

negligently. Internal investigation has been completed and departmental action is being initiated by the bank in case of Chandni Chowk branch.

Bank Loans to Farmers by NABARD

3140. SHRI UTTAMSINGH PAWAR :
SHRI G. VENKATSWAMY :

Will the Minister of FINANCE be pleased to state :

(a) the criteria adopted for the sanction of loans to farmers under Special Loan Account being operated by the National Bank for Agriculture and Rural Development; and

(b) the number of farmers granted loans under this scheme in the country, State-wise, with special reference to Maharashtra and Andhra Pradesh?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) In order to enable the Command Area Development Authority (CADA)/Land Development Corporations (LDCs) to take up on-farm development works on the holdings in the command areas of farmers ineligible to get institutional loans, National Bank for Agriculture and Rural Development (NABARD) constitutes a Special Loan Account (SLA). Funds to the extent of the estimated expenditure in respect of such ineligible farmers are earmarked for the SLA are contributed to the extent of 37.5% each by the concerned State Governments and Central Government as special deposits and the balance 25% by NABARD out of its own resources.

The SLA is used to provide medium and long term loans by way of refinance assistance to financing institutions for providing loans to CADA/LDC to meet the expenditure on on-farm development work on the holdings of farmers ineligible to get loan from institutional sources. The present rate of interest on loans from SLA is 9% p.a. Further the concerned State Governments are required to give irrevocable guarantee to the financing banks as to the repayment of loans given by the bank to the CADA/LDC.

(b) The information is being collected and to the extent available will be laid on the Table of the House.

Interest Rates of NABARD

3141. SHRI SANAT MEHTA : Will the Minister of FINANCE be pleased to state :

(a) whether the NABARD has increased the rate of interest on the finance provided to State-level Co-operative Banks for short term loan after the Budget of 1996-97;

(b) the details thereof and the reasons therefor; and

(c) the estimated burden of such increase likely to fall of State Co-operative Banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). The rate of interest on short term (seasonal agricultural operations) (ST-SAO) credit limits to co-operative banks from National Bank for Agriculture and Rural Development (NABARD) used to range from 3% per annum to 6.5% per annum depending upon the percentage of State Cooperative Banks (SCBs) borrowings from NABARD to ST(SAO) loans outstanding against Primary Agricultural Credit Societies (PACs). These rates have been revised with effect from 1st July, 1996 as below :

Percentage of SCB's borrowing from NABARD (ST/SAO) loans outstanding against PACs	Rate of interest (% p.a.)
Less than 35	5.0
35 and above but less than 40	5.5
40 and above but less than 45	6.0
45 and above but less than 50	6.5
50 and above but less than 55	7.0
55 and above	7.5

However, the interest rate on refinance for limits under ST SAO-Development to Tribal Population) would be 5% p.a. irrespective of the level of borrowings. Similarly, ST (SAO) refinance in all cooperative banks in North-Eastern region will be at 5% p.a.

(c) The refinance support from NABARD forms only a part of the total resources of the cooperatives. Due to the increase in refinance rates as aforesaid there may be some increase in the cost of funds and therefore, in the viable lending rates.

However, the banks may not be adversely affected as the deregulation of interest rates that may be charged to ultimate borrowers by Cooperative credit institutions affords them opportunities to a recompense suitably.

Export of Livestock Products

3142. SHRIMATI VASUNDHARA RAJE : Will the Minister of COMMERCE be pleased to state :

(a) whether there is a vast scope to promote the export of livestock products;

(b) if so, the efforts made in this direction;

(c) the performance of export of livestock products during the Eighth Five Year Plan; and

(d) the projections made for the Ninth Plan?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Yes, Sir, some of the steps taken to promote exports for various livestock products include :

(i) Identification of new markets;

(ii) Inviting delegations from overseas to inspect and evaluate processing facilities;