

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:356  
ANSWERED ON:26.08.2011  
ADVANCES TO AGRICULTURE SECTOR  
Mirdha Dr. Jyoti;Reddy Shri K. Jayasurya Prakash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the scheduled commercial banks are required to set aside 18 per cent of their total advances for Agriculture Sector;
- (b) if so, the details of the advances made during the last three years and the current year thereof, State-wise and bank-wise; and
- (c) the action taken/being taken against the banks which failed to achieve the said target?

**Answer**

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (c): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. 356 to be answered on 26th August, 2011 regarding Advances to Agriculture Sector, tabled by Shri K.J.S.P. Reddy and Dr. Jyoti NMirdha.

(a) to (c): In terms of Reserve Bank's extant guidelines on lending to priority sector, a target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, has been mandated for lending to the priority sector by domestic scheduled commercial banks, both in the public and private sector. Within this, a sub-target of 18 per cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, as on March 31 of the previous year, has been mandated for lending to agriculture sector. The bank-wise details of the targets achieved by public sector and private sector banks during the last three years are given in Annex. State-wise details are not available with Reserve Bank of India.

The domestic scheduled commercial banks, both in the public and private sector, which fail to achieve the priority sector targets/ sub-targets, are required to deposit the shortfall to the extent of corpus of funds announced by the GoI into Rural Infrastructure Development Fund (RIDF) set up with the National Bank for Agriculture and Rural Development (NABARD) and other funds set up with the Small Industries Development Bank of India (SIDBI) and National Housing Bank (NHB).