

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 3710
ANSWERED ON MONDAY, MARCH 16, 2026/ PHALGUNA 25, 1947 (SAKA)

Project Finance and Loan Restructuring based on TEV Reports

3710. SHRI LAXMIKANT PAPPU NISHAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that State Bank of India (SBI), Punjab National Bank (PNB), Bank of Baroda (BOB) and Canara Bank have instances of project finance and loan restructuring, relied upon Techno-Economic Viability (TEV) reports prepared internally or through subsidiaries entities instead of independent third-party consultants, despite RBI Master Directions on Frauds and RBI Project Finance Directions, 2025 mandating arm's-length feasibility assessments;
- (b) if so, the details thereof;
- (c) whether preparation of TEV reports covering assumptions, Debt-Service Coverage Ratio (DSCR), Internal Rate of Return (IRR), break-even and sensitivity analysis—by lending bank creates a conflict of interest, as the same institutions subsequently appraise and sanction such loans, if so, the details thereof;
- (d) whether the Government has examined the role of such non-independent feasibility studies of stressed assets and NPAs in banks, if so, the details thereof;
- (e) whether TEV requirements were diluted in large for greenfield projects, if so, the details of accountability fixed, bank-wise; and
- (f) the corrective measures proposed to mandate independent feasibility assessments and ensure strict separation between evaluation and lending functions?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d) As informed by Reserve Bank of India (RBI), Reserve Bank of India (Project Finance) Directions, 2025 — now subsumed under the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 dated November 28, 2025 — prescribe undertaking of a techno-economic viability (TEV) study only in cases of a shift in the appointed date of infrastructure projects under the PPP mode where the aggregate exposure of all lenders is Rs.100 crore or more. The appointment of TEV consultants is undertaken in accordance with the Board-approved policies of the respective banks.

Further, as informed by major Public Sector Banks (PSBs), TEV evaluation and vetting are independent of the loan appraisal/processing team, and both functions operate separately with defined roles in line with the banks' internal credit governance framework.

This is in compliance with Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 dated November 28, 2025.

(e) TEV studies for any project including that for Greenfield projects are stipulated by the Banks in accordance with their Board-approved policies.

(f) As informed by major PSBs, independent feasibility assessments and separation between project evaluation and lending functions are already ensured through the existing framework.
