

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1023
ANSWERED ON:10.07.2009
INTEREST RATES ON CREDIT TO INDUSTRY
Siricilla Shri Rajaiah

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has held a meeting with Public Sector Banks (PSBs) to impress upon the need to further cut interest rates and increase availability of credit to industry;
- (b) if so, the details thereof and the outcome thereof;
- (c) whether the meeting also discussed infrastructure lending and capital adequacy over the medium term;and
- (d) if so, the details thereof?

Answer

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

(a) to (d): A meeting was held with the Chief Executive Officers (CEOs) of Public Sector Banks (PSBs) on 10th June, 2009 in which, inter alia, issues relating to interest rates, availability of credit to industry, infrastructure lending and capital adequacy were discussed. While appreciating the performance of PSBs in achieving the credit growth target, the Government emphasised the continuing need to maintain credit momentum during the current year, specially in the needy sectors of the economy at rates of interest that are reasonable. It was indicated that credit growth of the PSBs will not be hampered for want of capital.