

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3428

ANSWERED ON:20.08.2004

ASSISTANCE FROM NABARD

Barad Shri Jashubhai Dhanabhai;Darbar Shri Chhatar Singh;Rawat Shri Bachi Singh;Shakya Shri Raghuraj Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) the number of projects such as irrigation projects, construction of small irrigation tanks/ construction of roads and bridges, etc. received from different States seeking financial assistance from National Bank for Agriculture and Rural Development (NABARD) during the last three years, State-wise, project-wise and year-wise;
- (b) the total amount released by NABARD, State-wise;
- (c) the interest charged from each State;
- (d) whether the State Governments have requested for reduction/waiver of interest rate; and
- (e) the response of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM )

- (a): The State-wise details of the number of projects sanctioned during the last three years for irrigation projects, construction of small irrigation tanks, construction of roads and bridges under Rural Infrastructure Development Fund (RIDF) are given in Annexure-IA, IB and IC.
- (b): The State-wise details of amount released under RIDF are given in Annexure-II.
- (c): The rate of interest on loans-to State Governments under various tranches of RIDF is indicated below:

Tranche      Rate of Interest (%)

RIDF-I	13
RIDF-II	12
RIDF-III	12
RIDF-IV	7
RIDF-V	7
RIDF-VI	7
RIDF-VII	7
RIDF-VIII	6.5
RIDF-IX	6.5

(d) & (e): The rates of interest under RIDF are decided by Reserve Bank of India (RBI). In response to the requests of various state Governments for reduction of interest rate under RIDF, RBI had reduced the interest rate on loans under RIDF from 12.0% (RIDF-IV & V), 11.5 (RIDF-VI) and 11.0% (RIDF-VII) to a uniform rate of 7.0% with effect from 1<sup>st</sup> November, 2003. The interest rate/lending rate under RIDF-VIII onwards is linked to bank rate i.e. 0.5% above bank rate. Thus, the present lending rate under RIDF-VIII onwards is 6.5%, the prevailing bank rate being 6%.