

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES**

LOK SABHA

UNSTARRED QUESTION NO. 2976

TO BE ANSWERED ON THE 7th AUGUST 2023, / Sravana 16, 1945 (Saka)

Welfare Schemes by Banks for SCs/STs

QUESTION

2976. SHRI HAJI FAZLUR REHMAN

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

- (a) Whether the Government has proposed to set up the Urban Infrastructure Development fund (UIDF) through use of priority Sector lending shortfall for creating urban infrastructure in Tier two and Tier three cities;
- (b) If so, the details thereof;
- (c) Whether the national Housing Bank is proposed to manage UIDF and public agencies would use the fund to create infrastructure and if so, the details thereof;
- (d) Whether the UIDF is aimed to push real estate players seeking land parcels in the emerging cities to develop residential and commercial properties and if so, the details thereof; and
- (e) the other steps being taken by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) & (b) Reserve Bank of India (RBI) has prescribed an overall target of 40% of Adjusted Net Bank Credit (ANBC) for lending to the Priority Sector. Within this, a sub-target of 12 % of ANBC has been mandated for lending to weaker sections.

Additionally, all banks channelize concessional loans to borrowers of the Scheduled Castes as per scheme guidelines formulated by Central or State Government from time to time.

Details of some schemes which find mention in the RBI's circular on credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs) dated 1st April 2023 are included in Annexure.

c) & (d) The credit to Scheduled Castes by Public Sector Banks under Priority Sector Lending during the last two years is given below:

(No. of A/c in Actuals and Amount outstanding in ₹Crore)

As on March 2022		As on March 2023	
A/cs	Amt	A/cs	Amt
40,03,657	65,903	39,50,542	64,925

Source: RBI

To ensure adequate flow of credit to the SCs, RBI has put in place a detailed monitoring mechanism which, *inter-alia*, provides the following measures to be taken by the banks:

- Special cell set up at the Head Office of banks for monitoring the flow of credit to SC/ST beneficiaries.
- The Head Office of banks periodically review credit extended to SCs/STs on the basis of returns and other data received from the branches.

A. Reservations for SC/ST beneficiaries under major Centrally Sponsored Schemes is given below:

(i) Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)

DAY-NRLM (previously known as NRLM) was launched by the Ministry of Rural Development, Government of India by w.e.f April 1, 2013. The aim of the Mission is to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong and sustainable grassroots institutions of the poor. DAY-NRLM ensures adequate coverage of vulnerable sections of the society such that 50% of these beneficiaries are SCs/STs.

(ii) Deendayal Antyodaya Yojana - National

Urban Livelihoods Mission (DAY-NULM)

The Ministry of Housing and Urban Affairs (MoHUA), Government of India, launched the DAY-NULM w.e.f September 24, 2013. The aim of the Mission is to reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities. The mission also addresses livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, social security and skills to the urban street vendors for accessing emerging market opportunities. Under DAY-NULM, advances are extended to SCs/STs to the extent of their strength in the local population.

(iii) Differential Rate of Interest (DRI) Scheme

Under the DRI Scheme, banks provide finance up to ₹15,000/- at a concessional rate of interest of 4 per cent per annum to the weaker sections of the community for engaging in productive and gainful activities. In order to ensure that persons belonging to SCs/STs also derive adequate benefit under the DRI Scheme, banks have been advised to grant eligible borrowers belonging to SCs/STs such advances to the extent of not less than 2/5th (40 percent) of total DRI advances. Further, the eligibility criteria under DRI, viz. size of land holding should not exceed 1 acre of irrigated land and 2.5 acres of unirrigated land, are not applicable to SCs/STs. Members of SCs/STs satisfying the income criteria of the scheme can also avail of housing loan up to ₹20,000/- per beneficiary over and above the individual loan of ₹15,000/- available under the scheme.

(iv) Credit Enhancement Guarantee Scheme for Scheduled Castes (CEGSSC)

The CEGSSC was launched by Ministry of Social Justice & Empowerment on May 6, 2015 with the objective of promoting entrepreneurship amongst the Scheduled Castes (SCs), by providing credit enhancement guarantee to Member Lending Institutions (MLIs), which extend financial assistance to entrepreneurs belonging to SC communities. IFCI Ltd. has been designated as the

Nodal Agency under the scheme, to issue the guarantee cover in favour of MLIs for financing SC entrepreneurs. Individual SC entrepreneurs/Registered Companies and Societies/Registered Partnership Firms/Sole Proprietorship firms having more than 51% shareholding and management control for the previous 6 months by SC entrepreneurs/ promoters/members are eligible for guarantee from IFCI Ltd. against the loans extended by MLIs. The amount of guarantee cover under CEGSSC ranges from a minimum of ₹0.15 cr to a maximum of ₹5.00 cr. The tenure of guarantee is up to a maximum of 7 years or repayment period, whichever is earlier

B. Stand-Up India Scheme

The Stand-Up India Scheme launched on 5th April 2016 aims to promote entrepreneurship among the Scheduled Caste/ Scheduled Tribe and Women by facilitating bank loans of value between Rs.10 lakh and Rs.100 lakh to at least one SC/ ST borrower and one-woman borrower per bank branch of Scheduled Commercial Banks for setting up Greenfield enterprises in trading, manufacturing, services sectors and activities allied to agriculture. In 2019-20, the Stand-Up India scheme was extended for the entire period coinciding with the 15th Finance Commission period of 2020-25.
