

**Credit Requirements of farm
Sector**

743. SHRI SOBHANADREES-
WARA RAO VADDE:
PROF. RITA VERMA:
SHRIDHARMABHIKSHAM:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that the banks and insurance companies are not in a position to meet the agricultural credit requirements of farm sector fully;

(b) whether the Reserve Bank of India have undertaken any scheme with assistance of the National Bank for Agriculture and Rural Development and the Industrial Development Bank of India to meet the credit requirements; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Banks and financial institutions are not in a position to meet the total credit needs of the agricultural sector on account of various types of resource and managerial constraints. The institutional sources cater to a certain proportion of the credit needs of the agriculturists and the balance is being met from their own resources/borrowings from non-institutional sources.

(b) and (c). National Bank for Agriculture and Rural Development (NABARD) is the apex institution providing short-term/long agricultural credit. NABARD provides short-term credit limits to cooperatives and Regional Rural Banks for financing seasonal agricultural operations from out of the General Line of Credit (GLC) provided by the Reserve Bank of India. In view of the increased demand for

crop loans on account of good rainfall and increase in prices of fertilisers, NABARD sought enhanced limit of GLC from Reserve Bank of India (RBI). RBI accordingly sanctioned Rs. 400 crores in January, 1993 enhancing the GLC limit sanctioned in 1992-93 at Rs. 2700 crores to Rs. 3100 crores. The Reserve Bank of India have not undertaken any scheme for extension of credit to agriculture sector with the assistance of the Industrial Development Bank of India.

**Loan for Construction/Purchase of
Houses in Bhubaneswar**

744. SHRISUBASHCHANDRANAYAK:
Will the Minister of FINANCE be pleased to state:

(a) the details of the banks and other Government financial institutions in Bhubaneswar and other cities of Orissa which provide loan for construction/purchase of houses/flats;

(b) the terms and conditions laid down for granting such loan;

(c) whether the Government are aware that the existing procedure lead hardship to the genuine applicants; and

(d) if so, the steps proposed to be taken by the Government to simplify the procedure in this regard and also to reduce the rate of interest on the loan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b). The Commercial banks grant housing finance to individuals housing finance institutions and State Housing Boards in accordance with the guidelines of Reserve Bank of India (RBI) from time to time. Under the guidelines of RBI, the commercial banks accept the mortgagee of property or