

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:804
ANSWERED ON:12.11.2010
LOANS TO FARMERS
Saroj Smt. Sushila;Upadhyay Seema

Will the Minister of FINANCE be pleased to state:

- (a) the details of the loan provided to the farmers for agricultural activities by various financial institutions during the last three years;
- (b) whether the loan earmarked for farmers has been provided at large scale to people belonging to various big industrial houses of Delhi;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the remedial measures taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a): Details of the target fixed during the last three years and achievement there against agency-wise in respect of agricultural credit is as under:-

Name of Agency	2007-08 Target	2008-09 Achvt.	2009-10 Target	2009-10 Achvt.
Commercial Banks	1,50,000 (121%)	1,81,088 (117%)	1,95,000 (110%)	2,28,950 250000 2,74,963
Cooperative Banks	52,000 (93%)	48,258 (84%)	55,000 (128%)	45,966 45000 57,500
RRBs	23,000 (110%)	25,312 (89%)	30,000 (115%)	26,765 30000 34,456
Total	2,25,000 (113%)	2,54,658 (107%)	2,80,000 (113%)	3,01,682 325000 3,66,919

(b) to (d): As per Reserve Bank of India's extant guidelines on lending to the priority sector, a target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent (CE) amount of Off-Balance Sheet Exposures (OBE), whichever is higher, has been mandated for lending to the priority sector by domestic scheduled commercial banks, both in the public and private sector. Further, domestic scheduled commercial banks are required to achieve a target of 18 per cent of their ANBC or CE of OBE, whichever is higher, under advances to agriculture sector, out of which, indirect lending in excess of 4.5% of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, will not be reckoned for computing performance under 18 per cent target. The RBI definition of indirect finance to agriculture and allied activities inter alia includes: finance to others (such as corporate, partnership firms and institutions) for Agriculture and allied Activities(dairy, fishery, piggery, poultry, bee-keeping, etc.), loans to food and agro-based processing units with investments in plant and machinery up to Rs.10 crore, undertaken by those other than loans granted for pre-harvest and post-harvest activities such as spraying, weeding, harvesting, grading, sorting, processing and transporting undertaken by individuals, SHGs and cooperatives in rural areas, credit for purchase and distribution of fertilizers, pesticides, seeds, etc, loans up to Rs.40 lakh granted for purchase and distribution of inputs for the allied activities such as cattle feed, poultry feed, etc, finance for hire-purchase schemes for distribution of agricultural machinery and implements.