

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 878
ANSWERED ON TUESDAY, JULY 30, 2024 / SRAVANA 8, 1946 (Saka)**

EASE OF ACCESS TO FINANCE TO WEAKER SECTIONS

878 # Shri M. Shanmugam

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

- a) whether Government has made any review of ease of access to finance to the entrepreneurs from the weaker sections, backward classes, SCs and STs;
- b) if so, the details thereof;
- c) whether the lending criteria would be simplified and ecosystem of banks would be strengthened in view of the difficulties being faced by entrepreneurs in getting finance; and
- d) if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (d): In a deregulated credit environment, credit facilities are governed by approved lending policies of individual bank boards & extant guidelines of Reserve Bank of India (RBI). The Government reviews all credit linked schemes from time to time and takes several initiatives in order to facilitate ease of access to finance to the entrepreneurs from the weaker sections including those belonging to backward classes, Scheduled Caste (SC) and Scheduled Tribe (ST). Some of these are:

(i) The Stand Up India Scheme (SUPI) was launched on 5th April, 2016 to facilitate loans of value between Rs. 10 lakh and Rs.1 Crore to at least one Scheduled Caste (SC), Scheduled Tribe (ST) and one woman borrower per bank branch for setting up a greenfield enterprise in manufacturing, services or trading sector and also for the activities allied to agriculture. The scheme was subsequently extended up to the year 2025, in terms of the announcement made in the Union Budget 2019-20.

(ii) The entrepreneurs belonging to backward classes, SC and ST are also provided collateral free loans upto Rs. 10 lakh to enable them to set up or expand their business activities under Pradhan Mantri MUDRA Yojana (PMMY) launched on 8th April 2015.

Further, RBI has framed the Priority Sector Lending (PSL) guidelines in order to facilitate the flow of credit to segments which, though credit worthy, may not have access to adequate credit from the banking system. RBI has prescribed an overall target of 40% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-balance Sheet Exposures (CEOBE) for PSL. Out of this 12%

has been mandated for lending to weaker sections, which *inter-alia*, include Scheduled Castes (SCs) & Scheduled Tribes (STs), small & marginal farmers, artisans, beneficiaries of NRLM/NULM, SHGs, Minority communities etc.

As informed by RBI, achievement under PSL for weaker section is 13.53% for FY 2023-24

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.
