

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:971  
ANSWERED ON:28.11.2014  
RURAL CREDIT FUND  
Teacher Smt. P.K.Sreemathi

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

(a) whether the Government proposes to set up long-term Rural Credit Fund for providing refinance support to Cooperative Banks and Regional Rural Banks (RRBs); and

(b) if so, the details thereof?

**Answer**

The Minister of State in the Ministry of Finance (Shri Jayant Sinha)

(a) & (b) : In pursuance of the Budget Announcement, 2014-15, a new Fund namely "Long Term Rural Credit Fund" has been set up in National Bank for Agriculture & Rural Development (NABARD) for providing refinance support to Cooperative Banks and Regional Rural Banks, with an initial corpus of Rs. 5,000 crore, contributed out of shortfall in achievement of Priority Sector Lending(PSL) targets by Scheduled Commercial Banks. The main objective of the Fund is to boost capital formation in agriculture and rural economy.