

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:807  
ANSWERED ON:22.11.2002  
SWAM JAYANTI SWAROJGAR YOJANA  
RAMSHETH THAKUR,V. VETRISELVAN

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) the role of banks in providing loans to self-help groups constituted for the implementation of the Swam Jayanti Swarojgar Yojana;
- (b) whether the Government have received complaints against some banks who are not providing loans to the eligible persons;
- (c) if so, the details thereof bank-wise and State-wise; and
- (d) the remedial action taken in the matter?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) Banks do play an important role in the implementation of the Swam Jayanti GramSwarojgar Yojana (SGSY). The scheme is a credit-cum-subsidy programme with credit as the critical component. Banks are to be closely 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), selection of individual swarozgaris, pre-credit activities and post-credit monitoring including loan recovery. During the stage of formation, the SHG is brought in contact with the bankbranches through opening of savings bank accounts. After the group formation stage, the SHGs are eligible for Rs. 25,000/- as revolving fund assistance in the form of cashcredit facility from the bank to enable them to take up income generating projects subsequently.

(b) to (d) Reserve Bank of India (RBI) has reported that although there were no specificcomplaints against banks in regard to the implementation of SGSY scheme, there were incidents where the performance of banks was not satisfactory in some of the States. These complaints pertained to delay in disbursement of sanctioned loans, not adhering to the time schedule in sanctioning of loans, non-participation in the meetings, etc. The overall progress under the scheme had not been upto the desired extent. These issues were discussed in the Central Level Coordination Committee (CLCC) meeting convened by theAdministrative Ministry in the Government. RBI had subsequently advised the banks in July,2002 to reduce the gap between sanction and disbursement, ensure greater coordination of work at the block level with Government functionaries, adhere to the prescribed time schedule for loan disbursements and to participate in the block and district level SGSYCommittee meetings. Banks have also been advised to organize district-wise intensive one-day sensitization camps/ workshops for their branch officers to enable them to sharpen their understanding of the scheme.