

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:5751  
ANSWERED ON:02.05.2003  
RBI FAIR PRACTICE CODE  
AMBATI BRAHMANAIAH

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether RBI had formulated a `Fair Practice Code` for all banks in the country with regard to scrutinising loan applications;
- (b) whether banks are supposed to divulge the reason For refusing a loan under the Fair Practice Code;
- (c) whether all banks have agreed to this proposal; and
- (d) if not, the reasons advanced by banks to avoid this proposal?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

- (a) to (d) Based on the recommendations of a Working Group constituted by the Government, RBI are in process of formulating a `Fair` Practice Code` for lenders.