

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2907
ANSWERED ON:30.03.2012
LOANS TO MINORITY COMMUNITIES
Singh Shri Jagada Nand

Will the Minister of FINANCE be pleased to state:

- (a) whether the Nationalised Banks have been directed to provide adequate loans to entrepreneurs from the minority communities who are running Micro, Small and Medium Industries;
- (b) if so, the details thereof, State-wise;
- (c) whether the entrepreneurs of the said communities have established new industries taking advantage of the said directions in the recent past;
- (d) if so, the details thereof; and
- (e) the other steps taken/being taken by the Government to provide adequate loans and relief to the entrepreneurs of the said communities?

Answer

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

(a) and (b): Public Sector Banks have been advised by the Government to step up their Minority Community Lending (MCL) to 15% of their Priority Sector Lending (PSL).

Reserve Bank of India has reported that community-wise data on total outstanding credit to Micro and Small Enterprises sector by scheduled commercial banks is not collated by them. However, overall lending to minority communities under priority sector lending has increased from Rs. 82,864 crore as on 31st March, 2009 to Rs, 1,54,790 crore as on 31st December, 2011 registering a growth of about 87%.

State-wise details of lending to minority communities by public sector banks as on 31st December, 2011 is at Annexure.

(c), (d) and (e): RBI has advised all scheduled commercial banks vide Master Circular dated 1st July, 2011 to improve loan availability to all the identified minority communities throughout the country. The circular, inter alia, advises the banks to create a special cell and appoint nodal officers in each bank. It also indicates how banks should monitor credit flow to minority communities. The detailed circular is available on the website of RBI at www.rbi.org.in.