

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:848
ANSWERED ON:12.11.2010
MONEY SUPPLY TO PRODUCTIVE SECTOR
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is ensuring money supply to productive sector in the Eleventh Five Year Plan;
- (b) if so, the details thereof; and
- (c) the steps being taken in this direction for the remaining period of the Eleventh Five Year Plan ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): Yes, Sir. One of the objectives of monetary policy in India has been ensuring adequate flow of credit to the productive sectors of the economy to support economic growth. The Reserve Bank, therefore, endeavours to provide liquidity to the system to ensure that credit demand of all the productive sectors is met.

In its Second Quarter Review of Monetary Policy, 2010-11 (released on November 2, 2010), the Reserve Bank has projected the M3 growth during 2010-11 at 17.0 per cent. The year-on-year growth of M3 growth since 2005-06 is given below:

Year	Year-on-Year (in per cent)
2005-06	21.2
2006-07	21.3
2007-08	21.4
2008-09	19.3
2009-10	16.8
2010-11 (October 22, 2010)	17.1