

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:955  
ANSWERED ON:05.08.2011  
LOANS TO SCS AND STS  
Guddu Shri Premchandra

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

(a) the norms being followed by Public and Private Sector Banks for disbursing loans to the applicants belonging to the Scheduled Caste and Scheduled Tribe communities; and

(b) the details of the total loans disbursed by the said banks to applicants belonging to the Scheduled Caste and Scheduled Tribe communities during the last three years and the current financial year, Bank-wise and State-wise?

**Answer**

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

(a): Credit to Scheduled Caste/ Scheduled Tribe (SCs/STs) is part of Weaker Sections of the Priority Sector Lending. As per extant guidelines of Reserve Bank of India (RBI), banks including Public and Private Banks are required to earmark 10% of Adjusted Net Bank Credit (ANBC), for Weaker Sections. With a view to ensure smooth flow of credit to SCs/STs, RBI has been issuing instructions to banks from time to time. In the latest Master Circular on Credit facilities to SCs and STs, issued by RBI on 1st July, 2011, banks have been advised about the measures to be taken in order to step up advances to SCs/STs. These include:

#In the planning process at the block level, a certain weightage is to be given to scheduled castes/scheduled tribes;

#Banks are to analyse the credit needs of these communities and incorporate them in the credit plan;

#Credit planning is to be weighted in favour of scheduled castes/scheduled tribes and special schemes suited to these communities are to be drawn up;

#Utmost sympathy and understanding is to be extended while considering loan proposals of these communities;

#Banks are to create greater awareness amongst SCs/STs in order to encourage them to access credit facilities;

#Field staff is to contact such borrowers to explain schemes and their advantages. Banks should not insist in deposits while considering loan applications under Government sponsored poverty alleviation schemes/self-employment programmes from borrowers of these communities;

#In case of rejection of applications of SCs/STs, it is to be done at the next higher level instead of at the branch level indicating proper reasons for rejection;

#A special cell at the Head Office to monitor the flow of credit to SC/ST beneficiaries and a periodical review is to be done;

(b): Bank-wise details of credit outstanding to SCs/STs under priority sector lending of Public and Private Sector Banks as on last reporting Friday of March, 2009, 2010 and 2011 are at Annexure-I.

The State-wise details of credit outstanding to SCs/STs under the Priority Sector Lending of public and private sector banks as on last reporting Friday of March, 2008, 2009 and 2010 (latest available) are at Annexure-II.