

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5896
ANSWERED ON:03.05.2002
DIRECT LENDING BY NABARD
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

- (a) whether NABARD is planning to enter the business of direct lending;
- (b) if so, whether NABARD proposes to specialize in lending money to exporters in the agriculture sector;
- (c) whether the Government have given its approval to NABARD to enter this new line of business;
- (d) if so, whether any conditions and restraints have been put on NABARD`s activities; and
- (e) if so, the details thereof and the time schedule by which NABARD expects to enter the field of direct lending to selected borrowers?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b): The National Bank for Agriculture and Rural Development (NABARD) Act, 1981 has been amended recently empowering it to sanction direct loans under exceptional circumstances to be recorded in writing by its Board of Directors. However, there is no proposal at present to specialize in lending to exporters in agriculture sector.

(c), (d) & (e): Do not arise.