

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5818
ANSWERED ON:03.05.2002
INVESTMENT BY BANKS FOR DEVELOPMENT OF WASTELAND
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have convened a meeting of the RBI, nationalized banks, NABARD and other financial institutions to sensitise institutions and borrowers on the investment in wasteland development;
- (b) if so, the details thereof;
- (c) the details of points discussed in the meeting and decisions taken thereon;
- (d) whether the Government have offered to subsidise interest on loans given by banks for wasteland development; and
- (e) if So?, the details of such interest subsidy offered for this purpose?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b) & (c): Government have set up a Task Force for linkage with credit institutions for wastelands and watershed development in March 2002. The first meeting of the Task Force was held recently which was attended by Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), Indian Banks Association (IBA) and select State Governments. The Task Force reviewed the availability of institutional credit for various activities, need for additional funds to ensure sustainability of the projects, improving the mechanism for recovery of bank credit, etc. The Task Force is required to submit its report in 3 months time.

(d) & (e): Government have not taken any such decision to subsidise interest on loans given by banks for wastelands development.