

[Translation]

Regional Rural Banks in Uttar Pradesh

7859. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the number of districts in Uttar Pradesh where Regional Rural Banks have been opened ;

(b) whether some districts in the state still do not have Regional Rural Banks ; and

(c) if so, the names of those districts and the time by which Regional Rural Banks will be opened there ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Regional Rural Banks have been opened in 52 districts of Uttar Pradesh. The districts which do not have such banks are Bulandshahr, Ghaziabad, Saharanpur, Meerut and Mathura.

Identification of locations for establishment of new Regional Rural Banks is a continuous process and such locations are decided keeping in view insufficient coverage of area by commercial banks branches ; credit gap in meeting credit needs of small/marginal farmers and other weaker sections ; and the state of cooperative credit structure in the area. Based on the above criteria the National Bank for Agriculture and Rural Development has recently recommended to Government setting up of a RRB for districts Bulandshahr and Ghaziabad. The proposal is under scrutiny. As regards districts Saharanpur, Meerut and Mathura there is, at present, no proposal to set up Regional Rural Banks in these districts.

**Distribution of Loans to farmers
by Commercial Banks**

7860. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the amount of loans distributed to farmers in various States including Uttar

Pradesh during 1985-86 by the commercial banks ;

(b) whether it is a fact that the percentage of loans distributed differs from State to State ; and

(c) if so, the steps being taken by his Ministry to remove this disparity ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). As at the end of December, 1985 outstanding direct agricultural advances by Public Sector Banks in various states, including Uttar Pradesh amounted to Rs. 7360.38 crores and formed 15.3% of the net bank credit. The direct agricultural advances in the State of Uttar Pradesh as on the last Friday of June, 1985 constituted Rs. 680.14 crores and represented 11% of the total outstandings direct agricultural advances of all Public Sector Banks in the country.

The percentage of agricultural advances to total advances in various States is different on account of various factors such as dissimilarities in the area and size of population, differences in agricultural potential among different states arising from differences in geographical and agroclimatic conditions, the inadequacy of infrastructural and institutional arrangements, etc. In order to minimise the regional imbalances in the flow of agricultural credit Reserve Bank of India has advised the bank that in the states where the co-operative credit structure is weak, special efforts should be made to increase the involvement of banks in extending crop loans to farmers in increasing agricultural production. Further in the Seventh Five Year Plan special rice production programme is proposed to be launched to increase rice production in the Eastern States and Assam and emphasis will be on removing basis infrastructural constrain both physical and institutional through the development of irrigation, drainage, improvement in land tenure and development of credit and marketing facilities. Reserve Bank of India has also set up a High Powered Committee to monitor the flow of credit to rural areas. These steps are expected to reduce regional imbalances in the flow of agricultural credit.