

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:394

ANSWERED ON:25.02.2000

NABARD LOAN

AJAY SINGH CHAUTALA;CHANDRA VIJAY SINGH;SURESH KODIKUNNIL

**Will the Minister of FINANCE be pleased to state:**

(a) whether NABARD has started any subsidy scheme for construction and extension of cold storages and other developmental activities;

(B) if so, the details thereof;

(c) the amount of subsidy allocated to each State, particularly to Uttar Pradesh for the above purpose under this scheme during the last three years and the amount likely to be allocated in this regard to each State during 1999-2000;

(d) the amount utilized by each State along with the funds lying unutilized with State Governments; and

(e) the steps being taken to ensure the proper utilization of the funds by the State Governments?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR) :

(a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that a new scheme called 'Capital Investment Subsidy for Construction/Expansion/Modernisation of Cold Storages and Storages for Horticulture Produce' is being implemented by National Horticulture Board in the Ministry of Agriculture in collaboration with NABARD/ National Co-operative Development Corporation (NCDC) in the Ninth Five Year Plan period starting from 1999-2000 at a cost of Rs. 175 crore. Cooperatives, Companies, Corporations, Partnership and Proprietary firms, Agricultural Produce Marketing Committees/Boards, Agro Industries Corporations and Growers' Associations are eligible to avail loan/subsidy under the scheme. Commercial banks, Regional Rural Banks and the other cooperative credit institutions which are eligible to obtain refinance from NABARD are eligible for refinance under the scheme for giving loans to the borrowers. Under the Scheme, capital investment subsidy upto 25% of the project cost with a ceiling of Rs. 50 lakhs per project would be made available in States/Union Territories who do not administer/control rentals for cold storage. Projects in North-Eastern States would get higher Subsidy @ 33.3% of the project with a ceiling of Rs. 60 lakhs. NABARD would provide refinance @ 90% of the loan amount at the interest rate of 8.5 p.a. The repayment period would depend upon cash flow and will be upto 9 years including the grace period of 2 years.

(c) and (d) No State-wise allocation for subsidy has been made by Ministry of Agriculture. Since the scheme has become operational only from January, 2000, information for previous three years does not arise.

(e) National Horticulture Board (NHB) would monitor the progress of the scheme. Commissioning certificates obtained by the financing banks would be forwarded to NABARD for onward transmission to NHB. NABARD/ NHB would monitor the progress regarding construction, operation, etc. of the cold storages/storages from time to time by conducting field visits to the project site along with the representatives from financing banks, wherever necessary. The progress report of these projects shall be reviewed by the State Level Bankers Committee Meetings/District Level Bankers' Committee Meetings.