

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2829
ANSWERED ON:26.11.2010
BANKS' FINANCIAL POSITION
Kumar Shri Vishwa Mohan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has figured out in its report trends and progress of banking in 2009-10 that the Indian Banking Industry has come out from global recession but having poor financial conditions;
- (b) if so, the details thereof;
- (c) whether the Government has received complaints against some public sector banks for not providing loans to farmers on the prescribed terms and conditions;
- (d) if so, the details thereof; and
- (e) the corrective steps taken/being taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) & (b): The Report on Trend and Progress of Banking in India - 2009-10, published by Reserve Bank of India (RBI) made the following observations;

‘The year 2009-10 witnessed a relatively sluggish performance of the Indian banking sector with some emerging concerns with respect to asset quality and a slow deposit growth. In 2009-10, the growth in the consolidated balance sheet of Scheduled Commercial Banks (SCBs) showed signs of slowdown contributed by a decline in the growth of deposits and bank credit similar to the trend noted during 2008-09. The growth in bank credit decelerated on a year-on-year basis reflects the economic slowdown in the aftermath of the crisis. However, on an intra-year basis, bank credit showed signs of recovery after November 2009, as there was a pickup in growth momentum in the real economy (para 4.101)‘.

(c) to (e): Complaints against banks on various issues including those regarding not providing loans (including agricultural loans) are received by RBI from time to time. However, RBI does not maintain separate details in respect of complaints for not providing loans to farmers. The issues raised in all such complaints are generally taken up with the lending institutions through the concerned Regional Office of Reserve Bank of India for appropriate action/disposal.