

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

UNSTARRED QUESTION NO. 3487

TO BE ANSWERED ON THE 16<sup>TH</sup> MARCH 2018/ PHALGUNA 25, 1939 (SAKA)

**Decline in Corporate Borrowing**

**3487. SHRI C.S. PUTTA RAJU:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the rising number of Non-Performing Assets (NPAs) and sluggish economic growth sparked about 60 per cent decline in corporate borrowing, since last few years in the country, if so, the details thereof and the reasons therefor;
- (b) whether the demonetisation has made banks flush with funds;
- (c) if so, the details of funds accumulated with the banks after demonetisation as on 31<sup>st</sup> December, 2017; and
- (d) the steps taken by the Government post demonetisation to increase the demand for corporate borrowing utilisation of the extra funds available with the banks?

**ANSWER**

The Minister of State in the Ministry of Finance  
(SHRISHIV PRATAPSHUKLA)

(a): As per the data of the Reserve Bank of India (RBI) from off-site returns on domestic operations of Scheduled Commercial Banks (SCBs), corporate lending increased from Rs. 31.12 lakh crore as on 31.3.2013, to Rs. 40.66 lakh crore as on 31.12.2017.

(b) and (c): As per RBI's Quarterly Statistics on Deposits and Credits of SCBs, the total deposits of SCBs increased from Rs. 100.97 lakh crore as on 30.9.2016 to Rs. 109.67 lakh crore as on 31.12.2017 (provisional data).

(d): To support growth of credit, Public Sector Banks announced a large cut in their Marginal Cost-of-funds based Lending Rates (MCLR), of up to 100 basis points, in their one-year MCLR, effective January 2017. Government also advised Public Sector Banks to raise the credit limit for small industries from 20% of turnover to 25%.

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