

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3826
ANSWERED ON:16.12.2011
BANK LOANS FOR VARIOUS PROJECTS
Gaikwad Shri Eknath Mahadeo

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has directed Public Sector Banks (PSBs) for expeditious clearance of loan applications for various projects by obtaining faster project clearances from the Government of the various States;
- (b) if so, the details thereof;
- (c) the response of the said banks in this regard; and
- (d) the steps taken/being taken by the Government to keep a check on bad loans during such speedy clearance of loan applications?

Answer

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

- (a) & (b): In order to expedite decision making on the loan application, guidelines have been issued on 02.09.2011 and 22.09.2011 to all public sector banks. A copy of the guidelines are at Annex I and II.
- (c): Banks have informed having noted the instructions of the Government for compliance.
- (d): RBI has issued well laid out prudential guidelines on sectoral exposure and assets classification. Banks also have their own credit policy and exposure norms. The loan applications are processed in the light of RBI guidelines and banks' internal policy guidelines.