

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2358

ANSWERED ON:23.07.2004

CHANGES IN LENDING NORMS

Mane Smt. Nivedita;Singh Shri Kirti Vardhan;Verma Smt. Usha;Vijay Krishna Shri

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received request from Ministry of Power to make necessary changes in the lending norms fixed for financial institutions and banks;
- (b) if so, the action taken by the Government thereon ; and
- (c) the extent to which such a move is likely to attract investments in power sector ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

- (a) : The Ministry of Power had forwarded to the Banking Division the Recommendations of the Kohh Committee on financing of power sector during the Xth and XIth five year plans.
- (b) The Reserve Bank of India has been consulted on the recommendations concerning the lending norms.
- (c) Investments depend on a host of factors , of which lending norms are only one such factor. Therefore, the effect of lending norms on investments in power sector cannot be quantified.