

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2653
ANSWERED ON:07.02.2014
BANK LOAN TO WEAKER SECTIONS
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Will the Minister of FINANCE be pleased to state:

- (a) the amount of loan disbursed by the Public and Private Sector Banks to the weaker sections including Scheduled Castes (SCs) and Scheduled Tribes (STs) and minority communities under the Priority Sector Lending (PSL) along with rate of interest charged thereon during the last three years, year and bank-wise;
- (b) whether the Reserve Bank of India (RBI) has laid down any guidelines in this regard;
- (c) if so, the details along with the compliance status thereof; and
- (d) the other steps taken/proposed to be taken by the Government to restructure Priority Sector Lending (PSL) in order to facilitate better credit access to the people belonging to SC/ST and minority communities?

Answer

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

(a) Details of loan disbursed, bank-wise to the members of specified minority communities and Scheduled Castes (SCs) /Scheduled Tribes (STs) and weaker sections by domestic scheduled commercial banks during the last three years are enclosed as Annexure-I, II & III.

Interest rates on all types of loans are deregulated and are linked to the base rate w.e.f July 1, 2010. There are schemes like Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS), Differential Rate of Interest (DRI) etc. where interest rates are fixed by Government of India and are made available to all borrowers including those belonging to SC/ST category or minority communities under these schemes.

(b) & (c) As per the extant guidelines on lending to priority sector, a sub-target of 10 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off Balance Sheet Exposure (OBE), whichever is higher, as on preceding March 31st, has been prescribed for lending to weaker sections, which inter-alia, includes SCs/STs and minorities, within the overall priority sector target of 40 per cent of ANBC, by domestic scheduled commercial banks and foreign banks with 20 or more branches.

The performance of banks in lending to various sub-sectors under Priority Sector is reviewed in quarterly meetings of District Level Consultative Committee (DLCC), District Level Review Committee (DLRC) and State Level Bankers' Committee (SLBC) set up under the Lead Bank Scheme at district/ state level.

(d) The details on other steps taken by the Reserve Bank of India to facilitate better credit access to the people belonging to SCs/STs and minority communities are given as Annexure-IV