

INVESTMENT IN DEBENTURES OF STATE LAND DEVELOPMENT BANKS

The Scheme for "Investment in the Debentures of State Land Development Banks" is a continuing plan scheme and has been in existence since 1966-67. The SLDBs/SCARDBs raise resources for long term lending to cultivators by floating debentures which are trustee securities, as authorized by the National Bank for Agriculture and Rural Development (NABARD) from time to time. Of the two types of debentures i.e. Ordinary Debentures and Special Development Debentures which are floated by SLDBs/SCARDBs.

2. Special Development Debentures which are floated by SLDBs/SCARDBs for minor irrigation, horticulture/plantation, farm mechanization etc. and they are contributed to by NABARD, Central and State Governments. NABARD makes contribution up to 95% for Minor Irrigation (Schematic as well as Automatic Refinance Facility (Farm Sector) (excluding Minor Irrigation Units financed under Integrated Rural Development Programme) and 90% for diversified purposes (schematic as well as Automatic Refinance Facility) and farm mechanization. The balance of 5% and 10% respectively is provided by the Central and State Governments.

3. Contribution to Ordinary Debentures floated for land improvement, construction of compound walls, cattle sheds, farmhouses etc. is made by Life Insurance Corporation of India (LIC), State Bank of India (SBI) Group, other commercial Banks, State Governments and Government of India. Government of India contributes to the extent of 10% of the floatation.

4. The share of Government of India ranges from 2.5% to 5% in the case of Special Debentures while it is 10% for Ordinary Debentures. On an average the share of Government of India works out to about 4% to 5% of the total floatation.

5. During the Tenth Five Year Plan, Rs. 368.49 crore was invested against the budget provision of Rs. 499.96 crore under the scheme. Year-wise budget provision and expenditure during the Eleventh Plan are as under:

Year	Budget Estimates	Revised Estimates	Actual Expenditure
2007-08	58.00	45.00	58.00
2008-09	58.00	58.00	58.00
2009-10	58.00	-	22.00 (as on 30.11.2009)