

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2944

ANSWERED ON:17.12.2004

LOAN TO POOR AND HANDICAPPED PERSONS

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Will the Minister of FINANCE be pleased to state:

(a) whether the Government formulated any new scheme to provide timely loans to the poor people, farmers and handicapped persons;

(b) if so, the details thereof; and

(c) the time-frame for granting loans of rupees twenty thousand, fifty thousand and one lakh by the public sector banks and the level at which these loans are sanctioned?

Answer

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

(a), (b) & (c): Government have not formulated any new scheme to provide loans to the poor people, farmers and handicapped persons. However, persons belonging to Below Poverty Line (BPL) families are provided loans by the banks under the existing schemes viz., Swamajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahri Rozgar Yojana

(SJSRY), National Scheme for Liberation and rehabilitation of Scavengers (NSLRS) and Differential Rate of Interest (DRI). Under SGSY and SJSRY, there is a reservation of 3% for handicapped persons. In addition, Government have announced a package of relief measures for farmers on June 18, 2004 and impressed upon all the agencies concerned the urgent need to significantly enhance the quantity and quality of credit flow to the agriculture sector.

The time-frame stipulated by the Reserve Bank of India (RBI) for granting of loans under SGSY, SJSRY and NSLRS is indicated below:

(i) Applications received under the SGSY scheme are to be disposed of within the prescribed limit of 15 days and at any rate not later than one month. Banks have been advised to minimize the gap between the sanction and disbursement of loans under the schemes and to vest the Branch Managers with adequate discretionary powers to sanction proposals without reference to any higher authority.

(ii) Applications received under SJSRY & NSLRS schemes are to be disposed of for loans up to Rs.25,000/- within two weeks and for loans above Rs.25,000/- within 8 to 9 weeks.