

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:860
ANSWERED ON:22.11.2002
RURAL BRANCHES OF SBI
AMBATI BRAHMANAIAH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether State Bank of India has reduced its rural credit to small farmers and artisans in Andhra Pradesh in 2002-2003;
- (b) if so, the reasons therefor;
- (c) whether State Bank of India is also applying to close down some of its rural branches;
- (d) if so, the reasons therefor;
- (e) whether any monitoring is being done in this regard;
- (f) if so, the findings of the Government on the functioning of State Bank of India and its rural credit disbursements; and
- (g) the steps taken to ensure that State Bank of India does not reduce its rural credit to small farmers and artisans in order to protect their interests?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) State Bank of India (SBI) has reported that its branches in Andhra Pradesh have increased their budget from Rs. 250 crores (2001-02) to Rs. 300 crores (2002-03) in their Annual Action Plan. The credit flow from its branches in the State to agriculture in general and small and marginal farmers and artisans in particular has increased, as per data indicated below:

(Rs. Crores)

Year	Direct Agricultural	Advances	Out of which small & marginal farmers			
2001-02 (Sep.01)	362637	422.64	155589	153.89		
2001-02 (Mar.02)	521118	838.38	275616	388.40		
2002-03 (Sep.02)	263111	454.73	163991	159.53		

(c) and (d) SBI has a total of 9040 branches out of which 4058 are in the rural areas. The bank has plans to continue with its strong presence in rural areas and has no plans to close them. However, 2 rural branches have been considered for merger in recent years. One of the branch had to be merged due to declaration by the State Government that it falls under forest area of pench tiger project. The other branch had to be merged due to poor business prospects.

(e) and (f) The performance of the branches of SBI is being monitored by the Circle Management Committee on a monthly basis. The performance of the bank in Andhra Pradesh is ranked 1st in the periodical reviews done by State Level Bankers Committee.

(g) SBI has been a pioneer in vital segments like agriculture, small scale industries and small business and is actively involved in the poverty alleviation and income generation programmes launched by Union Government and State Governments. The bank has planned to increase its agricultural advances by Rs. 2275 crores and has set a target of issuing 8.0 lac Kisan Credit Cards during the year. A target of financing 27550 Self-Help groups (SHGs) have also been set for 2002-2003. Further, SBI has also devised the following farmer-friendly schemes/products recently:

- i. Kisan gold Card Scheme;
- ii. Land Purpose Scheme for Small and Marginal Farmers;

iii. Scheme for Financing Purchase of Combine Harvesters;

iv. Hassle-free Small Business Card Scheme.