

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4575
ANSWERED ON:19.12.2014
BANK LOAN TO INDUSTRIES
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has noticed any decline in bank loans to industries in the recent past;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the steps taken by the Government to simplify the loan process in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a)to(c): As per data compiled by the Reserve Bank of India (RBI), the outstanding credit to industry is as under:

Rs. in lakh crore			
	March 2012	March 2013	March 2014
Credit to Industry	19.37	22.30	25.23
Growth rate over the corresponding period -	15.1	13.1	

Thus, there is no decline in bank credit to industry. However, the growth rate of credit has slowed down. The reasons for slowing down of rate of credit growth is not the process of loan sanction. The reasons for slowing down of rate of credit growth are both domestic as well as international factors which include global economic slowdown and decline in external demand, moderation in domestic demand, hardening of interest rates, inflationary pressure, rising input cost etc.