

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3725

ANSWERED ON:11.12.2009

LOAN TO MINORITY COMMUNITIES

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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the proposal to reserve a portion of loan disbursement for members of minority communities is consistent with Reserve Bank of India (RBI) policy;
- (b) if so, the facts thereof;
- (c) the percentage of loan disbursed to members of minority communities during 2008-09 and 2009-10;
- (d) whether a large number of people from minority communities do not have access to banking services because they do not fulfil tough customer verification criteria or are unable to produce documents required by banks; and
- (e) if so, the steps taken by the Union Government to simplify the procedure of disbursement of loan?

**Answer**

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

(a) & (b) : As per Reserve Bank of India (RBI) guidelines on Lending to Priority Sector, credit to Minority Communities is part of sub-sector, Weaker Section, of the Priority Sector Lending, of all domestic Scheduled Commercial Banks (SCBs), both in public and private sector. With a view to enhance credit flow to Minority Communities, Government had advised all Public Sector Banks (PSBs) in 2007 to step up their lending to these communities to 15% of their total priority sector lending over 3 years, i.e., by the end of financial year 2009-10.

(c) : The percentage of total outstanding loans under Minority Community Lending (MCL) to total outstanding advances of Public Sector Banks, under Priority Sector Lending (PSL), as on 31st March, 2009 and 30th Sept., 2009 is given below:

Percentage of MCL to PSL

As on 31st March, 2009    11.39

As on 30th Sept., 2009#    11.16

# MCL to PSL target for 2009-10/provisional.

(d) & (e): The standing guidelines of Reserve Bank of India (RBI) on Know Your Customer (KYC) norms are applicable to all customers, irrespective of religion or caste. However, with a view to smoothen credit flow to Minority Communities, all convener banks of State Level Bankers' Committee (SLBC) have been advised to monitor MCL regularly in the SLBC meetings in coordination with respective Departments of State Government. Accordingly, the Chief Secretaries of all States/Union Territories have also been requested to closely monitor and review the progress in regular meetings of SLBCs.