

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:247
ANSWERED ON:23.11.2012
BANK LOAN TO CAPITAL MARKET
Das Shri Ram Sundar;Karwariya Shri Kapil Muni

Will the Minister of FINANCE be pleased to state:

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- (a) whether the public and private sector banks are providing loan to the capital market in the country;
- (b) if so, the details thereof along with the rate of interest being charged by Union Banks on such loans bank-wise; and (C) the details of the guidelines if any formulated laid down by the Government in this regard?

Answer

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

(a) to (c): The details of total advances to Capital Market and total exposure to Capital Market of Public and Private Sector banks for the Financial Year 2010, 2011 and 2012 as provided by Reserve Bank of India (RBI) is as under :-

(Rs. in Crores)

Bank Group	March-10	March-11	March-12			
Total Capital Market	Of Which Capital Market	Total Capital Market	Of Which Capital Market	Total Capital Advances to Capital Market	Of Which Capital Advances to Capital Market	
Public Sector Banks	35727	6565	42459	8175	36760	9458
Private Sector Banks	23325	12182	41228	29311	37960	24938

Source: Latest updated OSMOS database (21.11.12)

The banks determine their actual lending rates on loans and advances with reference to the Base Rate. All categories of loans are priced only with reference to the Base Rate, which are announced by banks after seeking approval from their respective Boards. Since the Base Rate will be the minimum rate for all loans, banks are not permitted to resort to any lending below the Base Rate. Regulatory guidelines on lending are issued by the RBI.