

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2669
ANSWERED ON:08.08.2003
CREDIT LIMIT FOR TEA PLANTATION
T. GOVINDAN

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has issued any instructions to the banks to increase the credit limit and reduce the interest rate of loans sanctioned for tea plantation; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) Reserve Bank of India (RBI) has permitted banks, as a one time measure, to restructure the loans sanctioned to tea planters in accordance with the existing RBI guidelines in the matter. This was subject to the condition that in respect of re-schedulement of interest, the amount of sacrifice, if any, be either written off or provision made to the extent of sacrifice involved. The existing Term Loan extended to Small Tea Growers holding not more than 10 hectares, which were outstanding as on 30th June, 2002 and classified as Standard assets can be consolidated into a single Term Loan as a Special Tea Term Loan, 2002. As regard the interest rate reduction and increase in credit limit the same is left to banks to decide based on their commercial judgement and loan policy.