

## *Press Releases*

### Committee on Financial Sector Assessment

**July 16, 2007**

In continuation of the Press Release 2006-2007/ 940 dated January 11, 2007 regarding constitution of the Committee on Financial Sector Assessment, it has been decided to appoint Dr. D.Subbarao, Finance Secretary, Government of India as the Co-chairman of the Committee on retirement of Shri Ashok Jha, the earlier Finance Secretary and Co-chairman of the Committee. Accordingly, the composition of the reconstituted Committee on Financial Sector Assessment is as follows:

Dr. Rakesh Mohan Deputy Governor Reserve Bank of India	Chairman
Dr.D.Subbarao Finance Secretary Government of India	Co-chairman
Shri Vinod Rai Secretary (Financial Sector) Government of India	Member
Dr. Arvind Virmani Chief Economic Adviser Government of India	Member
Shri Madhusudan Prasad Joint Secretary (Fund Bank) Government of India	Member

### Working Group to suggest Measures to Assist Distressed Farmers

**July 24, 2007**

Notwithstanding the policy initiatives taken by the Central Government, RBI and

NABARD to facilitate hassle-free flow of credit from the institutional financial sector to the agricultural/rural sector, the Indian agriculture has been facing difficult times and the Indian farmers have been experiencing extreme distress. The spate of suicides by farmers in different parts of the country is a palpable manifestation of this unfortunate state of affairs. In order to address this issue, the Reserve Bank had announced in Paragraph 152 of the Annual Policy Statement 2006-07, that a Working Group would be constituted to suggest measures for assisting distressed farmers, including provision of financial counselling services and introduction of a specific Credit Guarantee Scheme under the Deposit Insurance and Credit Guarantee Corporation Act for such farmers. Accordingly, Reserve Bank constituted a Working Group under the Chairmanship of Shri S.S. Johl, Vice Chairman, Punjab State Planning Board, Chandigarh.

The Group utilised data available from various sources in conjunction with meetings, interface with bankers, other special invitees, focused group discussions and field visits to a few districts of Orissa, West Bengal, Kerala, Andhra Pradesh and Punjab to study the problems faced by the farmers. To begin with, the Group has come up with a definition of "distress" and based on systemic or idiosyncratic nature of distress confronting the farmers, the Group has made wide-ranging recommendations/

measures, which need to be taken by the Central & State Governments, insurance companies, banks and the Reserve Bank. The various recommendations cover both the credit related issues and issues beyond credit. The Group has also suggested a Credit Guarantee Scheme for farmers in distress to be administered by Deposit Insurance Credit Guarantee Corporation.

### Report of the Task Force on Empowering RRB Boards for Operational Efficiency

**July 27, 2007**

In order to strengthen Regional Rural Banks (RRBs) and make them viable rural financing institutions, various measures have been taken from time to time. With a view to increasing the operational efficiency of RRBs, the Reserve Bank set up a Task Force in September 2006 under the chairmanship of Dr K.G.Karmakar, Managing Director, NABARD to deliberate on areas where more autonomy could be given to the Boards of RRBs and suggest measures for empowering the Boards of RRBs for operational efficiency, particularly in matters relating to investment, business development and manpower requirement, etc.

The Task Force submitted its report to the Reserve Bank and its recommendations are under examination/ implementation.