

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:827
ANSWERED ON:27.02.2015
DECLINE IN DEMAND OF LOANS
Saraswati Shri Sumedhanand

Will the Minister of FINANCE be pleased to state:

- (a) whether demand for loans has declined during the recent past;
- (b) if so, the details thereof during the last three years and the current year;
- (c) whether the Government has fixed any target for the banks in this regard;
- (d) if so, the details thereof;
- (e) whether according to a report of Investment Information and Credit Rating Agency of India (CRAI), the Public Sector Banks (PSBs) need to raise Tier-I capital of around four lakh crore rupees to fulfil Basel-III criteria in 2015; and
- (f) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance (SHRI JAYANT SINHA)

(a) & (b): There has been a decline in growth rate of loans every year over previous March. However, there is no decline in outstanding loans. Details of outstanding loans and percentage growth over previous March during last three years and current year are as under:

Bank Group Name	Outstanding Loans as at end -Rs .crore				% Growth over previous March			
	Mar-12	Mar-13	Mar-14	Dec-14	Mar-12	Mar-13	Mar-14	Dec-14
Public Sector Banks	35,50,389	40,55,874	45,90,458	46,44,885	16.03	14.24	13.18	1.19
Private Sector Banks	8,81,216	10,46,665	12,11,731	13,57,972	20.23	18.78	15.77	12.07
Foreign Banks	2,34,732	2,68,612	2,99,586	3,24,517	17.77	14.43	11.53	8.32
All Banks	46,66,337	53,71,151	61,01,775	63,27,374	16.89	15.10	13.60	3.70

Source: Off-site returns, domestic operations

(c) & (d): Government has not fixed any target for bank loans. Public Sector Banks (PSBs) formulate their own board approved business plan.

(e) & (f): The Estimates of Investment Information and Credit Rating Agency of India Limited (ICRA) are for five period of Financial Year 2015 – 2019. At present PSBs are adequately capitalized to meet minimum common equity regulation norms for Financial Year 2015.