

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UN-STARRED QUESTION NO. 3398
Monday, August 09, 2021/ Sravana 18, 1943 (Saka)

Loan Schemes

3398. Shrimati Keshari Devi Patel:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is making every possible effort to take various loan schemes to the people in the country;
- (b) if so, whether the targets fixed under various loan schemes are not achieved due to casual attitude adopted by the officers/ staff of public and private sector banks;
- (c) if so, the steps taken/being taken by the Government in this regard;
- (d) the number of complaints received by the Government along with the action taken by the Government in this regard;
- (e) whether the Government has formulated any scheme to sanction loans within a time limit under various loan schemes; and
- (f) if so, the details thereof?

ANSWER

Minister of State in the Ministry of Finance
(Dr. BHAGWAT KARAD)

(a to c) Various schemes involving loans from banks are implemented by Central Government, State Governments as well as by Banks themselves. Lending in respect of most such schemes qualifies under Priority Sector Lending. (PSL). The Master Directions on PSL issued by Reserve Bank of India (RBI) mandates banks to achieve a minimum of 40% targets for lending to priority sector, which *inter-alia*, includes agriculture, MSME, housing, education, social infrastructure, renewable energy etc.

The achievement against the target by all Scheduled Commercial Banks for the last three years is as under:

Year-wise % achievement of Scheduled Commercial Banks under PSL	
Year	Priority Sector Lending 40% of Adjusted Net Bank Credit (ANBC)
FY 2017-18	40.09
FY 2018-19	42.05
FY 2019-20	39.61

Source: RBI

Government and RBI have taken various initiatives to provide hassle free credit for the people in the country with special focus on marginal and weaker sections of the society. The initiatives taken in this regard, *inter-alia* include:

(i) With the objective of making PSL norms more broad-based and align them with the emerging national priorities, the guidelines have since been revised on 4th September 2020 by RBI. The revised guidelines, *inter-alia*, addresses the issue of regional disparities in credit flow and provides for higher lending targets for small & marginal farmers and weaker sections, inclusion of new sectors like compressed Bio Gas (CBG), solar projects etc. and enhanced credit limit for sectors like renewable energy, health infrastructure, and education under PSL.

(ii) Issues like Collateral free lending, Credit Guarantee and interest subvention have specifically been addressed.

(iii) The performance of the Bank officers about achievements of different lending schemes are monitored through pre-defined Key Parameter Indicators (KPIs) to ensure effective implementation. Awareness about the loan schemes is created amongst public through various publicity campaigns.

(d) to (f) The data regarding number of complaints received by the Government under various loan schemes is not maintained centrally. However complaints received from time to time in respect of implementation of schemes are redressed in coordination with the respective banks.

Loans are sanctioned by banks as per their Board approved policies and extant RBI guidelines in this regard. As per Banking Codes and standard Board of India (BCSBI), loan applications should be disposed off for credit limit up to Rs. 5 lakh within 2 weeks and for credit limit above Rs. 5 lakh within 3 weeks from the date of receipt, provided application is complete in all respects and is accompanied by documents as per checklist provided. Reasons of rejection have also to be recorded on the application.
