

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1528  
ANSWERED ON:16.07.2004  
RAISING BANK S LENDING  
Singh Shri Dushyant

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India has raised the bank`s lending for single borrowers;
- (b) if so, the details thereof, and
- (c) the action taken by the banks thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)(b)&(c): Reserve Bank of India (RBI) has reported that in the light of the liberalized access of the borrowers to External Commercial Borrowings (ECBs) and their ability to raise resources through capital/debt market, RBI has recently reviewed the guidelines on credit exposure limits of banks.

RBI has now advised banks that they may, in exceptional circumstances, with the approval of their Boards, consider enhancement of the lending to a borrower up to a further 5 per cent of capital funds in addition to the earlier limit of 15 per cent (i.e. 20 per cent of capital funds for single borrower) subject to the borrower consenting to the banks making appropriate disclosures in their Annual Reports. In respect of exposure to infrastructure, banks could consider additional sanction up to 5 per cent over and above the limit of 20 per cent.