

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6120
ANSWERED ON:05.05.2000
NON AVAILABILITY OF LOAN
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Will the Minister of FINANCE be pleased to state:

- (a) whether the percentage of loan earmarked for agricultural sector was not provided during the last few years;
- (b) if so, the percentage of loans earmarked for Agricultural Sector but diverted to other sectors during 1997-98, 1998-99 and 1999-2000, separately;
- (c) the percentage of loans fixed to be provided to this sector during this year; and
- (d) the reasons for which the loan was not made available to the agricultural sector as per the percentage fixed therefore?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) A target of 18 percent of Net Bank Credit has been stipulated for lending to agriculture under the priority sector by the domestic scheduled commercial banks; Performance of public sector banks in lending to agriculture as on the last reporting Friday of March 1997, 1998 and 1999 and September 1999 is furnished below:

(Data Provisional)

(Rs.in crores)

Year	Advances Outstanding to agriculture	Achievement as % of NBC (Target 18%)	Shortfall as % of NBC
March, 1997	31012.11	16.35	1.65
March, 1998	34304.50	15.72	2.28
March, 1999	40077.64	16.28	1.72
Sept., 1999	40660.00	16.16	1.84

Performance of private sector banks in lending to agriculture as on last reporting Friday of March 1997, 1998 and 1999 is furnished below: (Data provisional)

(Rs.in crores)

Year	Advances Outstanding to agriculture (Target 18%)	Achievement as % of NBC	Shortfall as % of NBC
March 1997	1953	9.1	8.9
March 1998	2746	9.7	8.3
March 1999	3286	9.5	8.5

This shortfall in lending to agriculture sector has been attempted to be met by way of contributions made by public and private sector

banks to Rural Infrastructure Development Fund (RIDF) to the extent of their shortfall in lending to agriculture with a ceiling of 1.5% of their NBC.

(c) Stipulation of lending 185 of NBC to agriculture sector continues in the current year.

(d) Agricultural advances of public sector banks have increased from Rs.15,857 crores in 1991 to Rs. 40,077.54 crores in March 1999. But due to steep increase in the Net Bank Credit of public sector banks from Rs. 1,17,443 crores in 1992 to Rs. 2,46,203 crores in 1998-99, there has been marginal shortfall in achieving the target of 18%.