

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2514
ANSWERED ON:07.12.2012
INFRASTRUCTURE LENDING
Kumar Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has revised/proposes to revise the definition of infrastructure lending;
- (b) if so, the details thereof;
- (c) whether the said revision is likely to help sectors and subsectors eligible for infrastructure lending by banks; and
- (d) if so, the details thereof?

Answer

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

- (a) Reserve Bank of India vide circular dated 20.11.2012 sent to all Scheduled Commercial Banks and select All India Financial Institutions has decided to harmonise the definition of `infrastructure lending for the purpose of financing of infrastructure by the banks and Financial Institutions with that of the Master List of Infrastructure sub-sectors` notified by the Government of India on March 27, 2012.
- (b) The revised definition of `infrastructure lending` is given in the Annexure.
- (c)& (d) Classification of a sub-sector of economy under the definition of `infrastructure` confers certain benefits by way of various regulatory concessions. In case of financing infrastructure, banks are allowed concessions such as taking additional credit exposure in case of single borrower / group, can issue guarantee favouring other lending institutions in respect of infrastructure projects, can issue long term bonds with minimum maturity of more than 5 years, can invest in unrated bonds of companies engaged in infrastructure activities, and are allowed asset classification benefits in case of infrastructure projects.