

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3142
ANSWERED ON:19.08.2011
PRIORITY SECTOR LENDING
Vyas Dr.(Kum.) Girija

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has reviewed banks` priority sector lending;
- (b) if so, the details thereof; and
- (c) the implementation status thereof?

Answer

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

(a) and (b): As per extant guidelines of Reserve Bank of India (RBI) on Priority Sector Lending, all domestic Scheduled Commercial Banks are required to earmark 40% of their Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off Balance sheet Exposure, whichever is higher for lending to Priority Sector.

The performance of banks in lending to priority sector is monitored by the RBI on an on-going basis. The same is also reviewed in quarterly meetings of District Level Consultative Committee (DLCC), District Level Review Committee (DLRC) and State Level Bankers` Committee (SLBC) set up under the Lead Bank Scheme at district/ state level. Further, Government reviews the performance of Public Sector Banks in periodic review meetings with the Chief Executives of the banks.

(c): As per information furnished by RBI the achievement under Priority Sector Lending, by public and private sector banks, as on last reporting Friday of March, 2009, 2010 and 2011 was as under:

Total outstanding credit under priority sector (Rs. in Crore)

As on last reporting Friday of March	Public Sector Banks	Private Sector Banks
2009	724150	187849
2010	864564	215552
2011	1022925	249139

Source: RBI