

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:750  
ANSWERED ON:04.03.2005  
VYAS COMMITTEE ON CREDIT FLOW  
Sippiparai Shri A. Ravichandran

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

- (a) whether the V.S. Vyas Committee on flow of credit to agriculture and related activities from the banking system had submitted its report;
- (b) if so/ whether Ministry of Finance/ RBI has accepted all the recommendations of the Committee in toto;
- (c) whether RBI had advised all banks public sector, cooperative and private banks to implement the recommendations;
- (d) if so, the date from which the implementation had come into effect;
- (e) whether certain recommendations of the Vyas Committee are still under examination by RBI in consultation with NABARD and Indian Banks Association (IBA);
- (f) if so, the details thereof; (g) the time-frame by which the said recommendations would be accepted and implemented; (h) whether any specific targets have been fixed by RBI regarding quantum of credit flow; and (i) if so/ the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a): Yes, Sir.

(b),(c) and (d): Several recommendations made by V.S.Vyas Committee have been accepted by RBI and communicated to all scheduled commercial banks and where applicable, to state/district central cooperative banks by RBI/ NABARD. Implementation of the recommendation concerned would be from the date of issue of the circular/dates indicated in the circulars.

(e),(f) and (g): Government of India/NABARD are examining other recommendations. No time frame has been stipulated for implementation of the recommendations and as and when the issues are examined and a view taken in respect thereof, necessary instructions, if required, will be issued to banks for implementing them.

(h) and (i): Under the system of priority sector lending, a target of 18 per cent of net bank credit has been stipulated for lending to agriculture by the domestic scheduled commercial banks. Public Sector Banks have been formulating Special Agricultural Credit Plan (SACP) since 1994-95 to improve the flow of credit to agriculture under instructions from the RBI. The Government announced a package on 18 June, 2004 for doubling the flow of credit to agriculture in three years. For the year 2004-05 this was Rs. 105,000 crore.