

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1347
ANSWERED ON:03.03.2000
PRIORITY SECTOR LENDING BY BANKS
CHANDRA NATH SINGH

Will the Minister of FINANCE be pleased to state:

- (a) the number of private sector banks that have failed in achieving the priority sector lending target during the last three years along with details thereof;
- (b) the reasons for not achieving the targets; and
- (c) the reaction of the government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a): The number of private sector banks which have failed to achieve the target of 40 per cent of Net Bank Credit for lending to priority sector during the last three years and also the details thereof is given in the Annexure.
- (b): As at March 1999, the private sector banks as a group had achieved the target for lending to priority sector. However in the case of some new banks in private sector, lack of adequate branch network is one of the reasons for not achieving the target for lending to priority sector.
- (c): Reserve Bank of India have advised all scheduled commercial banks to make every effort to achieve the stipulated target for lending to priority sector. Banks were advised in 1994 that failure to achieve the target could invite banks specific policy measures.