

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:973
ANSWERED ON:28.07.2000
LOAN RELIEF MOHAMMAD ANWARUL HAQUE
MOHAMMED SHAHABUDDIN

Will the Minister of FINANCE be pleased to state:

- (a) whether the standard deduction of 5 percent has been effected by the Government on all the claims of loan relief;
- (b) if so, whether 34 central banks of Bihar and Land Development Bank have suffered losses of Rs. 20.04 crore and 7.41 crore respectively;
- (c) if so, whether the Government or NABARD is responsible for compensation; and
- (d) if so, the time by which the compensation is likely to be provided?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) and (b) Yes, Sir.

(c) The final settlement of claims of Co-operative Banks in general and State Co-operative Bank (SCB)/ State Land Development Bank (SLDB) in Bihar in particular under Agricultural and Rural Debt Relief Scheme, 1990 was made by National Bank for Agriculture and Rural Development (NABARD) on the basis of the decision of Government to effect a standard deduction of 5% each from the final ARDR claims of the banks thereby disallowing the penal interest and compound interest components included in their claims. The operation of ARDR Scheme, 1990 has since been closed as on 31st March, 1995.

(d) Does not arise, in view of above.