

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:277  
ANSWERED ON:20.11.2009  
POLICY FOR SANCTIONING AND RECOVERY OF LOANS  
Rajaram Shri Wakchaure Bhausahb

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

- (a) whether the Government has taken/proposes to take steps to review the policy of banks and financial institutions regarding sanction of loans and their recovery for the welfare of the poor deprived people, unemployed youth, labourers and farmers;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMONARAIN MEENA)

(a), (b) & (c): Loans to agricultural sector and Weaker Section are part of Priority Sector Lending of Banks. As per extant guidelines of Reserve Bank of India on Priority Sector Lending, Banks are required to dispose off loan applications for credit limit of Rs. 25,000/- within a fortnight and for those above Rs. 25,000/- within 8 to 9 weeks.

The repayment schedule is to be fixed taking into account the sustenance requirements, surplus generating capacity, the break-even point, the life of the assets etc.

Certain concessions in respect of repayment have also been built in for people affected by natural calamities.

The performance of the Banks under Priority Sector Lending is reviewed periodically at different fora like State Level Bankers' Committee (SLBC) and District Level Consultative Committee (DLCC).