

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1316
ANSWERED ON:03.03.2000
NABARD LOAN
VSM (RETD.) COL. CHOUDHARY

Will the Minister of FINANCE be pleased to state:

- (a) the amount of loan sanctioned by National Bank for Agriculture and Rural Development for irrigation, water Supply, Roads and Soil Conservation during the last three years for Rajasthan, especially the most backward drought prone desert districts of Sarmer, Jaisalmer, Jodhpur and Jalore:
- (b) the terms and conditions of the loan sanctioned;
- (c) the total amount released out of sanctioned amount;
- (d) whether proper monitoring for utilization of the loan is being made; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) The amount of loan sanctioned to Rajasthan State by National Bank for Agriculture & Rural Development (NABARD) under Rural Infrastructure Development Fund (RIDF) to V for irrigation and roads is given as under:

(RS.in crores)

Schemes Amount Sanctioned

RIDF-I	(1995-96)	123.51
RIDF-II	(1996-97)	148.22
RIDF-III	(1997-98)	162.88
RIDF-IV	(1998-99)	152.95
RIDF-V	(1999-2000)	181.47
Total		769.03

NABARD has reported that no amount was sanctioned for water supply and soil conservation projects in the State.

The amount of loan sanctioned to most backward drought prone desert districts in Rajasthan viz. Barmer, Jaisalmer, Jodhpur, Jalore during the last three years for roads and irrigation purposes is as under:

(Rs.in lakhs)

District	RIDF-III	RIDF-IV	RIDF-V
Barmer	317.50	70.88	484.79
Jaisalmer	180.97	-	173.93
Jodhpur	-	76.23	467.26
Jalore	-	-	722.73

- (b) The terms and conditions of the loans sanctioned for the State under RIDF are given in the enclosed Statement.
- (c) The total amount released out of the sanctioned amount for the State, as reported by NABARD, is as under:

(Rs.in crores)

Schemes	Amount Disbursed
RIDF-III	95.66
RIDF-iV	14.24
RIDF-V	15.18

(d) and (e) Yes, Sir. NABARD actively monitors the progress of the implementation of RIDF projects sanctioned in the State through its Regional Offices. It has been reported that 283 monitoring studies have so far been undertaken in respect of projects sanctioned under different branches of RIDF to the State. The progress, prospects and problems of implementation are assessed and communicated to a High Power Committee under the Chairmanship of the Chief Secretary of the State which reviews the progress of implementation periodically and sorts out the problems.

Statement

Terms of conditions of Loans Sanctioned under Rural Infrastructure Development Fund.

1. The Finance Department of the State Government shall be designated by the State Governments as the nodal department.
2. Loans shall not exceed the borrowing power of the State Government under 293(1) of the Constitution of India.
3. NABARD shall disburse the loan amount normally on a quarterly basis on submission of a statement of expenditure incurred by the State Government in execution of the works.
4. No part of the administrative expenditure would be included by the State Government for reimbursement from NABARD.
5. The nodal department shall ensure that the funds drawn from NABARD are passed on immediately to the concerned authorities for execution of the projects.
6. The State Government shall utilize the loan amount solely and exclusively for the purpose for which it is sanctioned by NABARD.
7. All loans sanctioned under RIDF would be secured by an irrevocable letter of authority addressed to RBI.
8. The rate of interest to be paid by the State Government on the borrowings under RIDF-III & IV shall be at the rate of 12% per annum. The interest shall be paid on quarterly rests at the end of each quarter every year.
9. Each drawal of funds will be deemed as a separate loan for the purpose of repayment schedule.
10. Loans shall be repaid by the State Government to NABARD in accordance with the repayment scheduled prescribed by NABARD. It shall be repaid in equal annual instalments within seven years from the date of drawal, including a grace period of two years.
11. NABARD would accept advance repayment of loan or advance before due date subject to the condition that there is no default of the State Government to NABARD under any other loan.
12. The State Government shall make adequate provision in the budget as may be required for the smooth implementation of the sanctioned projects.
13. Administrative approval shall be accorded wherever required by the State Government for the revised cost in respect of the projects sanctioned so that funds can flow uninterruptedly.
14. In any instalment of repayment of the principal or payment of interest remains unpaid on the due date, NABARD may issue notice to the State Governments.