

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2176
ANSWERED ON:12.12.2008
LOAN SANCTIONED BY COMMERCIAL BANKS
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of FINANCE be pleased to state:

- (a) whether amount of loans sanctioned by the commercial banks in non-priority sectors are much higher than loan sanctioned in priority sectors;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c): As per Reserve Bank of India (RBI) guidelines on Priority Sector Lending (PSL), the Scheduled Commercial Banks(SCBs) are required to achieve 40% of their adjusted Net Bank Credit under Priority Sector. As on last reporting Friday of March 2008, the percentage of PSL of SCBs was 44.82, which is more than prescribed target for Priority Sector.