

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2181  
ANSWERED ON:12.12.2008  
LOANS TO RURAL AREAS BY FOREIGN BANKS  
Renge Patil Shri Tukaram Ganpatrao;Thummar Shri Virjibhai

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

- (a) whether the Government proposes to frame any rule for foreign banks to extend 30 percent of their total loans to the rural areas;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**Answer**

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

- (a): No, Sir. However, as per Reserve Bank of India guidelines on Priority Sector Lending, foreign banks are required to extend 32% of their Adjusted Net Bank Credit or equivalent amount of off-balance sheet exposure, whichever is higher to Priority Sector.
- (b) & (c): Do not arise.