

Meeting regarding liberal lending by banks

1451. SHRIMATI KUSUM RAI:

SHRI PRABHAT JHA:

SHRI ARVIND KUMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government had meeting with Chief Ministers of various States and Chairpersons of different banks on 16th November, 2012 regarding liberal lending by banks to textiles, handicrafts, MSMEs, (Micro Small and Medium Enterprises), agriculture and other employment generating sectors and minorities;

(b) if so, the details thereof and the outcome thereof; and

(c) the details of percentage of loans out of total lent to textiles, handicrafts, MSMEs, agriculture sectors and minorities during the last year and current year, so far, bank-wise and sector-wise separately?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) A meeting was held under the chairmanship of Finance Minister with Chief Ministers of Northern States and CEOs of select Public Sector Banks/RBI on 16th November, 2012 at New Delhi to review banks' lending activities to various sectors in the Northern States.

(c) The information is being collected and will be laid on the Table of the House.

Loans availed in priority sectors

1452. SHRI N.K. SINGH:

DR. JANARDHAN WAGHMARE:

Will the Minister of FINANCE be pleased to state:

(a) the details of the loans and repayment of loans availed of in the priority sectors, sector-wise;

(b) whether the priority sector lending is likely to be adversely affected in light of the increase in the non-performing assets in the Public Sector Banks;

(c) if so, whether Government is undertaking any measures to ensure the availability of credit to the priority sector; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) As per data furnished by Reserve Bank of India (RBI), the Sector-wise details of total advances vis-a-vis total non-performing assets (NPAs) of Public Sector Banks under priority sector as on March, 2010, 2011 and 2012 is given in Statement (*See below*).

(b) to (d) As per RBI's extant guidelines on lending to priority sector, 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, has been mandated for lending to the priority sector by domestic scheduled commercial banks and foreign banks with 20 and above branches. Within this, sub-targets of 18 per cent and 10 per cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, as on March 31 of the previous year, have been mandated for lending to agriculture and the weaker sections, respectively.

Further, a target of 32 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, has been mandated for lending to the priority sector by foreign banks with less than 20 branches.

Statement

Advances and NPAs to priority sector of Public Sector Banks

	(Rs. crores)		
Particulars	Mar-2010	Mar-2011	Mar-2012
Total Priority Sector Advances	852,210	1,031,989	1,139,043
Credit to Agriculture	347,112	416,047	472,446
Credit to SSI/MSE	240,819	352,693	358,571
Other Priority Sector	264,279	263,248	308,026
Total NPAs in Priority Sector	30,846	41,287	56,201
Credit to Agriculture - NPAs	8,330	14,488	22,662
Credit to SSI/MSE - NPAs	11,537	14,383	17,830
Other Priority Sector- NPAs	10,979	12,417	15,709

Source: RBI, DBS.