

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:709
ANSWERED ON:12.11.2010
CREDIT TO WEAKER SECTIONS AND AGRICULTURE SECTOR
Bajwa Shri Partap Singh

Will the Minister of FINANCE be pleased to state:

- (a) the details of the main recommendations made by Dr. Raghuram Rajan Committee;
- (b) the percentage of credit being set aside for giving as loans to weaker sections and the agriculture sector;
- (c) whether the Banks have achieved the targets; and
- (d) if so, the details thereof, State-wise and bank-wise and if not, the reasons therefor?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRI NAMONARAIN MEENA)

(a): The recommendations of Dr. Raghuram Rajan Committee mainly relate to Macroeconomic frame work, broadening access to finance, developing the playing field, creating more efficient and liquid markets, creating a growth friendly regulatory environment, creating a robust infrastructure for credit etc. The detailed recommendations are available on the web-site of Planning Commission of India at <http://planningcommission.gov.in/reports/genrep/reportfr.htm>

(b): As per extant guidelines of RBI on Priority Sector lending, all domestic Scheduled Commercial Banks are required to earmark 18% of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off Balance Sheet Exposure (OBE), whichever is higher, for lending to Agriculture. Further, 10% of ANBC or OBE, whichever is higher, is earmarked for lending to Weaker Sections.

(c) & (d): The bank-wise details of total advances outstanding to Agriculture Sector and Weaker Sections of the Priority Sector Lending as on last reporting Friday of March, 2010, alongwith achievement as percent of ANBC or credit equivalent amount of OBE, whichever is higher, are at Annexure (source: RBI). The targets in this connection are specified for banks only. There are multifarious reasons as to why some banks have not achieved the targets set for them.