

**Government of India  
Department of Financial Services  
Ministry of finance**

**LOK SABHA  
UNSTARRED QUESTION NO. 961**

**TO BE ANSWERED ON THE 22<sup>nd</sup> July, 2016, Ashadha 31, 1938 (SAKA)**

**PRIORITY SECTOR LENDING TO WEAKER SECTIONS**

**QUESTION**

**961. SHRI HARISH MEENA**

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

(a) whether the public/private sector banks have achieved the targets of providing loans under Priority Sector Lending (PSL) to the economically backward classes including Scheduled Castes (SCs)/ Scheduled Tribes (STs)

(b) if so, the details thereof, State/UTwise including Rajasthan during the last three years and the current year;

(c) if not, the reasons therefor; and

(d) the steps taken/being taken by the Government to achieve the PSL target in this regard?

**ANSWER**

**(MINISTER OF STATE IN THE MINISTRY OF FINANCE)  
(SHRI SANTOSH KUMAR GANGWAR)**

(a) to (d) : Reserve Bank of India in its guidelines on Priority Sector Lending (PSL) has set a target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off Balance-sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year for lending to the priority sector by Scheduled Commercial Banks (SCBs) including Public Sector Bank (PSBs). Within this, a sub-target of 10 per cent of ANBC or Credit Equivalent amount of Off Balance-sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, has been mandated for lending to weaker sections including Scheduled Castes (SCs) & Scheduled Tribes (STs). RBI monitors the credit delivery by banks. PSBs have achieved the prescribed target and the credit to weaker sections stood at 10.47% for financial year ending on 31.03.2015.

Further, RBI has issued standing instructions to banks in the form of Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs) which is updated every year (latest being July 1, 2016) to give special emphasis to the welfare of the scheduled castes and scheduled tribes and take measures to step up their advances to SCs /STs which inter-alia include:

- At the block level a certain weightage is to be given to scheduled castes / scheduled tribes in the planning process.
- Credit planning should be weighted in favour of SCs/STs. Loan proposals of these communities should be considered sympathetically and expeditiously.
- While 'adopting' villages for intensive lending, villages with sizeable population of these communities may be specially chosen.
- Banks should not insist on deposits while considering loan applications under Government sponsored poverty alleviation schemes / self-employment programmes from borrowers belonging to SCs / STs.
- If applications in respect of SCs / STs are to be rejected, it should be done at the next higher level instead of at the branch level. Further, reasons for rejection of applications should be clearly indicated.

State-wise loans disbursed by banks to Weaker Section (SCs/ STs) for the years 2012-13, 2013-14 and 2014-15 are given in **Annexure**.

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