

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2720  
ANSWERED ON:12.03.2010  
LOANS GIVEN BY NATIONALISED BANKS  
Vishwanath Shri Adagur H

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

- (a) the total amount of loans given by the Nationalised Banks in the State of Karnataka during each of the last three financial years till March, 2009;
- (b) the percentage of loans given to members of Scheduled Castes and Scheduled Tribes out of the above; and
- (c) the steps taken or proposed to be taken to ensure that a fair share of loans disbursed by the banks go to these sections?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a):- The nationalized banks have granted total loans of Rs.21,999 crore, Rs.25,932 crore and Rs.25,463.crore in the State of Karnataka during the years 2006-07, 2007-08 and 2008-09, respectively.

(b):- The Management Information System, of the State Level Bankers` Committee (SLBC), Karnataka does not generate the information in the desired manner. However, out of the total outstanding loans, the percentage of loans outstanding to the Scheduled Castes(SCs) and Scheduled Tribes (STs) in the State stood at 2.36% in 2006-07, 3.83% in 2007-08 and 3.42% in 2008-09.

(c):- The flow of credit to SC/STs in respect of all Government sponsored schemes is reviewed in the SLBC meetings and the member Banks are advised to achieve the target of lending to SC/STs. The Lead District Managers at the district level are reviewing the progress in lending to SC/STs under various schemes and are taking corrective steps. In order to ensure that a fair percentage of bank loans are disbursed to Scheduled Castes and Scheduled Tribes, the following steps have been taken by Reserve Bank of India:

# Banks have been advised to help the poor illiterate borrowers in filling up the forms and completing other formalities so that they are able to get credit facility within a stipulated period from the date of receipt of applications.

# Banks have been advised not to insist on deposits white considering loan applications under Government sponsored poverty alleviation schemes/ self- employment programmes from borrowers belonging to SCs/STs.

# All necessary institutional support is to be provided by banks to the National SC/ST Finance and Development Corporation to enable the institution to achieve the desired objectives. The circulars issued in this regard are consolidated on a yearly basis.

# Banks have been advised to indicate clearly the reason for rejection of application on the form itself so that the sponsoring agency would take necessary action. Banks have also been advised to contact illiterate borrowers and explain to them the salient features of the schemes as also the advantages that will accrue so as to minimize the rate of rejection of applications.

# The rejection of applications in respect of SCs/STs has to be done at higher level instead of at the branch level. Further, reasons for rejection of applications have be clearly indicated on the applications forms. The register of rejection of applications maintained by banks is to be made available to the inspecting officers.

# Banks have been advised to set up training institutes in the lines of Rural Development and Self Employment Training Institute `RUDSETI' jointly with the State Governments by utilizing their existing infrastructures of ITIs, SISIs. Sensitization programmes are being conducted by banks to train the SC/ST beneficiaries.