

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4014
ANSWERED ON:03.12.2010
PRIORITY SECTOR LENDINGS
Pal Shri Jagdambika

Will the Minister of FINANCE be pleased to state:

- (a) the details of the sector included in the Priority Sector Lendings by the public and private sector banks;
- (b) the details of the Non-performing assets of the said banks created by priority sector lendings including lending to reality sector during the last three years and the current financial year, bank-wise and sector-wise; and
- (c) the steps taken/being taken by the Government to recover such NPAs?

Answer

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

(a): As per extant guidelines of Reserve Bank of India (RBI) on Priority Sector Lending (PSL), presently the broad categories of priority sector, for all scheduled commercial banks, including public and private sector banks, are as under:

(i) Agriculture (Direct and Indirect Finance)

(ii) Micro and Small Enterprises (Direct and Indirect Finance)

(iii) Micro Credit: Credit and other financial services and products of very small amounts not exceeding Rs. 50,000 per borrower, either directly or indirectly.

(iv) Education loans: granted to only individuals for educational purposes upto Rs. 10 lakh for studies in India and Rs. 20 lakh for studies abroad.

(v) Housing loans: Loans up to Rs. 20 lakh to individuals for purchase/construction of dwelling unit per family (excluding loans granted by banks to their own employees) and loans given for repairs to the damaged dwelling units of families upto Rs. 1 lakh in rural and semi-urban areas and up to Rs. 2 lakh in urban and metropolitan areas.

(b): As per information furnished by Reserve Bank of India (RBI), Bank-wise details of Non-Performing Assets (NPAs) under Priority Sector, including Housing Loans, for last three years and current year upto September,2010, are given in the Annexure.

(c) : The steps taken by the Government and RBI for recovery of loans, inter-alia include establishment of Debt Recovery Tribunals, guidelines on use of forum of Lok Adalat, filing of suits, compromise/one-time settlement, prudential guidelines on restructuring of advances, credit information companies, guidelines on purchase / sale of NPAs.