

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:225
ANSWERED ON:22.02.2013
PENDING LOAN APPLICATIONS
Rao Shri Nama Nageswara

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has asked public / private sector banks in the country to cut interest rates to make EMIs affordable and spur investment;
- (b) if so, the details thereof;
- (c) the details of applications pending with the banks for grant of various loans; and
- (d) the time by which all the pending applications for seeking loans are likely to be cleared?

Answer

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

(a) & (b): In August, 2012, the Government asked PSBs to reduce their cost of advances and Net Interest Margin by sectoral tweaking of interest rates for loans for consumer durables, especially in the case of EMIs. Pursuant to the decision, many PSBs have reduced their lending rates and announced promotional schemes to spur credit flow.

(c) & (d): Credit flow in banks is a continuous process. Every bank has Board approved policy for sanctioning of loans and also internal policy guidelines on processing of loan applications. The loan applications are processed in the light of these guidelines.