

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1937
ANSWERED ON:17.07.2009
LOAN TO MINORITIES
Haque Shri Sk. Saidul

Will the Minister of FINANCE be pleased to state:

- (a) the details of the targets set and achieved for disbursement of loan to the minority communities by Public Sector Banks (PSBs) during the last three years, year-wise;
- (b) whether the PSBs proposes to increase lending to minority communities in the country; and
- (c) if so, the details thereof, State-wise and the efforts made so far by the Government in this regard?

Answer

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

(a) (b) & (c): The Public Sector Banks (PSBs) were advised by the Government in October, 2007 to step up lending to minority communities from the then level of 9% of total priority sector advances to 15% over the next three years, i.e. by the end of FY 2009-10. The road map given to PSBs in this regard is indicated below:

Year Target allocated as (PSL) % of Minority Community Lending (MCL) to
Priority Sector Lending

2007-08 10.60

2008-09 13.00

2009-10 15.00

Accordingly, State-wise target set by PSBs for lending to Minority Communities and achievement are given in the Annexure.

In order to strengthen the credit flow to the Minority Communities the banks have been advised by Reserve Bank of India inter-alia the following:

- (i) To set up a Special Cell to be headed by an Deputy General Manager/Assistant General Manager or any other similar rank who should function as a 'Nodal Officer';
- (ii) The Lead Bank in each of the minority concentration districts should have an officer to exclusively look after the problems regarding the credit flow to Minority Communities;
- (iii) The convener banks of the District Consultative Committees (DCCs) and the State Level Bankers Committees (SLBCs) should ensure that steps taken to facilitate the flow of credit to the Minority Communities and the progress made in this regard are reviewed regularly at their meetings;
- (iv) With a view to ensuring that the bank staff and officers have proper perspective and appreciation of the various programmes for welfare of minorities, necessary orientation may be provided to officials and other staff;
- (v) The Lead Banks functioning in the identified districts should organize Entrepreneur Development Programmes so that the members of the Minority Communities in these areas are enabled to derive the benefit of various programmes being financed by the banks;
- (vi) The Lead Banks in the identified districts may sensitise and motivate the staff posted to identified districts through proper training to assist the Minority Communities under various credit schemes.