

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5140
ANSWERED ON:20.04.2001
LOANS TO AGRICULTURE SECTOR
BHUPENDRASINH PRABHATSINH SOLANKI

Will the Minister of FINANCE be pleased to state:

- (a) the State-wise, loan provided by each public sector bank for agriculture sector during the last three years;
- (b) whether 18 percent of the loan operation of the public banks are earmarked for agricultural sector as per the RBI guidelines;
- (c) if so, whether it is being strictly followed by all the banks; and
- (d) if not, the positive action taken by either RBI or Government against defaulting banks?

Answer

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

- (a) The State-wise details of total loans provided by public sector banks for agriculture sector during the last three years as on March 1997, March 1998 and March 1999, as reported by Reserve Bank of India (RBI), are given in the enclosed Statement.
- (b) and (c) As per the standing guidelines issued by RBI to all scheduled commercial banks in India, they are required to lend 18 per cent of their net bank credit to the agricultural sector. RBI has reported that as on the last reporting Friday of March 2000, five out of twenty seven public sector banks have achieved this target.
- (d) Scheduled commercial banks with shortfall in achievement of priority sector lending targets or sub-sectoral targets under priority sector have to contribute to the Rural Infrastructure Development Fund (RIDF) which was set up in 1995-96 with National Bank for Agriculture and Rural Development (NABARD). Banks contribute to its various tranches in proportion to their shortfall. RBI also takes up the issue of non-achievement of targets with the concerned banks and advises them to make concerted efforts to achieve their targets.