

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1786
ANSWERED ON:12.12.2003
RURAL CREDIT SYSTEM
KINJARAPU YERRANNAIDU

Will the Minister of FINANCE be pleased to state:

- (a) whether the National Bank of Agriculture and Rural Development has formulated recently a programme for strengthening rural credit system;
- (b) if so, the details thereof;
- (c) whether the NABARD has examined the report submitted by Vyas Committee on Rural Credit; and
- (d) if so, the steps taken by the Government to implement it?

Answer

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

- (a) and (b) Based on the recommendations of the Capoor Committee and Vikhe Patil Committee, National Bank for Agriculture and Rural Development (NABARD) has prepared a Scheme for the Revitalisation of Co-operative Credit Institutions in the country. The Scheme envisages revitalization assistance of about Rs.14.500 crores to be shared between the Central and State Governments in the ratio of 60:40. The scheme will be considered for financing only after adequate regulatory framework has been put in place for the co-operative banks.
- (c) and (d) NABARD has examined the report submitted by Vyas Committee on Rural Credit and has initiated action on the recommendations relating to its areas of concern such as financing asset-less poor, small farmers/tenants, dryland agriculture, agriculture sub-sectors, private capital formation in agriculture and rural non-farm activities, opening of District Divisional Manager Offices and implementation of the recommendations of the Capoor Committee Report.