

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:168  
ANSWERED ON:12.12.2003  
BANK LOANS FOR AGRICULTURAL SECTOR  
RATTAN LAL KATARIA

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

- (a) Whether RBI has prescribed the target of 18 per cent lending for banks to the agricultural sector;
- (b) if so, whether this prescribed target has been achieved by the public sector as well as private sector banks;
- (c) if not, the main reasons for not fulfilling the prescribed target by the RBI;
- (d) the loan provided by public sector bank to agricultural sector during the last three years; and
- (e) the steps taken by the Government to ensure that all banks implement the directions of RBI?

**Answer**

MINISTER OF FINANCE (SHRI JASWANT SINGH)

(a) to (e) : A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b),(c), (d) & (e) OF LOK SABHA STARRED QUESTION 168 FOR 12TH DECEMBER, 2003 REGARDING BANK LOANS FOR AGRICULTURAL SECTOR.

(a) and (b): Against a target of 18 per cent of Net Bank Credit (NBC) stipulated by Reserve Bank of India (RBI) for domestic public and private sector banks the lending to agriculture constituted 15.3 per cent and 10.8 per cent of their NBC respectively, as on the last reporting Friday of March, 2003.

(c): The reasons for shortfall have been, inter-alia:

- (i) Faster rate of growth of bank credit to other sectors;
- (ii) Low capital formation in agriculture resulting in poor credit absorption capacity;
- (iii) Drought in many States;
- (iv) Crash in prices of agricultural commodities such as coffee, rubber, etc., adversely affecting credit off-take;
- (v) Write-off on non-performing assets in agricultural sector; and
- (vi) Lack of infrastructure affecting rural credit delivery.

(d): Agricultural advances of each public sector banks for the last three years are shown in Annexure.

(e): Important measures initiated by Government include, inter-alia:

- (i) Advice to Public Sector Banks to prepare Special Agriculture Plans (SACP) for augmenting credit flow to agriculture;
- (ii) Coverage of all eligible farmers by March 31, 2004 under the Kisan Credit Card Scheme;

(iii) Refinance to Banks at concessional rate of interest to enable them to increase credit flow to agriculture;

(iv) Reduction in rate of interest to 9 per cent for crop loans upto Rs.50,000/- by Public Sector Banks; and

(v) Lower rates of interest to banks on contribution to Rural Infrastructure Development Fund (RIDF) as a penalty for shortfalls in agriculture credit.

## ANNEXURE

### Agriculture Advances of Public Sector Banks

(Amount Rs. in crores)

Sl.No. Name of the Bank As on the last reporting Friday of March

2001 2002 2003

1	Allahabad Bank	1593.98	1928.00	2137.66
2	Andhra Bank	1048.89	1389.07	1628.19
3	Bank of Baroda	3032.81	3561.09	4069.33
4	Bank of India	3030.09	3530.59	4171.72
5	Bank of Maharashtra	818.26	1026.62	1287.41
6	Canara Bank	3510.76	3888.00	5408.00
7	Central Bank of India	2544.91	30566.84	3797.26
8	Corporation Bank	719.27	937.77	924.69
9	Dena Bank	1158.99	1165.56	1475.21
10	Indian Bank	1453.62	1526.69	1850.30
11	Indian Overseas Bank	1609.00	1966.06	2367.44
12	Oriental Bank of Commerce	1669.88	1972.62	2232.34
13	Punjab National Bank	3849.64	5127.70	7059.52
14	Punjab and Sind Bank	849.99	943.15	1137.12
15	Syndicate Bank	1750.00	1945.00	2175.55
16	Union Bank of India	2050.87	2887.46	3688.10
17	United Bank of India	765.00	1030.00	1126.00
18	UCO Bank	959.00	1549.00	2042.00
19	Vijaya Bank	751.45	859.17	1147.03
20	State Bank of India	14982.31	16202.92	15870.76
21	State Bank of Bikaner & Jaipur	818.76	941.67	1181.07
22	State Bank of Hyderabad	1214.30	1408.39	1521.40
23	State Bank of Indore	609.19	768.45	952.49
24	State Bank of Mysore	571.69	641.08	782.91
25	State Bank of Patiala	1136.00	1380.00	1785.00
26	State Bank of Saurashtra	614.08	802.18	850.46
27	State Bank of Travancore	572.62	647.91	838.10

All Public Sector Banks 53,685.36 63,082.99 73,507.06