

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:20
ANSWERED ON:08.08.2012
PRIORITY SECTOR LENDING QUESTION
Joshi Dr. Murli Manohar;Yadav Shri Dinesh Chandra

Will the Minister of FINANCE be pleased to state:

- (a) whether some more services have been identified for inclusion in priority sector for the purpose of grant of loan by the banks of the country;
- (b) if so, the details thereof along with targets fixed and achievements made by the banks in regard to the priority sector lending during the last three years and the current year;
- (c) whether the Government proposes to increase the percentage of loans to be provided to the priority sector from the present ceiling of earmarked percentage;
- (d) if so, the details thereof; and
- (e) the steps taken/ being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. f20 to be answered on 8th August, 2012 regarding Priority Sector Lending

(a) &(b): Yes, Sir. The Reserve Bank of India (RBI) has revised its guidelines on Priority Sector Lending (PSL) on 20.07.2012. The revised guidelines are available on the website of RBI at www.rbi.org.in. The details of important changes in the activities included in the revised Priority Sector Lending guidelines are given in Annexure-I

Statements showing details of Priority Sector Lending, as on the last reporting Fridays of March of the years 2009, 2010, 2011 and 2012 (provisional), for Public Sector Banks, Private Sector Banks and Foreign Banks are enclosed at Annexure-II, III and IV respectively.

(c) to (e): As per RBI's revised guidelines on PSL, the Foreign Banks having 20 or more branches have also been brought at par with domestic banks for PSL targets in a phased manner. This would help in increasing the credit flow to priority sector in the country. The PSL targets are monitored by the RBI and the Government on an ongoing basis. Banks have to deposit their shortfall in lending to overall Priority sector in the Rural Infrastructure Development Fund (RIDF).