

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:329

ANSWERED ON:23.11.2012

INTEREST RATE ON INDUSTRIES

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Will the Minister of FINANCE be pleased to state:

(a) whether there has been a decline in lending to industries by banks due to complicated process of advancement of loans, higher interest rate on loans and recession in the industrial sector;

(b) if so, the details thereof; and

(c) the corrective measures taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) to (c) As reported by Reserve Bank of India, credit flow to industries by banks in the last three years is consistently increasing. The details are as under: -

Credit flow to Industrial Sector

(Rs. in crore)

| FY 2009-10 | FY 2010-11 | FY 2011-12 |
|------------|------------|------------|
| 2,57,061 | 3,09,398 | 3,45,025 |