have a crucial role to play in the implementation of all Government sponsored self-employment and poverty alleviation programmes. Their close association with the execution of the scheme at all stages will go a long way for the successful implementation of the schemes. The Committee are quite convinced that there should be increased participative role by the banks right from the time of selection of beneficiaries. They, therefore, reiterate that guidelines in this regard should be suitably revised to ensure more participative role by the banks and the Public representatives especially Member of Parliament in the implementation of all Government sponsored self-employment and poverty alleviation programmes.

### **Timely disposal of loan applications and disbursement of credit Observation/Recommendation (SI. No. 5, Para No. 1.116)**

1.11 Emphasising the need for timely disposal of loan applications and disbursement of loan amount the Committee recommended as follows:—

"Guidelines for advances under priority sector issued by RBI to banks envisage that all loan applications upto a credit limit of Rs. 25,000/- should be disposed off within a fortnight and those for over Rs. 25,000/- should be disposed of within 8 to 9 weeks. In this connection, the Committee note that during sample studies/ evaluation studies undertaken by Reserve Bank of India/ Government, it was found that loan applications were not being disposed off by banks within the prescribed time schedule. The issue relating to timely disposal of loan applications received by banks came up in a meeting the Government of India had with the Chief Executives of banks. In pursuance thereto, Reserve Bank of India have again advised the banks reiterating their instructions to ensure that the prescribed time schedule for disposal of application is strictly adhered to. The Committee are of the view that when the borrower has fulfilled all the requirements for sanction/disbursement of loan, the banks should disburse the loan amount within a specified time-frame. Banks should also render all possible cooperation, assistance and proper guidance to the applicants in completing the required formalities to eliminate delays, if any, in this regard. In the opinion of the Committee an essential pre-requisite for success of any self-

employment scheme/poverty alleviation programme of the Government is the provision of timely and adequate credit.

The Committee desires that the Ministry of Finance/RBI should exercise their authority upon the public sector banks to ensure greater commitment among the bank officers for a more sincere and dedicated performance in the discharge of

their responsibility. Any dereliction in this regard should be reviewed seriously. They also desire that only officers of proven integrity and repute should be allowed to handle sanctioning and disbursement of loans to the borrowers under various self-employment schemes."

1.12 In their Action Taken reply the Ministry have stated as follows:—

"Performance of banks is monitored at various fora at District and State level through RBI's Regional Offices and Lead District Officers at district level. All efforts are being made to further strengthen the implementation of the schemes by bank officials."

#### **Recommendation**

1.13 The Committee regret to note that the reply of the Ministry is quite vague and casual. They are of the firm view that success of any self-employment scheme hinges on the speedy, time-bound and hassle-free disposal of loan applications and disbursement of credit to the beneficiaries. The Committee note with dissatisfaction that the Ministry have not come out with any concrete measures to cut down delay in processing of loan applications and disbursement of credit and fixation of responsibility for delay in loan sanction and disbursement.

The Committee reiterate that disposal of all loans applications and disbursement of loan within the stipulated time-limit should be closely monitored so as to ensure that the beneficiaries get timely and adequate credit. They also stress that only officers of proven dedication and integrity should be deputed to deal with sanctioning and disbursement of loans under various self-employment schemes. The Committee would like to be apprised of concrete measures taken by Government in this regard.

Poor Performance of Banks under DRI Scheme

Observation/Recommendation (SI. No. 7, Para No. 1.118)

1.14 Expressing their unhappiness over the poor performance of banks under DRI scheme, the Committee recommended as follows:—

"Under DRI Scheme banks are required to achieve the targets of one per cent of the aggregate advances prescribed for the entire country. The Committee are unhappy to observe that the overall performance of banks under DRI Scheme continues to lag behind the targeted level. The main reason

advanced for the banks' failure to achieve the target is the preference of the targeted groups for subsidy linked programmes. Repeated advice to the banks by RBI to improve their performance under the DRI Scheme has had little effect. In fact, their performance has declined year after year during the last six years. The Committee desire that concerted efforts need to be made by the banks to improve their performance under the DRI Scheme. Quarterly review of the implementation of the DRI Scheme may also be carried out by the CMD/Chairman of the Bank. As the entire responsibility of the implementation of the scheme vests with the banks, the Ministry of Finance should not remain a mute spectator to the poor performance of the banks under the DRI Scheme. The Ministry should take concrete remedial measures for improving the performance of the banks in this Scheme."

1.15 The Ministry in their action taken reply have stated as under:—

"Banks have been advised *vide* circular No. BC. 36/09.07.01 dated 30 November, 1998 to improve the performance of disbursal of loans under Differential Rate of Interest (DRI) Scheme. However, it is again reiterated that beneficiaries prefer other subsidy-linked schemes and do not find this scheme attractive enough."

### **Recommendation**

1.16 The Committee do not share the perception of the Ministry that Differential Rate of Interest (DRI) Scheme is not attractive enough and the beneficiaries prefer subsidy linked schemes. In view of the concessional rate of interest of 4% per annum on finance provided under DRI Scheme it should have been more attractive to the weaker sections of the society. The Committee note that the entire responsibility of implementation of the Scheme vests with the banks. Hence the initiative for identifying eligible beneficiaries and assessing their suitability and viability should come from the banks. The banks cannot be absolved of their lack of motivation in promoting the scheme by identifying eligible beneficiaries. The Committee, therefore, reiterate their earlier recommendation that concerted efforts should be made by the Banks and to properly educate them about the advantages of the DRI Scheme to improve their performance under the Scheme. The Ministry should closely monitor the performance of banks under the Scheme and take prompt corrective measures under intimation to the Committee.

## **Low rate of Recovery of loans**

### **Observation/Recommendation (SI. No. 16, Para No. 1.127)**

1.17 Expressing concern over the low percentage of recovery of loans in respect of Government sponsored employment generation schemes and poverty alleviation programmes, the Committee recommended as follows:—

"The Committee are constrained to note that the recovery percentage of the Government sponsored employment generation schemes and poverty alleviation programmes had been abysmally low and regrettably less than even 50%, as will be abundantly clear from the following Statistics. The recovery position in respect of various schemes like PMRY, SUME, DRI, IRDP and SLRs is 47.7%, 29.17%, 40.33%, 30% and 38% respectively. These poor recoveries have been attributed by the Ministry to the various inadequacies, among others in pre-sanction appraisals and post sanction monitoring of the projects for which loans are granted to the beneficiaries of these schemes, the feeling among the beneficiaries that the loans are Government grants not meant to be repaid and lack of support from the State Government machinery in the matter of recovery, etc. The Committee also note that certain initiatives/measures have been taken by the Ministry/RBI/Banks to improve the recovery performance of the banks, which include persuading State Governments to enact laws to help recovery of bank loans from borrowers. In this context, as recommended by the Talwar Committee, 16 State Governments have so far enacted legislation on the lines of the 'Model Bill' for speedy recovery of agricultural dues of the banks. The Committee desire that the remaining State Governments should also be persuaded by the Central Government to enact such legislation with necessary changes/modifications required for the purpose. Besides this they also desire that concrete measures, including soliciting co-operation from State Governments, should be taken to improve the recovery position of bank dues under all the schemes and programmes. The Committee would like to be informed about the measures taken by the Government in this regard and latest recovery position under various Self-Employment Schemes and Poverty Alleviation Programmes."

1.18 The Ministry in their action taken reply have stated as follows:—

"The remaining State Governments have also been advised to enact legislation for speedy recovery of agricultural dues of banks. The latest recovery position under various Government-sponsored schemes is furnished below:—

**Percentage of Recovery to Demand**

Scheme	IRDP	SJSRY	SLRs	PMRY
1998-99	33.2	35.9	45.7	42.1
1999-2000	30.8	45.6	36.0	36.4

**Demand. Recovery. Overdue Position**

(in lakhs of rupees)

Scheme	Year	Demand	Recovery	Overdue	
% recovery				to demand	
IRDP	1998-1999	265004.48	88094.13	176910.35	33.2
IRDP	1999-2000	252401.61	77771.86	174629.75	30.8
SJSRY	1998-1999	1329.86	477.34	852.52	35.9
SJSRY	1999-2000	5177.69	2362.64	2815.05	45.6
SLRs	1998-1999	8443.93	3856.98	4586.95	45.7
SLRs	1999-2000	4249.07	1529.73	2719.34	36.0
PMRY	1998-1999	123848.13	52112.84	71735.29	42.1
PMRY	1999-2000	155691.56	56603.53	99088.03	36.4

Recovery is accorded importance under all the schemes. Under SGSY, BDO-DRDA have been advised to organise recovery campaigns and district administration is to assist banks in effecting recovery through designated legal process including appointment of special recovery officers. To facilitate recovery efforts of the banks the SGSY scheme provides for appointment of monitoring cum recovery officers on commission basis. At the swarozgaris level prompt repayment will entitle him to waiver of 0.5% of processing cum monitoring fee. However, from the recovery data it is clear that the recovery performance of banks under all schemes is showing a declining trend. Under PMRY Government of India have taken the following steps to improve recovery:—

1. During 1999 it was decided that additional targets under the PMRY scheme would be allotted to States only on the basis of assurances and plan of action proposed by them for improving recovery in their State.
2. State Government have been advised to treat PMRY dues on par with arrears of land revenue so that legal action can be taken against borrowers under revenue recovery act. So far 9 viz. Assam, A.P., Karnataka, Kerala, MP, Orissa, UP and (Dadra & Nagar Haveli) have effected this. Government agencies have been advised to extend cooperation to banks through organising joint recovery

campaigns so as to ensure better recovery of loan. 16 States Governments have enacted legislation on the lines of model bill for speedy recovery of agricultural dues of banks. All efforts are being made to improve recovery under the schemes.”

### **Recommendation**

1.19 The Committee note with deep concern that the performance of banks in recovery of loans under various Government sponsored employment generation schemes and poverty alleviation programmes continues to be dismal despite several measures taken by the Government in this regard. From the figures furnished by the Ministry, the Committee note that barring SJSRY Scheme, the recovery rate in respect of all the schemes is on declining trend. The Committee stress that Government should reorient their efforts for improving the recovery performance of the Banks. The procedures for pre-sanction appraisals and post-sanction monitoring of the projects for which loans are given to the beneficiaries should be reviewed to plug all loopholes. Steps should be taken to appoint monitoring-cum-recovery officers on commission basis to facilitate recovery efforts of Banks under SGSY Scheme, to organise joint recovery campaigns and to persuade State Governments to treat PMRY dues on par with arrears of land revenue and to pursue the matter regarding enactment of legislation on the lines of ‘Model Bill’ for speedy recovery of agricultural dues to banks with those states which have not enacted the same so far.

The Committee are of the firm view that recovery position in respect of all the schemes can be improved through effective and determined follow-up action. They, therefore, desire that concerted efforts should be made to improve the recovery position of the banks under various Government-Sponsored Schemes.

### **Penal action on Wilful defaulters**

#### **Observation/Recommendation (Sl. No. 18, Para No. 1.129)**

1.20 Expressing serious concern over wilful default of loans by the beneficiaries, the Committee recommended as follows :-

“The Committee observe that wilful default to a large extent emerges from lack of effective supervision of credit, inadequate powers banks possess to execute recovery and long drawn legal process involved in executing decrees obtained from courts. The Committee desire the Government to take corrective measures for stopping wilful defaults, which include a mechanism to circulate the list of defaulters among bank branches and making the list public through the media, banning defaulters from holding any public positions, and taking help of the revenue department in effecting recovery in difficult cases. The Committee recommends that swift and effective penal action on the erring borrowers/

officials connected with any defaults in repayment of loans should be taken."

1.21 In their action taken reply, the Ministry have stated as under:—

"As per the Debt Recovery Tribunal Act, 1993 there is provision for placement of more than one recovery officer, power to attach defending debtors property/asset before judgement, power to appoint receiver of any property of the debtor before or after grant of recovery certificate, penal provisions for disobedience of tribunal's order or breach of any terms of the order. Banks can also approach Lok Adalat for recovery of their dues, particularly in respect of Government sponsored schemes banks can seek help of Revenue Officials."

### **Recommendation**

1.22 The Committee are concerned about the low rate of recovery in respect of Government-sponsored self employment schemes and poverty alleviation programmes over the years despite the existence of a number of enforcement and penal provisions to deal with wilful defaulters. This leads to the inevitable conclusion that the provisions and powers available for enforcing recovery of arrears are not being resorted to effectively to check wilful default. The Committee reiterate that the procedure for recovery of arrears should be made more stringent that wilful default under the schemes may be eliminated.

### **Implementation of Recommendations**

1.23 The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted by the Government. They would, therefore, urge that the Government should keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In case where it is not possible to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation.

The Committee desire that reply in respect of the recommendation contained in Chapter V of the Report may be finalised and final reply of Government furnished to the Committee expeditiously.



**CHAPTER II**  
**RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN**  
**ACCEPTED BY GOVERNMENT**

Recommendation (SI. No. I, Para No. 1.112)

The Committee note that at present there are six schemes *viz.* Prime Minister's Rojgar Yojana (PMRY), Prime Minister's Integrated Urban Poverty Eradication Programme (PMI-UPEP), Scheme of Urban Micro Enterprises (SUME), Differential Rate of Interest (DRI) Scheme, Integrated Rural Development Programme (IRDP) and Scheme of Liberation and Rehabilitation of Scavengers (SLRs) sponsored by the Government of India, wherein the role of the Public Sector Banks is involved. These Schemes are basically meant for weaker sections of the society, who because of low level of education and lack of skill cannot compete for jobs with others, and for generation of self employment/ poverty alleviation for rural and urban areas in the country by providing a package of financial assistance in the form of bank credit and subsidy by the Government.

The Committee further note that PMI-UPEP Scheme, launched in November, 1995 with the objective of attacking the root causes of urban poverty in an integrated manner so as to eradicate poverty from targeted urban areas along with SUME and was replaced by a unified urban alleviation scheme called the "Swaran Jayanti Shahari Rozgar Yojana (SJSRY)" with effect from December 1, 1997.

A new self-employment programme, namely Swamajayanti Gram Swarozgar Yojana (SGSY), which aims at establishing a large number of micro-enterprises building upon the potential of rural poor has been launched with effect from April 1, 1999. As a result, the erstwhile programmes *viz.* IRDP, DWCRA, TRYSEM, SITRA, GKY and MWS ceased to be in operation. One of the weaknesses of the erstwhile self-employment programmes was that there was no linkage with marketing and technology. These aspects assume importance under SGSY. The Committee desire that detailed preparatory work and planning shQH14~eee compicted within the stipulated time frame for its successful implementation.

Action Taken

The Swamajayanti Gram Swarozgar Yojana (SGSY) scheme covers all aspect of self-employment such as organization of the poor into Self Help Groups, training, credit, technology infrastructure and marketing. The

scheme is being implemented by commercial banks. Regional Rural Banks and Cooperative Banks. Other financial institutions, Panchayat Raj institutions, District Rural Development Agencies (DRDAs), Non-Governmental Organisations (NGOs), Technical institutions in the District are involved in the process of planning, implementation and monitoring of the scheme. Detailed preparatory work has been done for the success of the scheme. The scheme was discussed in the Annual Conference of project Directors held in June-July, 1999. The Ministry of Rural Development has carried out an extensive programme of sensitization of DRDAs, Block functionaries and bank officials in all the Districts of the country in June-July, 1999. Detailed operating instructions to Banks have been issued by Reserve Bank of India (RBI) on 1.09.1999.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001].

**Recommendation** (SI. No. 4, Para No. 1.115)

Guidelines/Instructions from RBI to public sector banks are quite clear and explicit that only the assets created out of loans should be treated as security and banks should not ask for any collateral guarantee. The Committee have, however, been informed that during sample studies/evaluation studies undertaken by RBI/Government, some instances have come to their notice that banks insisted on collateral security/guarantee under schemes where no such security/guarantee is required to be furnished by the borrowers. The Committee considers it as a serious divergence from the guidelines/instructions of the Ministry/RBI. They, therefore, desire that appropriate action should be taken against such banks, which are flouting the guidelines/instructions of the Ministry/RBI in this regard. They further desire that these guidelines/instructions should be communicated to all the public sector banks alongwith instructions for their strict compliance. The Committee also desire that banks should not be allowed as a rule to reject an application merely on the ground that the borrower is not in a position to offer any collateral security.

Artinn Taltoi

The security norms applicable in the case of lending by banks to borrowers under priority sector depend on the segment, *i.e.* agriculture Small Scale Industry (SSI) or other priority sector areas. Government sponsored schemes have their own stipulations of margin/security norms a different points of time. However, RBI is reiterating instructions to

banks in this regard and directing banks to ensure strict enforcement of these instructions.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001].

Recommendation (SI. No. 6, Para No. 1.117)

To use credit productively, skills are required and the poor and illiterate people often lack these. PMRY Scheme envisages compulsory entrepreneurship development training for a period of 15 to 20 working days for industry sector and 7 to 10 working days for service and business sectors to provide necessary inputs to the candidates for undertaking the projects. The Committee note that no qualifying standard has been laid down for the training to judge whether the beneficiary has acquired the requisite proficiency during training to undertake the project. However, a feedback is taken to judge the effectiveness of the training on conclusion of the training. As per sample survey conducted in some States/Union territories, over 80% of the beneficiaries reported training as useful in terms of content and methodology. The Committee, however, feel that as training plays a very important role in instilling confidence and improving the entrepreneurial capabilities of the beneficiaries, a sample survey be conducted to evaluate the content of confidence and the skill imparted to the beneficiaries by the training obtained during the brief duration. This should be done with a view to assessing the real effectiveness of the training and the need for further training.

Action Taken

Sample surveys are taken up by the RBI through its Regional Offices at periodic intervals. The 5th field study under PMRY was conducted in 1997 and the findings advised to banks. The aspect of benefit received through training will be taken up in the field study proposed to be taken up in December 2000. The Ministry of Small Scale Industry undertakes a review of the training imparted to PMRY beneficiaries through evaluation studies conducted by it. A recent study commissioned through the Institute of Applied Manpower Research, New Delhi (IAMR) on PMRY beneficiaries of 1994-95 had observed that training is an important component of the' scheme. 20% of the beneficiaries covered by the study were not satisfied by the training organised through District Industries Centre (DIC)/Small Industries Service Institute (SISI) and NGOs. It was also recommended that a study may be conducted to evaluate the contents of the training courses, type of facilities associated with the courses, examine the contribution of institutes engaging in organising such courses and suggestions to improve the training courses under the scheme.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

### **Recommendation (SI. No. 8, Para No. 1.119)**

The Committee note that the creation of employment through self employment schemes and poverty alleviation programme is sought to be achieved by providing a package of financial assistance in the form of bank credit and subsidy provided by the Government. These schemes are basically meant for weaker sections of the society because they have low levels of education and they lack in skills and as such cannot compete for jobs with others. These schemes provide opportunities to the unemployed youth belonging to poor families for undertaking self employment ventures. It is commendable that a large number of persons have availed and are availing the benefit of various self employment schemes and poverty alleviation programmes and are deriving benefits by improving their economic condition. The Committee further observe that due to a variety of reasons, the fulfillment of the objectives has not been upto the desired level. They are of the opinion that the success of schemes depend upon the proper selection of beneficiaries, economic viability of the projects, adequate loan amount, timely disbursement of loan, reasonable repayment schedule, etc. and for that banks play a very important and responsible role. The Committee feel that the Government/RBI should identify the factors responsible for banks' performance not being upto the mark in regard to implementation of various self employment schemes and poverty alleviation programmes and recommend that all out efforts should be made by the Government/RBI and Public Sector Banks so that more and more poor unemployed youths having low level of education and lack of skill should be covered under the various Government sponsored self employment schemes and poverty alleviation programmes.

### **Action Taken**

Various self-employment and poverty alleviation programmes are constantly reviewed in various fora and all efforts are being made to ensure wide coverage to borrowers under the schemes. The Department Related Parliamentary Standing Committee on Industry (DRPSCI) in its 17th and 35th Reports has analysed the causes of 'not upto the mark performance of the banks'. It has recommended that the fear may be removed from the minds of the bank officials that they will be hauled up in case of non-recovery of loan advanced by them under the scheme.

### **SGSY**

Instructions have been issued to participating banks under the SGSY that they have to play pivotal role in strengthening the scheme. Banks have been advised that under the scheme they will be closely involved with Government agencies in implementing, planning and preparation of the projects, identification of key activities, clusters of Self Help Groups, identification of swarozgars, infrastructure planning as well as the capacity building, and choice of activity of the Self Help Groups, grading of Self

Help Groups, selection of swarozgars, pre credit activities, post credit monitoring including loan recovery will require close attention of banks.

The success of the schemes depends on:—

1. proper selection of beneficiaries
2. economic viability of the project
3. adequacy of credit
4. timely disbursal of loan
5. reasonable repayment schedules

### **SJSRY**

A study has been conducted on implementation of SJSRY and shortcomings have been advised to banks *vide* circular No. 6&09.16.01/99-2000 dated 14-3-2000 to pay special attention to the findings which need remedial action on their part. Government and banks have been requested to initiate action in respect to points related to them as to strengthen the scheme.

### **PMRY**

To ensure that banks fulfil an important and responsible role in this process the following steps have been taken:

1. For proper selection of beneficiaries a Task Force Committee has been constituted under the scheme which interviews the applicants prior to sanction of loan. The Committee ensures the suitability of the candidates and their capability for taking up the projects selected by them. Three/four banks are members of the TFC.
2. Economic viability of the project DICs have been issued instructions to prepare project profiles for projects which may be set up in the districts keeping in view the availability of infrastructural facilities and the credit needs of the area and the available backward and forward linkages.
3. Banks have been advised to ensure that adequate loan amount is sanctioned and under financing is avoided.
4. Steps are being taken to reduce the gap between sanction and disbursement of loans.
5. Reasonable repayment schedule has been prescribed under the scheme.
6. Banks have been advised to *receive/Sponsor* applications in large numbers for viable projects so that rejections are kept at minimum.
7. Proposals for increasing the family income ceiling/age limit under the scheme are under consideration of the Government to enable more beneficiaries to be covered under the scheme.

For periodic evaluation of performance of the schemes with a view to assessing their impact on poverty alleviation and employment generation

banks have been advised to tighten their post disbursement credit supervision and utilize the non-bank working day to meet their borrowers. RBI also conducts studies to monitor the efficacy of the scheme. The last study on PMRY was conducted through Regional offices in 1997. The findings were advised to all the Regional Offices. Regional Offices were advised to redress the deficiencies noted.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

The Chairman/Managing Director  
All India Scheduled Commercial Banks  
(Excluding RRBs)

Dear Sir,

Swarna Jayanti Shahari Rozgar YoJana (SJSRY)—Implementation

Please refer to our Circular RPCD NO SP.BC 100/09 16.01/98-99 dated 29th May, 1999.

2. Ministry of Urban Development, Government of India have reported that the progress in implementation of SJSRY is quite unsatisfactory. With the view to ascertain the causes impeding the flow of credit to borrowers under SJSRY, officials of our Regional Offices visited some bank branches and also interacted with officials of the concerned Local Bodies. The findings of the study relevant to the banks is given in the Annexure A. It would be observed therefrom that greater efforts are called for in improving the performance of the banks under the Scheme.

3. We shall be glad if you will please advise your controlling offices/ branches to pay special attention to these features indicated to ensure that the •scheme is implemented successfully.

4. Please acknowledge receipt.

Yours faithfully

Sd/-

(Deepali Pant Joshi)

Dy. General Manager

Ends.: As above

Endt. RPCD.SP.16/1182/09.01.99-2000 of date

Copy forwarded for information and necessary action to:

1. All Regional Offices of Rural Planning & Credit Dept. Reserve Bank of India. They may discuss the features indicated with I.DOs and ensure that the targets fixed are accepted in the DCC and progress reviewed periodically.
2. As per Mailing List.

Sd/-

(B.S.Moolya)

Manager

Encln \* As above

### **Gist of observations concerning banks**

#### *1. Disposal of applications*

It is observed that the financial outlays of the scheme were small as few applications from skilled persons for desired activities were received. The average size of the loan is below Rs. 25,000/-. (In such cases applications should have been disposed of within a fortnight. The SJSRY loans are classified as priority sector advances and RBI guidelines [Para 5.16 of priority sector guidelines] in regard to disposal of Priority Sector applications are not being followed.)

#### *2. Rejection of application*

As per the information furnished by Regional Offices, **RBI** guidelines on priority sector advances (Para 5.17) have not been strictly followed. In terms of Para 5.17, Branch Managers may reject applications (except in respect of SC/ST) and such cases of rejections are to be verified subsequently by the Divisional/Regional Managers. In case of proposals from Scs/STs, rejection should be at a level higher than that of a Branch Manager which has not been adhered to. Rejection in many cases was on account of non-viability of proposals. In a number of cases, applicants were rejected on grounds as indicated below:—

- (i) Applications not residing at the given address.
- (ii) Applicants not interested/not turning up.
- (iii) Do not belong to Service Area/close proximity of the branch.
- (iv) Applications are rejected by bank branches on the grounds of funds constraint, and poor recoveries.

- (v) Activities sponsored have come to a saturation point and no further scope for such activities.

In many cases reasons of rejection were not recorded in the individual application.

3. *Non-adherence to scheme guidelines*

As per scheme guidelines SP.BC.52/09.16.01/97-98 dated 17.11.1997, loans under the scheme would not require collateral/guarantee upto Rs. 50,000/-. However, it is observed that some banks were insisting on collateral/guarantee, recurring deposits etc. which is against the provision of the scheme and violation of RBI instructions.

4. *Non-achievement of sub-Targets*

Under the scheme, women are to be assisted to the extent of not less than 30%, disabled at 3% and SCs/STs at least to the extent of the proportion of their strength in the local population. Banks are not ensuring the achievement of sub-targets.

5. *Implementation of the scheme*

It is observed that the scheme has not percolated to the level of bank branches. General attitude of bankers has been casual towards the scheme. In certain cases, bank credit has not been extended on the ground of funds constraint. In some cases, bank managers have not accepted the applications under the scheme and no reasons were recorded thereof. Instances were found where applications were not accepted on the plea that no help was forthcoming from the sponsoring agencies for recovery of loans in the erstwhile 'SUME' scheme. Data reporting system has not been adhered to making monitoring under the scheme difficult. Lack of co-ordination between sponsoring agencies and bank branches has also resulted in unsatisfactory progress of the scheme.

6. *Conclusion*

The feed back received on the basis of quick study regarding receipt/sanction/rejection of application, utilisation of assistances etc. has revealed that there is considerable scope for improvement in the implementation of the scheme of SJSRY. Bank officials connected with the programme may be considered for orientation programme. The scheme implementation should be discussed in detail in SLBC as also in DCC meetings regularly.



ANNEXURE-II

RESERVE BANK OF INDIA \_\_\_\_\_19  
Rural Planning & Credit Department \_\_\_\_\_19  
CENTRAL OFFICE (SAKA)  
Central Office Building, 13th Floor  
Mumbai-400001

RPCD. NO. SP 590/09.04.01/97-98

December 10, 1997

The Chairman/Managing Director  
All India Scheduled Commercial Banks  
(Except RRBs)

Dear Sir,

Prime Minister's Rozgar Yojana (PMRY)  
Findings of .Fifth Field Study conducted by  
Reserve Bank of India

A sample study on performance of banks under PMRY was recently conducted by us. The findings of the study revealed certain shortcomings/lacunae on the part of the banks in implementation of the scheme as indicated below:—

- (i) In spite of our advice that banks should not accept collateral security under the scheme even if offered by the borrowers it was observed that in 8.2 per cent of the cases examined, the bank branches had taken collateral security from the borrowers.
- (ii) In several cases the banks had delayed disbursement of loan on unjustified/filmsy grounds.
- (iii) In 10.5 per cent of the cases examined the banks had not verified the assets created by the borrowers out of the loan amount.
- (iv) Nearly 1/3rd of the applications remained pending with the banks for want of scrutiny.
- (v) In our circular No. BC.171/09.04.01/93-94 dated 24.6.94 we had advised banks that branches should not return applications on the ground that the allotted target has been achieved. Such excess applications received by the branches should be retained with them to be considered in the next programme year. It was, however, observed that nearly 40 per cent of the applications returned/rejected were for the reason branch already reached target.

2. In the light of the findings of the study as above you may please issue suitable instructions to your Controlling Offices/Branches to avoid recurrence of such irregularities.

Yours faithfully

*Sd/-*

(M.K. Vartak)  
General Manager  
ENDT.RPCD.NO.SP.591/09.04.01/97-98 of date.  
Copy forwarded for information to:  
(As per mailing list)

Sd/-  
(B.V. Subramanian)  
Manager

Recommendation (SI. No. 9, Para No. 1.120)

The Committee note that under each of the self-employment schemes and poverty alleviation programmes eligibility criteria and procedure for identification of beneficiaries have been laid down. During their tour to Andaman and Nicobar Islands, the Study Group of the Estimates Committee was informed by the representatives of SBI at Port Blair that as per PMRY Scheme, income of the family is limited to Rs. 24,000/- per annum for the beneficiary to be eligible under the scheme. Most of the candidates who intend to avail the benefit under the scheme are *sons/* daughters of Government servants. Due to restriction of the income ceiling the budding entrepreneurs become ineligible to benefit from the scheme. After the implementation of Fifth Pay Commission the salaries of Central Government employee have gone up considerably. The Committee, therefore, recommend that income ceiling of the family should be increased to a reasonable level under this scheme so that loan applications of deserving beneficiaries in Andaman and Nicobar Islands are not rejected and the benefit reaches the targeted disadvantaged section of the society.

Action Taken

The income ceiling of the family under PMRY scheme has been increased *vide* RBI circular RPCD. SP.BC.N0.20/09.04.01/2000-01 dated 30th September, 2000 from Rs. 24000 to Rs. 40000. This is expected to considerably widen the ambit of the scheme.

[Department of Economic Affairs — Banking Division OM No. 16(I)/98-CP dated 20.4.2001]

Recommendation (SI. No. 10, Para No. 1.21)

The Additional Secretary, Ministry of Finance (Deptt. of Economic Affairs) during evidence informed the Committee that Gramin Bank type of loan is basically given to a self-help group in rural areas which is quite similar to the Scheme in Bangladesh. Hundred percent finance is given and the scheme is doing quite well. The Committee are of the opinion that there is need to form self-help groups by the beneficiaries for the purpose of creating and maintaining assets so that such assets may be capable of generating sufficient income for their users and would enable the self help groups to liquidate the loan within a reasonable period. The Committee are happy to note that Government have already permitted urban poor women for setting up self-employment ventures in a group. The Committee recommends that Banks should encourage self-help groups and channelise more credit assistance to the poor in both urban and rural areas through them. The group responsibility would entail obligation on all the members of the group, thereby ensuring accountability.

Action Taken

Every effort has been made to encourage SHGs so as to channelise assistance to the poor in both urban and rural areas through them. Specific

instructions have been issued to banks *vide* circular RPCD. BC.NO. 12C/04.09.22~5-96 dated 2 April 1996 for linking of SHGs with banks and further instructions have been issued *vide* circular dated February 18, 2000. Under the SGSY scheme there is a thrust on lending to groups drawn from BPL list approved by gram sabha. The scheme provides for formation of SHGs nurturing and their linkages with banks. Gradually it is expected that financing to individuals under the scheme will taper off and finance under the scheme will be extended wholly through groups. 50% of SHGs under the SGSY have to be women oriented groups. Membership of the SHGs may vary from 10-12 for minor irrigation and physically handicapped, the minimum has been fixed at 5. Although thrift savings is encouraged, funding is project based and not determined by the size of the savings of the group. The Government subsidy is Rs. 1.25 lakhs or 50% of the project cost whichever is less. No collateral is required for the project upto 3 lakhs. This enables a group to take up projects of sizeable amounts. Loaning to groups is also encouraged under SGSRY scheme which is a special DWCUA Scheme (Development of women and children in Urban Areas) for channelising credit to groups of urban poor women. [Department of Economic Affairs — Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

#### Recommendation (SI. No. II, Para No. 1.22)

As part of post lending follow-up, banks are expected to make field visit to the units of beneficiaries to ensure that credit made available to them is properly utilised. The Committee desire that there should be periodical evaluation of performance of the schemes with a view to assessing their impact on poverty alleviation and employment generation.

#### Action Taken

There is a periodic evaluation of performance of the schemes with a view to assessing their impact. The committee set up at the block/district/state/central level *i.e.* BLBC/DCC/DLRC/SLBC, constantly review the achievement of targets and evaluate the implementation of the schemes in their periodic meetings. Respective Ministries of Rural Development, Urban Poverty Alleviation, Ministry of Industries also conduct concurrent evaluation studies on the schemes periodically. The PMRY scheme is monitored at the highest levels by the implementing agencies through the State Government and progress under the scheme is also monitored by the Prime Minister's office. A high level monitoring committee under the chairmanship of Deputy Governor (DG) monitors the progress and the performance of the PMRY and SGSY scheme on a half yearly basis. The last meeting of this high level committee was held on-8 August, 2000. RBI through its ROs frequently conducts studies of the schemes. Recently, PMRY study and study on SJSRY schemes were taken up. Copies of the findings (indicated at Annexure II) are advised to the participating banks to enable them to promptly redress areas of weakness so as to further

strengthen the implementation of the schemes and ensure achievements of targets.

[Department of Economic Affairs — Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

Recommendation (SI. No. 12, Para No. 1.23)

The PMRY scheme is monitored at district level by District PMRY Committee, at State/UT level by State/UT PMRY Committee and at Central level by a High Powered Committee under the Chairmanship of Secretary, Deptt. of Small Scale Industries and Agro and Rural Industries. RBI has reported that a number of steps have been taken by the banks to ensure acquisition of quality assets by borrowers and also for functioning of the units on a profitable basis. RBI has further reported that, in practice this is because of existence of schedule of periodical visits to the units and scrutiny of statements received from beneficiaries. The Committee feel that the existing monitoring system need to be further strengthened. They, therefore, recommend that senior level officers of the banks while paying periodic visits to the Branches should review and ensure proper implementation of the various Government sponsored self employment schemes by making surprise visits to units and random scrutiny of statements received from the beneficiaries.

Action Taken

Under all the schemes stress is laid on strengthening of the post disbursement credit supervision and monitoring mechanism. As per para 4.11 of the SGSY guidelines banks have been advised to verify assets created out of the loan and satisfy themselves about their quality. Strengthening of PDCS (Post Disbursement Credit Supervision) by banks has been accorded due importance under the scheme. The evaluation study report on PMRY conducted by the Ministry of Industries has recommended, *inter-alia*, joint inspection by officials from district industries, centre/banks at pre-sanction and post-disbursement stages of all PMRY borrowers above Rs. 50,000 to ensure end-use of funds. Commercial banks have also issued instructions to their Controlling/Zona V ROs that senior level officer of the banks while paying periodic visit to branches should ensure proper implementation of scheme and make surprise visits to units to satisfy themselves about quality of assets generated through bank loan.

[Department of Economic Affairs — Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

Recommendation (SI. No. 13, Para No. 1.124)

The Committee note that the Government have been giving considerable importance to priority sector lending particularly in view of the need for quicker upliftment of the weaker and the down-trodden sections of the society. With a view to achieving this objective, the present credit policy

aims at channelling greater flow of credit to priority sector/weaker sections of society. Banks have been urged to step up priority sector lending so that they may respond effectively to the challenges before the nation for meeting the social concerns. The performance of public sector banks has improved with outstanding priority sector lending increasing from Rs. 91,319 crore (41.85 percent of NBC) as on the last Friday of March, 1998 to Rs. 1,07,319 crore as on last Friday of March, 1999, constituting 43.5 percent of NBC. However, the scheme-wise fulfilment of targets was far from satisfactory during the years from 1994 to 1999. The Ministry/RBI have enumerated various reasons/factors responsible for non-achievement of targets under these schemes. In case of PMRY Scheme, the reason for huge shortfall in achievement of targets was stated to be sponsoring of inadequate number of quality applications by the Government agencies and insufficient number of approvals at the task force level. The Committee, therefore, desire that the Government/RBI should issue necessary instructions/directions to the banks to make concerted efforts to achieve targets laid down/stipulated under various employment generation schemes.

#### Action Taken

While advising targets under the scheme for the respective programme year to CMDs of all participating banks for the year RBI issues specific instructions to them to ensure that targets set under the schemes are achieved and to make all possible efforts and exhort their branches to achieve the targets and where possible exceed the same. RBI have issued a circular No. SP.BC.IOI/09.01.01-98-99 dated 1-6-1999 under SGSY Schemes and circular No. BC.90/09.04.01-99-2000 dated 28-4-2000 under PMRY in this regard.

[Department of Economic Affairs — Banking Division OM No. 16 (1)/98-CP dated 20.4.2001]

#### Recommendation (SI.No. 14, Para No. 1.125)

The Committee find that there have been large gaps between sanctions and actual disbursements, particularly in the case of PMRY scheme. According to the Ministry, the reasons are the inability of borrowers to complete the pre-sanction/predisbursement formalities, lack of co-operation in certain cases on the part of State Government Departments in giving clearance/licences necessary for starting the activity and borrowers' losing interest in availing the loan amount because of the procedures/formalities prescribed for sanction of loan. In this connection, certain remedial measures are stated to have been taken by the Ministry/RBI/Banks which would put pressure on the borrowers/Government Departments/banks for expeditious completion of all formalities to enable borrowers to avail of the loan before the sanction lapses. The Committee hope that these steps would culminate in positive results and help in bridging the gap between sanctions and disbursements. In their view, this

would also enable the intended beneficiaries to reap the fruits of the schemes. The Committee also feel that further simplification of procedures/formalities for availing of loan is highly desirable.

#### **Action Taken**

RBI has advised banks the cut off dates for lapsing of sanction under PMRY and for completion of disbursement of sanctioned cases so that disbursement of loan amounts is not unduly delayed. GoI have also fixed quarterly targets for completion of disbursements. Disbursements in all cases have to be completed by first quarter of the succeeding year. RBI has also issued instructions to banks that all applications pending with them at the end of the year should be taken up first for scrutiny in the next programme year so as to ensure that sanction and disbursement of loans under the scheme is a continuous process spread out throughout the year. Various steps are taken by the Government from time to time for the simplification of procedures/formalities for availing of loan under the PMRY. These steps include simplification of the eligibility criteria under the scheme, inclusion of all viable activities [except direct agricultural operations] under the purview of the scheme submission of application form along with an affidavit on plain paper instead of on relevant non-judicial stamp paper etc. Any request for simplification of procedure is deliberated upon and decided in the High Powered Committee Meetings for the PMRY chaired by the Secretary [SSI & ARI]. Implementing agencies e.g. banks and the State Secretary of Industries, amongst others are the members of the High Powered Committee for the PMRY. Therefore, the simplification of procedure is a continuous process. Under all the schemes efforts are being made to ensure that there is no inordinate delay between sanction and disbursement of loan.

Under SGSY with a view to minimizing the time lag between sanction and disbursement of loan, a decision was taken in the Joint Meeting of CLCC and HLCC during 1997, that banks should ensure that the loan should be sanctioned with one month of receipt of application and disbursement should be effected within next two months. In this way, the whole process should be completed within 3 months time. The SGSY guidelines also mention that the sanctioning of the projects should be done after ensuring the unit costs, terms of loan and repayment schedules for the proposed activity. The disbursement of loan along with subsidy should be done as soon as the swarozgari completes the Basic Orientation or the Skill Development Programme related to the concerned project. RBI have also advised the banks to modify the loan applications to ensure simplicity and uniformity.

[Department of Economic Affairs — Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

Recommendation SI. No. 15, (Para No. 1.126)

The Ministry have stated that in all the meetings/fora where participation of State Governments' representatives/bank officials was available, it was impressed upon them by Government that they should extend necessary assistance to the borrowers in completing the formalities to avail the loan without any delay. The Committee feel that close cooperation and necessary assistance by the State Governments/bank authorities to the borrowers in completing the formalities is essential for speedy and effective implementation of the country's most important self-employment programmes i.e. PMRY and IRDP and now the Swamajayanti Gram Swarozgar Yojana (SGSY). The Committee desire that there should be standing instructions to DIC/DRDA/Bank authorities to render all possible assistance by taking up the matter with the concerned State Government authorities for giving clearance/licence necessary for starting the self-employment venture under PMRY.

Action Taken

District PMRY Committee's have been set up with District Collector as Chairman to *interalia* secure inter-departmental coordination and cooperation for assisting PMRY scheme. In the High Power Committee's under PMRY decisions have been taken advising State Government's to give incentives like allotment of industrial sheds at concessional rate and waiver of sales tax act. [No. BC. 69 dated 28.12.1995] State Government's have been advised to assist PMRY borrowers in obtaining necessary licence etc. to enable them to start their micro enterprise. [Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

Recommendation (SI. No. 16, Para No. 1.127)

The Committee are constrained to note that the recovery percentage of the Government sponsored employment generation schemes and poverty alleviation programmes had been abysmally low and regrettably less than even 50% as will be abundantly clear from the following statistics. The recovery position in respect of various schemes like PMRY, SUME, DRI, IRDP and SLRS is 47.7%, 29.17%, 40.33%, 30% and 38% respectively. These poor recoveries have been attributed by the Ministry to the various inadequacies, among others in pro-sanction appraisals and post sanction monitoring of the projects for which loans are granted to the beneficiaries of these schemes, the feeling among the beneficiaries that the loans are Government grants not meant to be repaid and lack of support from the State Government machinery in the matter of recovery, etc. The Committee also note that certain initiatives/measures have been taken by the Ministry/RBI/Banks to improve the recovery performance of the banks, which include persuading State Government's to enact laws to help recovery of bank loans from borrowers. In this context, as recommended by the Talwar Committee, 16 State Governments have so far enacted



legislation on the lines of the 'Model Bill' for speedy recovery of agricultural dues of the banks. The Committee desire that the remaining State Governments should also be persuaded by the Central Government to enact such legislation with necessary changes/modifications required for the purpose. Besides this they also desire that concrete measures, including soliciting co-operation from State Governments, should be taken to improve the recovery position of bank dues under all the schemes and programmes. The Committee would like to be informed about the measures taken by the Government in this regard and latest recovery position under various Self Employment Schemes and Poverty Alleviation Programmes.

#### **Action Taken**

The remaining State Governments have also been advised to enact legislation for speedy recovery of agricultural dues of banks. The latest recovery position under various Government-sponsored schemes is furnished below:

#### **Percentage of Recovery to Demand**

SCHEME	IRDP	SJSRY	SLRS	PMRY
1998-99	33.2	35.9	45.7	42.1
1999-2000	30.8	45.6	36.0	36.4

#### **Demand, recovery, overdue position (in lakhs of rupees)**

SCHEME	YEAR	DEMAND	RECOVERY	OVERDUES	%RECOVERY TO DEMAND
IRDP	1998-99	265004.48	88094.13	176910.35	33.2
IRDP	99-2000	252401.61	77771.86	174629.75	30.8
SJSRY	1998-99	1329.86	477.34	852.52	35.9
SJSRY	99-2000	5177.69	236.64	2815.05	45.6
SLRS	1998-99	8443.93	3856.98	4586.95	45.7
SLRS	99-2000	4249.07	1529.73	2719.34	36.0
PMRY	1998-99	123848.13	52112.84	71735.29	42.1
PMRY	99-2000	155691.56	56603.53	99088.03	36.4

Recovery is accorded importance under all the schemes. Under SGSY, BDO-DRDA have been advised to organise recovery campaigns and district administration is to assist banks in effecting recovery through designated legal process including appointment of special recovery officers. To facilitate recovery efforts of the banks the SGSY scheme provides for appointment of monitoring cum recovery officers on commission basis. At the swarozgaris level prompt repayment will entitle him to waiver of 0.5% of processing cum monitoring fee. However, from the recovery data it is

clear that the recovery performance of banks under all schemes is showing a declining trend. Under PMRY Government of India have taken the following steps to improve recovery:—

1. During 1999 it was decided that additional targets under the PMRY scheme would be allotted to States only on the basis of assurances and plan of action proposed by them for improving recovery in their State.
2. State Governments have been advised to treat PMRY dues on par with arrears of land revenue so that legal action can be taken against defaulting borrowers under revenue recovery act. So far 9 States/UTs [Assam, AP, Gujarat, Karnataka, Kerala, MP, Orissa, UP & Dadra Nagar Haveli] have effected this. Government agencies have been advised to extend cooperation to banks through organising joint recovery campaigns so as to ensure better recovery of loan. 16 State Governments have enacted legislation on the lines of model bill for speedy recovery of agricultural dues of banks. All efforts are being made to improve recovery under the schemes.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

Recommendation (SI. No. 17, Para No. 1.128)

To enable banks to put in place effective loan recovery processes, apart from the individual initiatives of the banks, it is also important to refine legal systems and strengthen recovery powers of banks akin to those available for revenue departments, co-operative banks and development financial institutions. Also there should not be any political measures announcing loan waivers which would dampen motivation of the banks to put in place efficient recovery management practices. In respect of financing of Government sponsored programmes there should be greater cohesion and co-ordination between the Government agencies which recommend the loan cases and bank branches which sanction the loan facilities. The relationship between these two agencies involved in financing developmental programmes should be strengthened so as to make them effective in all areas including recovery. The Committee also feel that there is need for taking the help and expertise of non-Governmental agencies in design, identification and implementation of loan programmes pertaining to Government sponsored self-employment schemes and poverty alleviation programmes, so that chance for the assets created with the help of the Schemes becoming unviable could be reduced.

#### Action Taken

Under all the schemes [PMRY, SGSY, SJSRY, etc.] the importance of cohesion and effective coordination between banks and field level developmental agencies has been stressed. The Government agencies as DRDA, DIG, DUDA which forward the applications have been advised to work closely with banks which sanction loans there against. Under PMRY

there is a Task Force Committee which involves government agencies and banks in the selection process. SGSY scheme also has in built systems for effective coordination between banks and government agencies. SGSY lays emphasis on group activities. The NGOs play an important role in this regard. Their services can be used in the formation and nurturing of self Help Groups as well as in the monitoring of progress of swarozgaris where possible, their services can also be used for provision of technology support, quality control of the products etc.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

**Recommendation (SI. No. 19, Para No. 1.130)**

The Committee note that each bank has a Vigilance Cell which deals with complaints having vigilance angles. Further, complaints received from members of the public by the banks Concerned/Reserve Bank of India are probed into and remedial action taken wherever necessary. Under the Banking Ombudsman Scheme 1995 the borrowers can seek redressal of their grievances. The Committee observes that total number of complaints received from 1994 to 1996 were 354 in the Central office of Rural Planning and Credit Department of RBI. The complaints contain various allegations against banks, viz., non-sanctioning of loans, delay in sanctioning of loans, inadequate credit facilities sanctioned, non-adherence to the guidelines on priority sector advances issued by Reserve Bank of India and demanding collateral security/third party guarantee. The Committee are concerned to note that corruption is prevalent in the process of sponsoring of loan applications and disbursement of loans to the beneficiaries. The Committee desire that existing machinery for redressal of grievances be suitably strengthened and separate data be maintained both at Headquarters and Regional Offices regarding receipt, consideration and disposal of complaints and that such complaints be disposed off promptly and to the satisfaction of complainants.

**Action Taken**

RBI maintain a Complaint Register at Rural Planning & Credit Department (RPCD), CO, Mumbai and details of all complaints lodged/ received are recorded therein. The complaints are sent for detailed examination to the concerned ROs within whose jurisdiction the complaint has arisen. RO's have the complaint investigated through the:

1. Lead District Officers of the concerned districts and by
2. Writing to the concerned Zonal/Regional/Controlling office of the bank against which the complaint has been lodged.

After going into all the facts a detailed report is submitted by Regional Offices to Central Office. Central Office examines the disposal of the complaint and initiates further necessary action where considered necessary.

All the complaints are to be disposed of expeditiously and in a time bound manner. They are tracked through the Complaint Register

maintained for the purpose. Regional Offices are also required to maintain a Complaint Register and forward a half yearly statement regarding the status of complaints received, the action taken by Regional office and the present position.

Complaints received by Central office directly or VVIP complaints forwarded through the PMO/MoF are similarly dealt with. In all cases immediate action for suitable redress is promptly initiated and a record of receipt and disposal is maintained. Regional Offices also submit a half-yearly statement to Central Office in respect of complaint received and disposed off by them.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE  
COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF  
GOVERNMENT'S REPLIES

NIL

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### **Recommendation (SI. No. 3, Para No. 1.14)**

The Committee note that under PMRY Scheme, the names of the beneficiaries approved by the Task Force Committee are recommended for loans by the banks. Banks are included as representatives in Town Task Force (TTF) under PMIUPEP Scheme, which finalises the list of genuine borrowers from a priority list. In regard to SUME, banks are associated with the process of identification of borrowers. On receipt of applications sponsored by the Task Force, banks are required to satisfy themselves regarding the viability and bankability of the project. The entire responsibility of implementation of DRI Scheme vests with the banks. As far as IRDP Scheme is concerned, banks provide organisational and institutional support with the basic objective of enabling the poor to cross the poverty line through additional employment and income generation. Under SLRS Scheme, the role of banks is to receive applications which are sponsored by the National/State level SC/ST Financial and Development Corporation/District level/Local level implementing agencies and scrutinise, sanction and disburse the loan. The Committee are surprised to find that although the bank have a pivotal role to play in all these Government sponsored employment generation and poverty alleviation scheme like providing the essential inputs of loans, they have only a very limited role or no role at all in the selection of beneficiaries for various schemes.

In the opinion of the Committee, this is a major flaw in the schemes. The Committee, therefore, desire that the Ministry of Finance and other concerned Ministries should revise their guidelines in such a manner as to enable the banks to have an increased participative role in the selection of beneficiaries in these Government sponsored self-employment and poverty alleviation schemes.

#### **Action Taken**

SGSY guidelines envisage greater involvement of the banks. They are involved closely in the selection process of the Swarozgaris. For this purpose, 3 member team consisting of the Block Development Officer (BDO) or his representative, banker and Sarpanch should visit each of the habitation in the Panchayat according to a schedule drawn up for this purpose and duly published. In each habitation, the team must then

ascertain from the Below Poverty Line (BPL) families, the persons who can be covered under the identified key activities. The selection of Swarozgaris must be done in an open and transparent manner so that the poor may have the confidence that if they fulfil the requisite conditions they may avail of the facilities under the programme. Banker are also actively involved in planning and preparation of projects, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of the Self Help Groups (SHGs), pre-credit and post-credit monitoring including loan recovery. Banks are also required to ensure proper monitoring and quality of assets procured by the Swarozgaris. Banks have been asked by Reserve Bank of India (RBI) to set up SGSY cells at regional/zonal offices. These cells periodically monitor and review the flow of credit to SGSY Swarozgaris, ensure effective implementation of the scheme. The Scheme provides for setting up of similar committee at block/district state and central level.

The view of the committee for increased participation of banks in selection of beneficiaries under SJSRY has been included in the proposal relating to the amendment of guidelines on SJSRY *vide* their Ministry's letter No. G-24011/7/2000-SJSRY (UPA-I) dated 7th June, 2000 is at Annexure-I.

Under Prime Minister Rozgar Yojana (PMRY) Task Force Committees have been set up at district/sub-divisional/block level for selection of beneficiaries. Banks are members of the Task Force Committee and hence are actively involved in the selection process. Besides participating in the selection of beneficiaries banks have also been requested to send applications of beneficiaries on their own directly to District Industries Centres with their recommendations for re-sponsoring them for sanction of loan.

[Department of Economic Affairs'-Banking Division OM No. 16(1)/98-CP dated 20.4.2001]

**Recommendation (SI. No. 5, Para No. 1.116)**

Guidelines for advances under priority sector issued by RBI to banks envisage that all loan applications upto a credit limit of Rs. 25,000/- should be disposed of within a fortnight and those for over Rs. 25,000/- should be disposed of within 8 to 9 weeks. In this connection, the Committee note that during sample studies/evaluation studies undertaken by Reserve Bank of India/Government, it was found that loan applications were not being disposed of by banks within the prescribed time schedule. The issue relating to timely disposal of loan applications received by banks came up in a meeting the Government of India had with the Chief Executives of banks. In pursuance thereto, Reserve Bank of India have again advised the banks reiterating their instructions to ensure that the prescribed time schedule for disposal of application is strictly adhered to. The Committee are of the view that when the borrower has fulfilled all the requirements

for sanction/disbursement of loan, the banks should disburse the loan amount within a specified time-frame. Banks should also render all possible cooperation, assistance and proper guidance to the applicants in completing the required formalities to eliminate delays, if any, in this regard. In the opinion of the committee an essential pre-requisite for success of any self-employment scheme/poverty alleviation programme of the Government is the provision of timely and adequate credit. The Committee desires that the Ministry of Finance/RBI should exercise their authority upon the public sector banks to ensure greater commitment among the bank officers for a more sincere and dedicated performance in the discharge of their responsibility. Any dereliction in this regard should be reviewed seriously. They also desire that only officers of proven integrity and repute should be allowed to handle sanctioning and disbursement of loans to the borrowers under various self-employment schemes.

#### Action Taken

Performance of banks is monitored at various fora at District and State level through RBI's Regional Offices and Lead District Officers at district level. All efforts are being made to further strengthen the implementation of the schemes by bank officials.

[Department of Economic Affairs—Banking Division OM No. 16(l)/98-CP dated 20-4-2001]

#### Recommendation (SI. No. 7, Para No. 1.118)

Under DRI Scheme banks are required to achieve the targets of one percent of the aggregate advances prescribed for the entire country. The Committee are unhappy to observe that the overall performance of banks under DRI Scheme continues to lag behind the targeted level. The main reason advanced for the banks' failure to achieve the target is the preference of the targeted groups for subsidy linked programmes. Repeated advice to the banks by RBI to improve their performance under the DRI Scheme has had little effect. In fact, their performance has declined year after year during the last six years. The Committee desire that concerted efforts need to be made by the banks to improve their performance under the DRI Scheme, Quarterly review of the implementation of the DRI Scheme may also be carried out by the CMD/Chairman of the Bank. As the entire responsibility of the implementation of the scheme vests with the banks, the Ministry of Finance should not remain a mute spectator to the poor performance of the banks under the DRI Scheme. The Ministry should take concrete remedial measures for improving the performance of the banks in this Scheme.

#### Action Taken

Banks have been advised *vide* circular No. BC.36/09.07.01 dated 30 November 1998 to improve the performance of disbursement of loans under Differential Rate of Interest (DRI) Scheme. However, it is again reiterated



that beneficiaries prefer other subsidy-linked schemes and do not find this scheme attractive enough.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98--  
CP dated 20.4.2001]

**Recommendation (SI. No. 18, Pan No. 1.129)**

The Committee observe that willful default to a large extent emerges from lack of effective supervision of credit, inadequate powers banks possess to execute recovery and long drawn legal process involved in executing decrees obtained from courts. The Committee desire the Government to take corrective measures for stopping willful defaults, which include a mechanism to circulate the list of defaulters among bank branches and making the list public through the media, banning defaulters from holding any public positions, and taking help of the revenue department in effecting recovery in difficult cases. The Committee recommends that swift and effective penal action on the erring borrowers/officials connected with any defaults in repayment of loans should be taken.

**Action Taken**

As per the Debt Recovery Tribunal Act 1993 there is provision for placement of more than one recovery officer, power to attach deferring debtors property/asset before judgement, power to appoint receiver of any property of the debtor before or after grant of recovery certificate, penal provisions for disobedience of tribunal's, order or breach of any terms of the order. Banks can also approach Lok Adalat for recovery of their dues, particularly in respect of Government sponsored schemes banks can seek help of Revenue Officials.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-  
CP dated 20.4.2001]

**CHAPTER V**  
**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF**  
**WHICH FINAL REPLIES ARE STILL AWAITED**

**Recommendation (SI. No. 2, Para No. 1.113)**

The Swarna Jayanti Shahari Rojgar Yojana (SJSRY) consists of two special schemes *viz.* Urban Self-Employment Programme (USEP) and Urban Wage Employment Programme (UWEP). USEP seeks to provide assistance to individual urban poor, groups of urban poor women for setting up gainful self-employment ventures and training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme. The Urban Wage Employment Programme (UWEP) seeks to provide wage employment to beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets. The SJSRY is funded on a 75:25 basis between the Centre and the States. However, no physical targets have been fixed and this matter has been left to be decided by the State Governments in conformity with the guidelines of this Scheme and result of the house-to-house survey, which is being conducted.

Central funds to the tune of Rs. 295 crores have been released to the States/Union territories under this Scheme during 1997-98, 1998-99 and 1999-2000 (upto 31.12.99). Out of this only Rs. 111 crore have been utilised for sanction and disbursement of subsidy to beneficiaries under USEP and DWCUA including training and infrastructure support and assistance given to Thrift and Credit Societies. The Committee are not satisfied with this low allocation for poverty reduction in urban areas under SJSRY Scheme. The Committee desires that in order to provide a substantial impetus to poverty reduction activities in the urban areas of the country, allocation of funds under SJSRY needs to be enhanced considerably. They also stress upon the timely utilisation of funds allocated under the Scheme.

**Action Taken**

The Ministry of Urban Development and Poverty Alleviation who are implementing Ministry for the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) *vide* their letter dated 7th June, 2000 requested of Planning Commission for enhancing the allocation of funds for the said scheme. Simultaneously the States/Union Territories *vide* letter

dated 8th June, 2000 have also been directed to utilise the funds allocated under SJSRY expeditiously.

[Department of Economic Affairs—Banking Division OM No. 16(1)/98-CP dated 20.4.2001].

NEW DELHI;  
*November 21, 2001*

Kartika 30, 1923 (Saka)

UMMAREDDY VENKATESWARU  
*Chairman,  
Estimates Committee.*

APPENDIX I  
MINUTES OF SITTING OF THE ESTIMATES COMMITTEE  
(2001-2002)

Fourth Sitting

The Committee sat on Friday, the 28th September, 2001 from 1100 to 1135 hours.

PRESENT

Prof. Ummareddy Venkateswarlu — *Chairman*

MEMBERS

2. Shri S. Bangarappa
3. Shri Lal Muni Chaubey
4. Shrimati Shecia Gautam
5. Shri Shankar Prasad Jaiswal
6. Shri N.N. Krishnadas
7. Dr. C. Krishnan
8. Shri P.R. Kyndiah
9. Shri Sanat Kumar Mandal
10. Shri Manjay Lal
11. Shri Nagmani
12. Prof. Rasa Singh Rawat
13. Shri C.N. Singh
14. Shri Maheshwar Singh
15. Shri Rarnpal Singh
16. Shri Lal Bihari Tiwari

SECRETARIAT

- |                          |   |                             |
|--------------------------|---|-----------------------------|
| 1. Shri John Joseph      | — | <i>Additional Secretary</i> |
| 2. Shri K.L. Narang      | — | <i>Director</i>             |
| 3. Shri Cyril John       | — | <i>Under Secretary</i>      |
| 4. Shri M.K. Madhusudhan | — | <i>Committee Officer</i>    |

2. The Committee considered the Draft Report on Action Taken by Government on the recommendations contained in the Fourth Report of Estimates Committee (13th Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—'Role of Public Sector Banks in Self Employment Schemes including PMRY' and adopted the same with modifications as given in the *Annexure*.

3. The Committee authorised the Chairman to finalise the Draft Report in the light of modifications as also to make verbal and other consequential changes in the Draft Report arising out of factual verification by the Ministry and present the same to the House.

4.     \*\*                                     \*\*                                     \*\*

5.     \*\*                                     \*\*                                     \*\*

*The Committee then adjourned.*

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MODIFICATIONS MADE BY THE ESTIMATES COMMITTEE IN  
 THE DRAFT REPORT ON ACTION TAKEN BY GOVERNMENT ON  
 THE RECOMMENDATIONS CONTAINED IN THE FOURTH  
 REPORT (THIRTEENTH LOK SABHA) ON THE MINISTRY OF  
 FINANCE (DEPARTMENT OF ECONOMIC AFFAIRS—BANKING  
 DIVISION)—'ROLE OF PUBLIC SECTOR BANKS IN SELF  
 EMPLOYMENT SCHEMES INCLUDING PMRY'

Para No.	Line	Modifications
1.7	19	<i>For</i> "The Committee also expect the Government of India to monitor". <i>Read</i> "The Committee earnestly desire and expect the Government of India to effectively monitor".
1.10	1	<i>For</i> "The reply of the Government is not convincing to the Committee". <i>Read</i> "The reply of the Government is not convincing enough to the Committee".
	10	<i>After</i> "the banks"— <i>Add</i> "and the public representatives especially Members of Parliament".
1.22	9	<i>For</i> "be minimised"— <i>Read</i> "be eliminated".

## APPENDIX II

(Vide Introduction to Report)

### ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FOURTH REPORT OF THE ESTIMATES COMMITTEE (THIRTEENTH LOK SABHA)

I. Total number of recommendations/observations	19
II. Recommendations/Observations which have been accepted by Government: (SI. Nos. 1, 4, 6, 8 to 17 & 19) Percentage	14 73.68%
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies :	Nil
IV. Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee: (SI. Nos. 3, 5, 7 & 18) Percentage	4 21%
V. Recommendations/Observations in respect of which final reply of the Government is still awaited: (SI. Nos. 2) Percentage	1 5.2%