

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4081  
ANSWERED ON:23.03.2003  
NABARD LOAN FOR TAMILNADU  
SUDARSANA E.M. NATCHIAPPAN

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

- (a) the amount of loan sanctioned by National Bank for Agriculture and Rural Development for Irrigation, Water Supply, Roads and Soil Conservation during the last three years for Tamil Nadu particularly in Sivaganga and Ramnad districts of Tamil Nadu;
- (b) the terms and conditions of the loan sanctioned;
- (c) the total amount released out of sanctioned amount;
- (d) whether proper monitoring for utilization of the loan is being made; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE ( SHRI BALASAHEB VIKHEPATIL )

(a) National Bank for Agriculture and Rural Development (NABARD) has reported that an aggregated amount of Rs.1138.57 crores has been sanctioned under the Rural Infrastructure Development Fund (RIDF) since inception in 1996-97 to the State of Tamil Nadu for undertaking rural roads, rural bridges and irrigation projects. Details of the amount of loan sanctioned under RIDF in Sivaganga and Ramnad (Ramanathapuram) districts are given in Annexure-I

(b) The terms and conditions of the loan sanctioned are given in Annexure-II (a) and II

(c) The total amount disbursed under various tranches of RIDF in respect of Tamil Nadu as a whole and Sivaganga and Ramnad districts as on 17 March 2001 are as under:

Amount (Rs. in Crore)	
Tamil Nadu (as a whole)	60246
Sivaganga District	54.80
Ramnad District	34.38

(d) & (e): NABARD has a mechanism for monitoring of projects sanctioned under RIDF. The mechanism consists of various tools like desk monitoring, field visits, review meetings, project completion reports and release of loans. In the meetings of the Project Sanctioning Committee, while sanctioning of new projects posed by the State Governments, progress of on-going projects are reviewed to know about the level of implementation.

Annexure-I

DETAILS OF THE AMOUNT OF LOAN SANCTIONED BY NATIONAL BANK FOR AGRICULTURAL & RURAL DEVELOPMENT (NABARD) UNDER RURAL INFRASTRUCTURE DEVELOPMENT FUND (RIDF) IN SIVAGANGA AND RAMNAD DISTRICTS, TAMIL NADU.

(Rs. Crore)		
Year, Tranche	Sivaganga District	Ramnad District

RIDF-II		
(1996-97)	14.86	8.58

RIDF-III  
(1997-98) 23.20 18.00

RIDF-IV  
(1998-99) 31.83 16.65

RIDF-V  
(1999-400.0) 12.67 9.14

RIDF-VI  
(2000-2001) 13.14 12.73

Total 95.70 65.10

#### Annexure-II (a)

#### TERMS AND CONDITIONS OF LOAN SANCTIONED UNDER RURAL INFRASTRUCTURE DEVELOPMENT FUND

##### Part-A Projects to be implemented by State Government Department

1.The activities presently prioritized include Medium and Minor Irrigation, Soil conservation/watershed management, flood protection/drainage, Rural roads/bridges, Rural market yards/godown/ integrated market yards, Integrated cold chains, Fish jetties, System improvement in power sector, Mini-hydel projects, Buildings for primary schools, Drinking water supply, buildings for primary health centres, etc.

2.The phasing period of completion is a maximum of three years i.e. upto 31 March 2003.

3.The loan would be restricted to the balance cost of the project subject to a ceiling of 90% of the latest estimated cost.

4.Priority would be given to ongoing projects. In case of new projects, only short duration Which could be completed within 3 years would be considered.

5.The rate of interest would be 11.5% per annum payable every quarter.

6.Each drawal would be treated as a separate loan and would be repayable in 7 years with 2 years grace period i. e. each drawal would be required to be repaid in five equal annual instalments commencing from 36th month.

7.Finance Department of the State Government would continue to be the nodal department for documentation, drawal of fund, etc.

8.NABARD would release the sanctioned amount on the reimbursement basis.

9.The loan under RIDF-VI would be released against the mandate to be executed by the State Government and registered with RBI authorizing the latter to debit the government's account and pass on the amount to NABARD in case of default in payment of interest and/or repayment of principal by the State Government.

##### Annexure II (b)

##### Part-B Projects to be implemented by Panchayati Raj Institutions (PRIs)/Self Help Groups (SHGs)/Non-Government Organisation (NGOs)

1.The nature of the projects in individual cases may vary from State to State and PRI to PRI but would include activities like Rural Link roads/Culverts/Small Bridges, Community Irrigation including Bandharas, Primary School Building including additions, Drinking Water Supply, Watershed Development Works, Drainage Works, Premises for Primary Health Services, Village haats, cold storages, godowns, seed farms, etc.

2.The phasing period of completion is a maximum of three years i.e. upto 31 March 2003.

3.The loan would be restricted to the balance cost of the project subject to a ceiling of 90% of the latest estimated cost.

4. Priority would be given to ongoing projects. In case of new projects, only short duration which could be completed within 3 years would be considered.
5. The rate of interest would be 11.5% per annum payable every quarter.
6. Each drawal would be treated as a separate loan and would be repayable in 7 years with 2 years grace period i.e. each drawal would be required to be repaid in five equal annual instalments commencing from 36th month.
7. Finance Department of the State Government would continue to be the nodal department for documentation, drawal of fund, etc.
8. Where the State Government borrows the fund on behalf of a PRI/SHG/NGO and the latter becomes only an executing agency, security would be the same as in Part-A. The borrower would be required to execute a time promissory note at the time of each release.
9. Selection of PRIs/SHGs/NGOs would be made on the basis of norms evolved by NABARD.
10. The loans would be generally be sanctioned by the Project Sanctioning Committee at the State/District level.
11. PRI/SHG/NGO concerned shall furnish to NABARD a quarterly statement of progress in the prescribed proforma within 10 days from the close of the quarter.
12. The progress will be reviewed PRI/SHG/NGO-wise at the State/Divisional/District level by a Committee headed by the Principal Secretary, Finance/Rural Development/Panchayat Raj Institution.