Chapter V

RURAL DEVELOPMENT PROGRAMMES AND SYNDICATE BANK

Our five year plans aimed at equality and social justice and these are sought to be promoted through increased emphasis on rural development and extending assistance to the weaker sections of the society. Banks are contributing their mite to agriculture and rural development by extending support to several schemes and programmes of poverty alleviation to be discussed in the chapter.

I.R.D. Programme and Syndicate bank

The Integrated Rural Development Programme was launched by the government of India initially in selected 2000 blocks during 1978-79. However, with effect from 2nd October, 1980 the programme has been extended to cover all the 5011 blocks in the country. This programme is being implemented under the guidance and direction of the Ministry of Rural Development, Government of India in collaboration with the state government concerned. It is the multi-pronged programme under which economic and social development programmes like SCP, SEEUY, SLRS etc. have been merged under a single agency known as District Rural Development Agency (DRDA) at the district level.
It is an economic programme supported by social development programmes such as health, nutrition and education. The objective of the programme is to assist the families below the poverty line in rural areas to cross this line by taking up self employment ventures with the help of financial assistance through the commercial banks.

(I) **Mobilisation of Financial Resources:**

In mobilisation of financial resources the physical and financial targets under IRDP are achieved sector-wise, activity-wise, block-wise and bank-wise separately in Meerut district. The schemes in respect of agriculture and SSI sectors, embodied banking plan are treated as approved schemes and refinance is available from NABARD/IDBI under automatic refinance scheme.

(1) **Bankable scheme:** Selection of projects, schemes and activities under IRDP depends upon the development potential available in a particular block and the preference and capabilities to undertake the selected activities successfully by the identified beneficiaries. The various priority sector schemes under IRDP for which the loan applications of identified beneficiaries can be entertained are as under:-
(A)  **Agriculture & Allied Sector:-**

_Minor Irrigation

(i)  Draft Animal

(ii) Dairy

(iii) Poultry

(iv) Piggery

(v)  Sheep & Goat Rearing

(vi) Fisheries

(vii) Gobar-gas plants etc.

(B)  **Small Scale Industries Sector:-**

(i)  Artisans, Village & Cottage Industries

(ii) Handloom Weavers

Scheme for Housewives & Ladies etc.

(C)  **Service Sector:-**

(i)  Cycle Rickshaw

(ii) Tonga

(iii) Rehra-cart
(iv) Hand-cart
(v) Small Business and Retail Trade
(vi) Weaker Section

(2) **Progress of integrated rural development programme in Meerut:** The I.R.D. programme is one of the most important poverty alleviation programmes in the district. The programme was started in the district since 1999-2000 and since then the programme is being taken up as a long term programme. The Meerut district has been placed 1st in the U.P. state for the implementation of I.R.D. programme and stood 11nd for benefiting the women beneficiaries. Under the annual credit plan 2004-05 prepared for the Meerut district, the banks have achieved a target of 107.23 crores against the target of 95.09 crores fixed for the district banks under various government sponsored programmes under priority sector credit. Under crop loans- 130 percent, under agriculture loans 110 percent, under S.S.I. 108 percent and under service area 143 percent have been achieved by the banks and contributed in the development of the district.

The banks have achieved their targets as a whole collectively but some banks have failed to achieve their targets individually. The district has achieved its target under the scheme of Prime Minister Rozgar Yojana.
(PMRY) and Special Component Plan (SCP) but failed to achieve the
targets under the scheme of SLRS and SUME due to non-availability of
sufficient subsidy. Bank has achieved their national goals also for the
credit to priority sectors, direct agriculture loans to weaker sections. CD
ratio has been increased to 55 percent from 53 percent during the year
2005-06, but this must be achieved by 60 percent still.

(3) **Loan disbursement under IRDP:** Loan disbursement under
I.R.D. programme by different banks has been shown in the following
table 5.1.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Syndicate bank</td>
<td>35263</td>
<td>34237</td>
<td>30486</td>
<td>39725</td>
<td>54487</td>
<td>54359</td>
</tr>
<tr>
<td>2.</td>
<td>RRBs</td>
<td>7530</td>
<td>7790</td>
<td>5604</td>
<td>7054</td>
<td>9194</td>
<td>10235</td>
</tr>
<tr>
<td>3.</td>
<td>LDBs</td>
<td>490</td>
<td>-</td>
<td>4200</td>
<td>4413</td>
<td>5680</td>
<td>5580</td>
</tr>
<tr>
<td>4.</td>
<td>DCBs</td>
<td>-</td>
<td>3525</td>
<td>4320</td>
<td>2117</td>
<td>3945</td>
<td>7860</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>43283</td>
<td>45552</td>
<td>44610</td>
<td>53309</td>
<td>73306</td>
<td>78034</td>
</tr>
</tbody>
</table>

*Source: Annual Action Plan, Lead Bank, Meerut.*
The above table 6.1 shows that the position of loan disbursement under I.R.D. programme in the district has been quite satisfactory for the last six years, i.e. 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06. On an average almost 100 percent target has been achieved under I.R.D. Programme by the banks. The Syndicate bank position of loan disbursement remained 81.47 percent, 76.16 percent, 68.34 percent, 74.52 percent, 74.33 percent, and 69.66 percent in the years 2000-01, 2001-02, 2002-03, 2003-04, 2004-05 & 2005-06 that has been quite satisfactory. While RRB’S position of loan disbursement under I.R.D. Programme – 17.40 percent in 2000-01, 17.10 percent in 2001-02, 12.54 percent in 2002-03, 13.23 percent in 2003-04, 12.54 percent in 2004-05 and 13.12 percent in 2005-06 has been not so satisfactory. DCB’s position of loan disbursement did not remain satisfactory in 2000-01. But after 2001, the position of loan disbursement of DCB under I.R.D. Programme has also been improved. LDB’s position of loan disbursement under I.R.D. Programme 10.07 percent has also been very satisfactory during 2005-06.

(4) **Block-wise disbursement of loans under I.R.D.P.**: Block-wise loan disbursement of commercial banks under IRDP in district Meerut has been shown in table 5.2.
### TABLE 6.2

Block-Wise disbursement of Loan under IRBP

*(Amount in Rs. 000)*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Meerut</td>
<td>2995</td>
<td>3255</td>
<td>3336</td>
<td>3736</td>
<td>5086</td>
<td>4432</td>
</tr>
<tr>
<td>2.</td>
<td>Janikhurd</td>
<td>3032</td>
<td>3230</td>
<td>2412</td>
<td>3816</td>
<td>4356</td>
<td>4552</td>
</tr>
<tr>
<td>3.</td>
<td>Rohta</td>
<td>3217</td>
<td>3255</td>
<td>3480</td>
<td>3854</td>
<td>5423</td>
<td>6272</td>
</tr>
<tr>
<td>4.</td>
<td>Rajpura</td>
<td>3153</td>
<td>3255</td>
<td>3912</td>
<td>4331</td>
<td>6399</td>
<td>7055</td>
</tr>
<tr>
<td>5.</td>
<td>Kharkhauada</td>
<td>3026</td>
<td>3240</td>
<td>1698</td>
<td>2541</td>
<td>3274</td>
<td>3898</td>
</tr>
<tr>
<td>6.</td>
<td>Mawana</td>
<td>3000</td>
<td>3255</td>
<td>2940</td>
<td>3801</td>
<td>3692</td>
<td>4906</td>
</tr>
<tr>
<td>7.</td>
<td>Hastinapur</td>
<td>3290</td>
<td>3255</td>
<td>4836</td>
<td>5496</td>
<td>8153</td>
<td>9644</td>
</tr>
<tr>
<td>8.</td>
<td>Parikshit garh</td>
<td>3105</td>
<td>3240</td>
<td>3492</td>
<td>4226</td>
<td>5476</td>
<td>5882</td>
</tr>
<tr>
<td>9.</td>
<td>Machhra</td>
<td>3147</td>
<td>3320</td>
<td>4074</td>
<td>4564</td>
<td>7121</td>
<td>6943</td>
</tr>
<tr>
<td>10.</td>
<td>Sardhna</td>
<td>3172</td>
<td>3210</td>
<td>3156</td>
<td>3826</td>
<td>6586</td>
<td>6454</td>
</tr>
<tr>
<td>11.</td>
<td>Daurala</td>
<td>2995</td>
<td>3255</td>
<td>2460</td>
<td>2714</td>
<td>3815</td>
<td>4304</td>
</tr>
<tr>
<td>12.</td>
<td>Partapur</td>
<td>3021</td>
<td>3227</td>
<td>2766</td>
<td>2894</td>
<td>5258</td>
<td>5393</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>37153</td>
<td>38997</td>
<td>38562</td>
<td>45799</td>
<td>646339</td>
<td>68735</td>
</tr>
</tbody>
</table>

**Source:** I.R.D.P. Block Directory
The above table 5.2 shows that under IRDP, the share of Hastinapur block remained the highest that is 7.60 percent, 10.84 percent, 10.31 percent, 11.12 percent, 11.08 percent in 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 respectively except 2001-02. In 2001-02 share of Sarurpur block 7.29 percent is the highest. While the share of Rajpura block 6.91 percent is the lowest in 2000-01. The share of Janikhurd block 7.05 percent is the lowest in 2001-02. The share of Parikshit Garh 3.81 percent, 4.76 percent, 4.47 percent and 5.00 percent remained the lowest in 2002-03, 2003-04, 2004-05 and 2005-06 respectively. It shows that the share of Hastinapur block is the highest under all IRDP block directory except 2001-02 and share of Parikshit Garh is the lowest under all IRDP block directory except 2000-01 and 2001-02.

(5) **Block-wise loan disbursement to scheduled caste and scheduled tribe under IRDP:** As the families belonging to the SC/ ST categories constitute the bulk of poverty, it is provided that atleast 30 percent of the assisted families should be drawn from them. The targets for the block should be determined as under:-
(A) The percentage of assisted SC/ST families should be equal to SC/ST population percentage to the total population of a block in case the later percentage is 50 or above.

(B) Wherever the percentage of the SC/ST population to the total population is the less then 50, a mark up at 10 percent should be given to this percentage and the percentage of the SC/ST beneficiaries should be equal to the so arrive at block-wise loan disbursement to scheduled caste and scheduled tribe under IRDP is shown in table 5.3.
## TABLE 5.3

**Block-Wise Disbursement of Loans to Scheduled Caste and Scheduled Tribe under IRDP**

(Amount in Rs 000)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Accounts</td>
<td>Amount</td>
<td>No. of Accounts</td>
</tr>
<tr>
<td>1.</td>
<td>Meerut</td>
<td>95</td>
<td>810</td>
<td>131</td>
</tr>
<tr>
<td>2.</td>
<td>Janikhurd</td>
<td>149</td>
<td>1350</td>
<td>232</td>
</tr>
<tr>
<td>3.</td>
<td>Rohta</td>
<td>114</td>
<td>1044</td>
<td>165</td>
</tr>
<tr>
<td>4.</td>
<td>Rajpura</td>
<td>116</td>
<td>1235</td>
<td>370</td>
</tr>
<tr>
<td>5.</td>
<td>Kharkhuda</td>
<td>117</td>
<td>1067</td>
<td>195</td>
</tr>
<tr>
<td>6.</td>
<td>Mawana</td>
<td>85</td>
<td>1029</td>
<td>240</td>
</tr>
<tr>
<td>7.</td>
<td>Hastinapur</td>
<td>118</td>
<td>929</td>
<td>325</td>
</tr>
<tr>
<td>8.</td>
<td>Parikshitgarh</td>
<td>160</td>
<td>1077</td>
<td>265</td>
</tr>
<tr>
<td>9.</td>
<td>Machhra</td>
<td>293</td>
<td>2770</td>
<td>276</td>
</tr>
<tr>
<td>10.</td>
<td>Sardhna</td>
<td>100</td>
<td>840</td>
<td>157</td>
</tr>
<tr>
<td>11.</td>
<td>Daurala</td>
<td>75</td>
<td>672</td>
<td>209</td>
</tr>
<tr>
<td>12.</td>
<td>Partapur</td>
<td>142</td>
<td>1288</td>
<td>346</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1564</td>
<td>14111</td>
<td>2908</td>
</tr>
</tbody>
</table>

**Source:** (1) *Annual Action Plan, Lead Bank, Meerut.*

(2) *IIDP Block Directory*
The above table 5.3 reveals that the number of accounts of scheduled caste and scheduled tribe beneficiaries – 293 is the highest in the Machhra block in 2003-04 and number of accounts – 325 scheduled caste and scheduled tribe beneficiaries is the highest in Rajpura block in 2004-05 and number of accounts 332 of scheduled caste and scheduled tribe beneficiaries is the highest in Mawana block in 2005-06. It shows that the number of accounts of scheduled caste and scheduled tribe beneficiaries remained different in different blocks in different years. This table 5.3 also shows the amount of loan disbursed to the scheduled caste and scheduled tribe beneficiaries in different blocks in different years in the different district. The highest amount 17.64 of total SC/ST loans under IRDP is to scheduled caste and scheduled tribe beneficiaries Machhra block and lowest amount 3.76 percent of loan is disbursed in Daurala block in 2003-04. In the same way, the highest amount 10.49 percent of total scheduled caste/scheduled tribe loan under IRDP is disbursed to scheduled caste/ scheduled tribe beneficiaries in Mawana block and the lowest 3.37 percent of loan is disbursed in Meerut block in 2004-05. While the highest amount 11.95 percent of loan under IRDP disbursed to scheduled caste/ scheduled tribe beneficiaries Shamli block and the lowest amount 3.10 percent of loan is disbursed in Meerut block in 2005-06. It shows that the amount of loans under IRDP remained very unequal
in different block in different years. Some blocks position of loan disbursement is very good while some blocks position is not satisfactory. The Syndicate bank and block development authorities of the district must lay greater emphasis to benefit more scheduled caste applicants under IRDP in keeping with the revised of the government of India.

(6) **Assistance to women beneficiaries under IRDP:** The Reserve Bank of India and NABARD has of late issued directives to banks to provide assistance to more women beneficiaries. On a review of performance of the commercial banks in Meerut district in this respect, it is revealed that there an increase in assistance provided to women beneficiaries in Meerut district both in term of physical achievement and financial achievements. Table 5.4 shows the assistance to women beneficiaries under IRDP.
TABLE 5.4

Assistance to Women Beneficiaries Under IRDP

(Amount in Rs. 000)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Women beneficiaries</td>
<td>Amount Disbursed to Women beneficiaries</td>
<td>No. of Women beneficiaries</td>
<td>Amount Disbursed to Women beneficiaries</td>
<td>No. of Women beneficiaries</td>
<td>Amount Disbursed to Women beneficiaries</td>
</tr>
<tr>
<td>1.</td>
<td>Meerut</td>
<td>234</td>
<td>1302</td>
<td>227</td>
<td>1210</td>
<td>203</td>
</tr>
<tr>
<td>2.</td>
<td>Mawana</td>
<td>273</td>
<td>1519</td>
<td>252</td>
<td>1565</td>
<td>208</td>
</tr>
<tr>
<td>3.</td>
<td>Rohta</td>
<td>244</td>
<td>1302</td>
<td>194</td>
<td>985</td>
<td>172</td>
</tr>
<tr>
<td>4.</td>
<td>Janikhur</td>
<td>181</td>
<td>1284</td>
<td>201</td>
<td>1262</td>
<td>222</td>
</tr>
<tr>
<td>5.</td>
<td>Rajpura</td>
<td>233</td>
<td>1651</td>
<td>220</td>
<td>1381</td>
<td>202</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1165</td>
<td>7058</td>
<td>1074</td>
<td>6403</td>
<td>1007</td>
</tr>
</tbody>
</table>

Source: IRDP Block Directory.

Table 5.4 shows that the number of accounts of women beneficiaries 273, 252, and 279 is the highest in Mawana block is 2001-02, 2002-03 and 2004-05 respectively while the number of accounts – 339 of women beneficiaries is the highest in the Meerut block in 2004-05.

(7) Disbursement of loans to agriculture & allied activities under IRDP: Purchase of buffaloes is the most important single activity for which IRDP loans are given. The other activities are service and small
business, horse and carts, goat rearing etc. Break-up of agriculture and allied activities under IRDP is shown in Table 5.5.

**TABLE 5.5**

**Break-up of Agriculture and Allied activities under IRDP**

(Amount in Rs. 000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dairy Development</td>
<td>482</td>
<td>435</td>
<td>2430</td>
</tr>
<tr>
<td>2.</td>
<td>Minor Irrigation</td>
<td>2580</td>
<td>6311</td>
<td>6820</td>
</tr>
<tr>
<td>3.</td>
<td>Animal Husbandry</td>
<td>30673</td>
<td>44329</td>
<td>47539</td>
</tr>
<tr>
<td>4.</td>
<td>Others</td>
<td>13694</td>
<td>12419</td>
<td>10400</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>47429</td>
<td>63494</td>
<td>67189</td>
</tr>
</tbody>
</table>

**Source:** *Annual Action Plan, Lead Bank, Meerut.*

Table 6.5 reveals that the highest loan 64.67 percent, 69.82 percent, and 70.75 percent has been disbursed under IRDP to annual husbandry in last three years i.e. 2004-05 and 2005-06. Next loan under IRDP has been given to minor irrigation.
(8) **Loans disbursement to small business and retail trade under IRDP:** Loans disbursement to small business and retail trade under IRDP is being shown in table 5.6.

**TABLE 5.6**

**Break-up Small Business and Retail Trade under IRDP**

(Amount in Rs. 000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Syndicate bank</td>
<td>5576</td>
<td>9361</td>
<td>9145</td>
</tr>
<tr>
<td>2.</td>
<td>RRBs</td>
<td>256</td>
<td>451</td>
<td>1700</td>
</tr>
<tr>
<td>3.</td>
<td>LDBs</td>
<td>48</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>DCBs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5880</td>
<td>9812</td>
<td>10845</td>
</tr>
</tbody>
</table>

**Source:** Annual Action Plan, Lead Bank, Meerut.

Table 5.6 reveals that under IRDP the Syndicate bank has given loans 94.83 percent, and 96.40 percent of total loan to small business and retail trade in 2004-05 and 2005-06, respectively. It shows that Syndicate bank has achieved the targets under IRDP and Syndicate bank’s performance has been satisfactory. Regional rural banks have also given the loans
under IRDP to small business and retail trade. In 2005-06 the regional rural banks have given 16.68 percent loans of total disbursement to small business and retail trade which shows good achievement of RRBs

(II) **Mobilisation of Non-Financial Resources:**

Under IRDP the Syndicate bank is also giving the non-financial resources to the beneficiaries. Training to unemployed youth comes in non-financial resources. It is run by the concern block. The TRYSEM Scheme is going to run under IRDP non-financial resources.

(I) **Training to Rural Youth for Self Employment (TRYSEM):**

The National Programme of Training Rural Youth for Self Employment comes under the Integrated Rural Development Programme, started on 15th August, 1979 with the financial partnership of central and state in the equal proportion.

Under this programme, the identified rural youth have been given training in different trades, so that they may establish the respective trade as self employment for the uplevelment from the poverty line.

Under this programme, the training in different trades have been provided through the district Rural Development Programme by the State/Regional
Rural Development Agencies, Government Industrial Training Institutes, Khadi & Village Boards & other social services societies.

**Age limit:** expect the following categories, the rural youth having the age from 18 to 35 years are the eligible candidates for the training under this programme-

1. carpet knitting trade - 14 years to 35 years
2. diamond cutting and polishing - 14 years to 35 years
3. cutting and polishing - 14 years to 35 years
4. physically handicapped candidates - 14 years to 35 years
5. candidates from orphan ages - 14 years to 35 years
6. independent widows, released bonded labour,

Released person from jail, displaced from the Big development plans and disease free leprotic - 16 years to 45 years

**Coverage of the beneficiaries:** The SC/ST candidates/beneficiaries, covered under this scheme will be 52 percent from the plain district, 30 percent from the Uttarakhand district and 40 percent women from all the districts out of which 60 percent will be from SC/ST category and 3 percent will be physically handicapped.
**Duration of the training:** Generally the training period of this programme is 6 months but with the recommendations of the state co-ordination committee; this duration may be extended as per requirement of the training programme of a special category.

**Finance:** As the TRYSEM scheme is a part of IRDP, so after the training under the programme, this will be joint responsibility of the sponsoring agency and concerned block development officer to provide finance through the banks for the setting up of self employed trades by the beneficiaries.

**TRYSEM scheme in Muzaffarnagar district:** TRYSEM scheme is running successfully in the district. About 560 youth are getting training under TRYSEM scheme per year. The training target is 40 beneficiaries per block per year under TRYSEM scheme.

The main aim of this TRYSEM training is to establish their own trades by self employment after the training. The target of the programme of self employment is 25 beneficiaries per block per year.

(2) **Development of Women and Children of Rural Areas (DWCRA):**
This is the sub scheme of IRDP through which the women members of the rural families living below poverty line are benefited so that the continuous income generation and self employment avenues may be provided to them. Under this scheme the women of the rural families may be the members of the scheme and may get the loan and economic assistance under IRDP simultaneously. This scheme is being operated in 45 districts.

**The salient features of the same are as follows:-**

1. The minimum number of the informal group of women members is 5.

2. Each group is eligible for getting the loan at the rate of Rs. 1,000.00 per member on prorate basis under the maximum limit of Rs. 15,000.00 per group.

3. Each group is eligible for getting a capital subsidy of 50 percent of the project cost under the IRDP.

4. Those group may start the group activities of higher investments with the availability of bank loans

**Refinance:** NABARD is an apex body for the 100 percent refinance for the bank credits for the credit given to the groups under DWCRA.
**Margin:**

1. Nil – for the composite loan up to Rs. 50,000.00

2. 5 percent up to the loan amount of Rs. 1.00 lac.

3. 10 percent up to the loan amount above Rs. 1.00 lac

**Repayment period:**

3 to 10 years.

**Rate of interest:**

1. Up to Rs. 25,000.00  - 12.00 percent

2. above Rs. 25,000.00

   Up to Rs. 2,00,000.00  - 13.5 percent

3. above Rs. 2,00,000.00  - As fixed by the bank

   (Interest tax extra)

**III. Problems to implement the programmes:**
Although all the individual banks have not conducted evaluation studies about the success of the IRDP in the district, an impact study has been conducted by the district lead bank i.e. Syndicate Bank, Meerut. The representative samples include a cross section of the beneficiaries, small and marginal farmers, agricultural labourers, artisans including SC/ST families. The block level and district level authorities involved, also contacted for ascertaining their views. Detailed inquiries was also made through the questionnaires evolved for the purpose. Villages were visited to acquire and to see the assets purchased from the bank loans. The study has revealed that IRDP by the large has covered the class of people for it is meant through not the poorest among the poor but families living below the poverty line. However, there were few cases where the family’s assets were well above the poverty line. This implies that identification of beneficiaries was not done according to the guidelines given.

Poorest among the poor do not receive the required attention in selection and the benefits of the IRDP have accrued those families who were better placed. All type of persons including undesirable persons with an eye on subsidy only, defaulters, disinterested ones, etc. are referred by the block in the list to meet the statistical demand at the fag end of the year.
Most of the families could not tell the rate of interest or the repayment period at the time of survey. Many did not know the exact amount of subsidy received. Most of the branch managers were also not aware of the correct procedural formalities laid down under the scheme.

Repayment period, in most of the cases was spread over 40 months. Around 50 percent of the borrowers have recorded positive change in their economic position after availing loans under IRDP through they were not able to cross the poverty line. Nearly 50 percent of the families under IRDP in the district failed to show the expected improvement in their economic conditions for the one or more of the following reasons:-

1. Loans were taken with the intention of availing subsidy.
2. Package of programme were not suggested to the family by the block.
3. Loans amount were inadequate for the family to rise above the poverty line and to generation incremental income.
4. In case of loan for milch animals, the second animal was not purchased due to various reasons such as inadequacy of space, bad experience and procedural formalities & being defaulter of the bank loan in repayment also.
5. Lack of forward and backward linkages.
The study further indicates that DRDA is expected to select the beneficiaries, involving Gram Sabha in open meeting but this is not strictly followed. Consolidated list of identified beneficiaries of the block is not circulated among the branches and to the lead bank. Though repayment period has been fixed on the basis of income generation. No arrangement are made in most of the cases for financing the 2nd animal during the dry period of the first animal. Most of the beneficiaries are not aware of the repayment schedule and other terms of sanction. Pre-sanction visits are also not conducted in a few cases on account of staff shortage and pressure of work during credit camps. Purchasing of quality assets always raise a problem in the credit camps particularly in bigger ones resulting into higher prices of the assets. The gap between disbursement and subsidy adjustment varied from three months to twelve months. As regards maintenance of the assets, it is found that assets are disposed off by the beneficiary after a year or two in some cases and the loans are repaid. Beneficiaries report that they get a better price for the assets if disposed off when price are high. Bank managers have expressed difficulty in supervising the assets over a period of three to four years particularly when the quality of the assets is not good and the beneficiary is not interested in maintaining it. The study also reveals that the follow up efforts by the branch or the block staff in general to assist the selected
beneficiaries is lacking. The beneficiary is left to fend for himself once
the loan has been given. In many cases the beneficiaries report that they
has to pay Rs. 300.00 or may be more getting the subsidy released and in
some cases they have to pay some money to get their names enlisted in
the list of identified families.

The interest charged is as high as 12.5 percent in the case of beneficiaries
who have availed a loan for establishing kirana shop and cloth business.
Though banks have financed to the beneficiaries identified, the
programme of IRDP are not integrated with the general development
programmes. The work implemented through NREP is often neither co-
ordinated nor integrated with the requirement of families identified for
assistance under IRDP.
Banking & Rural Employment Generation

The government of India has started so many schemes for rural employment generation through banks to be financed there from so that the poor persons may get their upliftment from the poverty line by generation their own business/activities. Self employment to education unemployed youth scheme is one of them.

(I) Self employment to Education Unemployment Youth & Commercial Banks:

On 15\textsuperscript{th} august 1983, out late Prime Minister Smt Indira Gandhi launched a scheme named as Self Employment to Educated Unemployed youth (SEEUY).

Objective: To create employment opportunities to educated unemployed youth of the country.

Eligibility:

i. All educated unemployed youth who are matriculates and are within the age group of 18-35 years.

ii. ITI passed youth in the above age group for setting up industrial and service ventures.
**Target group:** The income ceiling of Rs. 10,000 per family per annum is the criteria for selection the beneficiaries which should be supported by an affidavit to be given by the beneficiary.

**Special safeguards for certain sections of target group:**

(I) Women and technically trained persons will be given due consideration.

(II) A minimum of 30 percent of the sections will be reserved for SC/ST Beneficiaries. This need not be each route separately but the overall percentage of 30 must be maintained.

**Assistance:** The limit of industrial ventures is increased from Rs. 25,000 to Rs. 35,000. In case of service ventures the limit would remain at Rs. 25,000. In case of business ventures the limit will be reduced to Rs. 15,000.

**Subsidy:** The level of subsidy in all ventures will remain at 25 percent of the total cost of project.
The progress of SEEUY in Meerut district: the progress of SEEUY in Meerut district is shown in Table 5.7.

**Table 5.7**

Break-up Under SEEUY in Meerut district

(Amount in Rs. 000)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Accounts</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>665</td>
<td>13300</td>
</tr>
<tr>
<td>2003-04</td>
<td>352</td>
<td>8233</td>
</tr>
<tr>
<td>2004-05</td>
<td>250</td>
<td>6005</td>
</tr>
<tr>
<td>2005-06</td>
<td>66</td>
<td>1650</td>
</tr>
</tbody>
</table>

Source: Annual Action Plan, Lead Bank, Meerut.

Table 5.7 shows that in 2001-02 the number of accounts remained 665 and amount is Rs. 13,300 thousand, while in 2005-06 the number of accounts remained 66 and amount remained Rs. 1,650 thousand only. Now the SSEUY has been discontinued a new employment scheme called PMRY has been introduced. The SEEUY has been merged with the PMRY scheme.
Other Scheme:

1. **The Prime Minister Rojgar Yojana (PMRY):**

   PMRY has been announced by the then Prime Minister Shri P.V. Narsimha Rao in the year 1993.

   **The main features of the scheme are as follows:**

   **Eligibility:**

   Educated unemployed youth with minimum qualification of metric passed or failed. Family income should not exceed Rs. 50,000 per annum from all sources.

   **Age Group:** 18 to 35 years.

   **Maximum amount of Loan:** Project cost Rs. One Lac with maximum loan amount Rs. 95,000.

   **Margin:** 5 percent of project cost.

   **Interest Rate:**

   - Up to Rs.25,000 - 10.5 percent, and
   - Above Rs.25,000 - 12.00 percent p.a.

   **Security:** HYP of assets advanced there of by the bank.
**Repayment:** 3 to 7 years with grace period of 6-18 months.

**Capital subsidy:** 15 percent of the total amount of loan with a ceiling of Rs. 7500.

**Note:** interest rate subject to change as per Reserve Bank of India instructions issued from time to time.

1. **Scheme for Urban Micro Enterprised (SUME):**

This scheme has been started for the unemployed poor youth belonging to the urban areas.

**Eligibility:**

(A) Families income from all resources should be less than Rs. 11,850 p.a.

(B) Permanent resident of City/Town for a period of at least 3 years.

**Age:** No restriction.

**Maximum amount:** Rs.20,000 for SC/ST and Rs. 16,000 for others.

**Rate of interest:** 10.5 percent p.a. up to Rs. 25,000.

**Margin:** Nil
**Security:** Hypothecation of assets.

**Repayment:** 3 to 5 years.

**Capital subsidy:** 25 percent of total amount of loan with maximum of Rs. 4,000. Additional subsidy of 8.33 percent is available to rickshaw pullers.

Block wise loan disbursement under PMRY/SUME in the district is shown in Table 5.8.
TABLE 5.8

Block-Wise Disbursement of Loan under PMRY/SUME

(Amount in Rs. 000)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Block</th>
<th>2004-2005</th>
<th></th>
<th></th>
<th>2005-06</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Accounts</td>
<td>Amount</td>
<td>No. of Accounts</td>
<td>Amount</td>
<td>No. of Accounts</td>
<td>Amount</td>
</tr>
<tr>
<td>1.</td>
<td>Meerut</td>
<td>67</td>
<td>1960</td>
<td>65</td>
<td>1588</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Janikhurd</td>
<td>27</td>
<td>950</td>
<td>22</td>
<td>1015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Rohta</td>
<td>33</td>
<td>1050</td>
<td>43</td>
<td>1220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Rajpura</td>
<td>113</td>
<td>2242</td>
<td>81</td>
<td>2245</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Kharkhaua</td>
<td>117</td>
<td>1530</td>
<td>111</td>
<td>2440</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Mawana</td>
<td>123</td>
<td>1888</td>
<td>93</td>
<td>1964</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Hastinapur</td>
<td>72</td>
<td>1369</td>
<td>123</td>
<td>2895</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Parikshit garh</td>
<td>43</td>
<td>1150</td>
<td>45</td>
<td>1300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Machhra</td>
<td>549</td>
<td>12218</td>
<td>615</td>
<td>17465</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Sardhna</td>
<td>39</td>
<td>1120</td>
<td>47</td>
<td>1200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Daurala</td>
<td>69</td>
<td>1507</td>
<td>63</td>
<td>1758</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Partapur</td>
<td>192</td>
<td>3698</td>
<td>224</td>
<td>5280</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1444</td>
<td>30682</td>
<td>1532</td>
<td>40370</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: (1) Annual Action Plan, Lead Bank, Meerut.

(2) IRDP Block Directory.
Table 6.8 shows that the highest loans Rs. 12,218 thousand and 17, 465 thousand have been disbursed in Machhra block and the lowest loan Rs. 950 thousand and 1050 thousand have been disbursed in Janikhurd block under PMRY/SUME scheme

(3) **Scheme for Liberlisation and Rehabilitation of Scavengers (SLRS):**

This is another scheme for the upliftment of the SC/ST candidates among the society. The Government announced this scheme particularly for the scavengers. The main objective of the scheme is to provide credit facility along with subsidy from the Government itself so that they can leave the scavenger’s work, they may earn themselves through the various activities for which the finance, margin money and the subsidy is provided.

The silent features of the scheme are as follows:

**Eligibility:** All scavengers belonging to the SC community. Belonging to other community will be covered under the scheme.

**Age Group:** No restriction.

**Maximum Amount:** Rs. 50,000.