

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1016
ANSWERED ON:30.07.2010
SHORT TERM FUND FOR LONG GESTATION INFRASTRUCTURE PROJECTS
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Will the Minister of FINANCE be pleased to state:

(a) whether any maturity mismatch has occurred due to the fact that banks, with predominantly short term funding are being used to fund long-gestation infrastructure projects; and

(b) if so, the details thereof and reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Based on the available data, it is not possible to determine the extent of maturity mismatch attributable to infrastructure project funding. However, data relating to maturity mismatch and infrastructure lending, as available with the Reserve Bank of India, is as follows:

(%) At end Upto 1 yr 1 to 3 yrs 3 to 5 yrs over 5 yrs

PSBs Mar-08 2.7 1.4 2.9 -1.3

Mar-09 9.9 -2.4 0.6 -0.9

Mar-10 -0.1 -5.8 -1.1 -1.4

Pvt Mar-08 -2.5 -3.8 0.6 0.7

Bank

Mar-09 6.0 -2.1 3.0 2.3

Mar-10 10.6 -0.7 5.5 2.5

Foreign Mar-08 0.9 -0.5 -0.3 -0.2

Banks

Mar-09 1.3 0.4 1.0 0.1

Mar-10 3.5 0.7 0.5 -0.4

All Mar-08 1.0 -0.3 1.0 -0.5

SCBs

Mar-09 4.2 -1.1 1.1 -0.1

Mar-10 2.9 -2.6 0.4 -0.5

Above Data on Cumulative Mismatch (Inflow - Outflow) is shown as percentage to Cumulative Outflows.