

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2259  
ANSWERED ON:05.12.2014  
LOAN TO MINORITIES  
Owaisi Shri Asaduddin

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

- (a) the present rate of lending to minorities by Public Sector Banks (PSBs);
- (b) the target fixed by Government for the PSBs during 12th Five Year Plan for lending to minorities;
- (c) whether some PSB banks have not been able to achieve the target in minority community lending to 15 per cent;
- (d) if so, the details of the banks who have not achieved the target and the reasons therefor; and
- (e) the steps taken/being taken by the Government to achieve the target?

**Answer**

(FINANCE MINISTER)(SHRI ARUN JAITLEY)

(a) Interest rates on advances have been deregulated by Reserve Bank of India (RBI). Banks have been instructed not to charge interest below their base rate. Still there are some schemes like National Rural Livelihood Mission (NRLM), National Urban Livelihood Mission (NULM), 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. The rate of interest charged thereon varies according to the prescription of various schemes.

(b) Under the extant instructions on priority sector lending, the scheduled commercial banks are required to extend credit to priority sector advances constituting 40 per cent of the Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off Balance Sheet Exposures whichever is higher and within this, 10 per cent is to be lent to the weaker sections which among others also include minorities.

Further, at the instance of Government of India, a list of 121 minority concentration districts has been provided to all scheduled commercial banks who have been asked to ensure that the minority communities receive a fair and equitable portion of the credit within the overall target of the Priority Sector Lending.

Pursuant to Cabinet decision in June, 2007, the Public Sector Banks were advised by the Government to step up their Minority Community Lending (MCL) to 15% of their total Priority Sector Lending (PSL).

(c) & (d) Yes Sir, some PSB banks have not been able to achieve the target of 15% of Priority Sector Lending to Minority Communities. As on September, 2014, the following banks have not achieved their targets of 15% :-

S.N.	Name of the Bank	% age of MCL to PSL
1	Andhra Bank	13.27
2	Bank of Baroda	14.43
3	Bank of India	14.57
4	Bank of Maharashtra	8.19
5	Central Bank of India	13.32
6	Union Bank of India	10.84
7	United Bank of India	14.93
8	UCO Bank	13.88
9	Vijaya Bank	12.39
10	State Bank of Bikaner & Jaipur	11.09
11	State Bank of Hyderabad	14.39
12	State Bank of Mysore	12.17
13	IDBI Bank Ltd	5.27
14	BhartiyaMahila Bank	1.90

However, overall position of all PSBs as on 30.09.2014 is 15.76% that exceeds the stipulated target of 15%.

(e) During the quarterly review meeting of Finance Minister with Chief Executive Officers of PSBs, the position of lending to minority

communities is reviewed and banks are advised to improve their position of lending to minorities and ensure achievement of the target of 15% of PSL.