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Title: Need for restructure of National Bank for Agriculture and Rural Development (NABARD).

SHRI P.T. THOMAS (IDUKKI): I would like to draw the attention of the Government to the restructuring of the National Bank for Agriculture and Rural Development, NABARD, on the basis of recommendations of Boston Consultancy Group, BCG. If the on-going repositioning exercise continues in full swing, the NABARD will cease to exist as a Development Finance Institution, DFI, and will become a direct financing institution competing with other financial entities like commercial banks, cooperative banks and Regional Rural Banks. This will lead to dilution of its basic mandate and the purpose for which it was formed by an Act of Parliament, i.e. the NABARD Act, 1981.

I am also concerned that if NABARD enters into direct financing business, raising money from the open market it will increase the interest rates for loans for farmers.

This will bring further disaster for farmers and rural people who are already reeling under severe crisis. Based on BCG recommendations, NABARD Management has reportedly put on hold the recruitment process for clerical staff all over India. This will create immense frustration among the unemployed youths of the country.

In view of this, I would request the Government to consider these apprehensions in the restructuring exercise of NABARD. I am also requesting that without the knowledge of this hon. House, no such amendment or no such restructuring should be allowed.