

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:274
ANSWERED ON:25.02.2000
GUIDELINES FOR BANK LOAN
DINESH CHANDRA YADAV

Will the Minister of FINANCE be pleased to state:

(a) whether the nationalized banks in Bihar, particularly in rural areas of Saharsa, Madhepura and Supoul districts are violating the guidelines issued for providing the bank loans;

(c) the steps being taken by the Government to provide adequate bank loans to the people of above rural areas?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR) :

(a) No such instances have been brought to the notice of the Government/Reserve Bank of India.

(B) Does not arise in view of (a) above.

(c) RBI/NABRD have taken several measures to further strengthen the flow of credit to farmers in the rural areas. Some of these are :

(1) Introduction of cash credit facility for meeting composite credit requirement of farmers having a good track record;

(2) Introduction of the Kisan Credit Card Scheme for agricultural borrowers;

(3) Banks have been advised to open specialized agricultural branches to take care of financing of high-tech agricultural projects:

(4) RBI has introduced simplification of loan applications, delegation of powers to branch managers, introduction of composite cash credit limit to farmers, introduction of new loan products, cash disbursement of loans, discretion to banks on matters relating to margin/security requirements for loans above Rs. 10,000/- and dispensing with 'No Dues Certificates' as a compulsory requirement;

(5) Any shortfall in the target of lending to agriculture has to be contributed to Rural Infrastructure Development Fund (RIDF) which has been established with NABARD for assisting State Governments and State-owned Corporations in quick completion of on-going projects relating to rural infrastructure.