

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5056  
ANSWERED ON:27.08.2010  
LOANS TO SCS STS  
Munda Shri Arjun

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

- (a) whether the Banks are reluctant to provide loans to the persons belonging to the Scheduled Castes and Scheduled Tribes communities;
- (b) if so, the facts thereof, the reasons therefor alongwith the loans disbursed to such persons out of the total loan disbursed by Banks during the last three years; and
- (c) the corrective measures taken / being taken by the Government in this regard, if any?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMONARAIN MEENA)

(a) & (b): Banks extend loans to Scheduled Castes (SCs) / Scheduled Tribes (STs) under Priority Sector Lending (PSL). SCs / STs form a sub-category under Weaker Section of PSL. Further, under Government Sponsored Schemes, the reservation for SCs / STs is as follows:

(i) Swarna Jayanti Gram Swarozgar Yojana (SGSY) - 50 %

(ii) Swarna Jayanti Shahari Rozgar Yojana (SJSRY) - to the extent of their proportion in the population.

(iii) Differential Rate of interest (DRI) Scheme - 40 %

As per data furnished by Reserve Bank of India (RBI), total loans outstanding under PSL and to SCs / STs as on last reporting Friday of March, 2007, 2008 and 2009 (latest available) are as under:

(Amount in Rs. crore)

As on Friday the last reporting of March	Total Sector	Loans to SCs/STs
	Priority Sector	Beneficiaries

2007	7,03,756	26,520
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2008	8,24,773	34,376
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Source: RBI

(c): The measures taken by RBI to strengthen credit flow to SCs / STs, inter-alia, include the following:

# With a view to minimize rate of rejection of loan applications, banks have been advised to indicate reasons for rejection of application on the form itself;

# Banks have been advised that the rejection of loan applications should be done at higher level instead of the branch level;

# Banks have been advised to provide necessary institutional support to the National SC /ST Finance and Development Corporation to enable the institution to achieve the desired objective; and

# The banks also participate in special schemes of SC/ST Corporation for development Of SC/ ST which are piloted at State level through special component plans.