

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5772
ANSWERED ON:11.05.2012
AGRICULTURE DEVELOPMENT BANK
Adsul Shri Anandrao Vithoba

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan to set up National Agricultural Development Bank on the lines of Small Industries Development Bank of India (SIDBI);
- (b) if so, the details thereof and the time by which it is likely to be set up;
- (c) if not, the reasons therefor;
- (d) whether there is no provision in NABARD for short-term financing; and
- (e) if so, the details thereof, alongwith the steps taken/proposed to be taken by the Government to make provision of short term loan in NABARD?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): National Bank for Agriculture and Rural Development (NABARD) was established on 12 July 1982 by an Act of the Parliament for providing and regulating credit and other facilities for the promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto.

(d)& (e): NABARD provides refinance assistance under Sec.21 (i) of NABARD Act, 1981 for Short Term Seasonal Agriculture Operations (ST SAO) purposes for a period not exceeding 8 months to Cooperatives, Regional Rural Banks (RRBs) and any other financial institutions approved by Reserve Bank of India. Further, in terms of Govt of India's instruction the Short Term refinance to Cooperative Banks, RRBs is being provided by NABARD at concessional rate of interest in order to enable them to provide crop loans upto Rs 3 lakh for a period of one year to farmers at 7% p.a.