

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (d) The relevant information is being collected and will be laid on the Table of the House.

Bank Loans for Agriculture and Rural Development

6443. SHRI AHMED MOHMED BHAI PATEL:
SHRI SURESH PACHOURI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have underlined the need to accelerate the flow of credit towards agricultural production and re-emphasised that commercial banks should ensure to meet their priority sector lending target of 40 percent;

(b) if so, whether all the nationalised banks have been urged to provide loans to the farmers;

(c) if so, whether any directives in this regard have been issued to the Banks; and

(d) if so, the details thereof and how many banks have provided loans to the farmer so far under the proposed new scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (d) In terms of instruction of Reserve Bank of India (RBI) all public sector banks are required to lend to priority sector 40 per cent of their net credit and the sub-target of 18 per cent has been prescribed for direct agricultural lending. However, since October, 1993 the lending under "direct" and "indirect" categories of agricultural advances has been clubbed together for the purpose of computing the target of 18 percent. To ensure that the focus of the banks on the direct category of agricultural advances

does not get diluted instructions have been issued that agricultural lending under indirect finance should not exceed 4.5 percent of net bank credit in computing the performance for the purpose of the sub-target of 18 percent.

The performance of banks in lending to priority sector including agriculture is being continuously monitored by RBI and Government. RBI vide its circular dated 21.10.93 had advised banks to make every effort to achieve the stipulated target and sub-targets. Banks have been cautioned that failure on their part to achieve the stipulated target and sub-targets could invite bank specific policy measures which could include raising of reserve requirements or withdrawal of refinance facility or such other measures deemed necessary by RBI. According to the latest available data furnished by RBI relating to performance of public sector banks in respect of priority sector/agriculture as at the end of December 1993 is as under:

(Rs. in crores)

Balance outstanding	
(i) Net bank credit	136771.59
(ii) Total priority sector advances	49821.85
(iii) Total Agriculture (Direct and Indirect)	20513.41

Setting up of Urban Cooperative Banks by Minorities

6444. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Finance Ministry has directed Reserve Bank of India to permit setting up of Urban Cooperative Banks in the minorities concentrated district;

(b) if so, how many applications have been received for setting up of Urban Cooperative Banks from Minorities and out of them how many Licenses have been issued so far; and

(c) if not, whether Government consider issuing direction to Reserve