

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2321
ANSWERED ON:07.12.2012
OVERDRAFT FACILITIES
Bishnoi Shri Kuldeep

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has issued or formulated any specific guidelines on overdraft facilities extended by banks to its customers;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the steps taken / proposed to be taken by the Government to form a uniform and transparent overdraft policy to be followed by the banks?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (d): Reserve Bank of India has informed that the banks are expected to have a credit strategy and loan policy which takes into account the organization's credit and risk appetite. The facilities offered by banks to the customers would depend on the customers' requirements, banks' credit and loan policy, and risk perception and is a business decision taken by the Bank.