

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:248  
ANSWERED ON:03.07.2009  
CREDIT IN INFRASTRUCTURE SECTOR  
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**Will the Minister of FINANCE be pleased to state:**

- (a) the details of guidelines issued by the Reserve Bank of India (RBI) to be followed by Public Sector Banks (PSBs) in regard to infrastructure lending;
- (b) whether some PSBs have decided to increase such lending;
- (c) if so, the details thereof, Bank-wise;
- (d) the details of the loans disbursed to various infrastructure sectors by banks and India Infrastructure Finance Company Ltd. (IIFCL) during the years 2007-08, 2008-09 and 2009-10 so far; and
- (e) the reasons for slow growth of demand for credit in infrastructure sector, if any and remedial measures being taken by the Government thereon?

**Answer**

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

(a): The details of the guidelines issued by the Reserve Bank of India (RBI) to Public Sector Banks (PSBs) relating to infrastructure lending are contained in the following circulars:

- > DBOD.No.BP.BC.67/21.04.048/2002-03 dated February 4, 2003.
- > DBOD.No.BP.BC.90/21.01.002/2003-04 dated June 11, 2004.
- > DBOD.No.BP.BC.52/21.04.048/2007-08 dated November 30, 2007.

A copy of each of these circulars is available in RBI website ([www.rbi.org.in](http://www.rbi.org.in)).

(b)and (c): As per information made available by RBI, bank credit to infrastructure indicates that growth in outstanding credit to infrastructure decelerated from 43.1% in 2007-08 to 31.6 % in 2008-09.

(d): Sector-wise details of the Credit to Infrastructure Sector by Banks and IIFCL during the years 2006-2007, 2007-08 and 2008-2009 are at Annexure I & II respectively.

(e): The growth in Infrastructure Credit has slowed down due to moderated demand for credit after October 2008 reflecting the slowdown of the economy in general and the industrial sector in particular. As a part of first stimulus package announced by the Govt. to revive demand, IIFCL was allowed to raise Rs. 10,000 crore by way of tax free bonds for refinancing bank lending of longer maturity to eligible infrastructure bid based PPP Projects of about Rs. 25000 crore. Further under the 2nd stimulus package announced by the Government, a provision has been made to enable IIFCL to raise an additional Rs. 30.000 crore by way of tax free bonds to refinance banks lending to infrastructure projects of about Rs. 75,000 crore.