

Parking funds by banks with RBI

221. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of Indian banks have made nearly ₹23,500 crore (\$3.1 billion) by parking their funds with the Reserve Bank of India (RBI) during the lockdown instead of lending money to the various needy sectors;

(b) if so, the details thereof indicating the reserves of Indian Banks held with RBI during the last three years; and

(c) the details of steps taken or proposed to be taken by Government to discourage the banks to park their reserves with RBI and start lending to the various core sector to boost the ailing economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) No, Sir. Domestic advances of Scheduled Commercial Banks have grown on a year-on-year basis at 5.8% in June 2020. After deploying funds by way of lending and investments, banks only deposit any surplus funds that they may have on a day-to-day basis with RBI, for managing their liquidity mismatches.

(b) Question does not arise. Further, with regard to holding of reserves of banks with RBI, it is pertinent that as per RBI Master Circular on Basel III Capital Regulations, dated 1.7.2015, reserves of a bank form part of Common Equity Tier 1 (CET1) capital and, as such, being long-term sources, they are deployed in long-term assets like long gestation infrastructure projects and not parked with RBI.

(c) Question does not arise.

Ease of living of people

222. SHRI VIJAY PAL SINGH TOMAR:

SHRI HARNATH SINGH YADAV:

LT. GEN. (DR.) D. P. VATS (RETD.):

SHRI P. BHATTACHARYA:

DR. AMEE YAJNIK:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government focuses on the ease of living of people of the country;