

100% of its branches under core banking. Infrastructure constraint is one of the major bottlenecks in implementing the Core Banking Solution. It will depend upon the factors like availability of infrastructure and cost of the facility. Banks prioritise technology investments keeping in mind the business strategy.

#### **Cheap loans to drought affected farmers**

2059. SHRIMATI KUSUM RAI:

SHRI NAND KISHORE YADAV:

SHRI KAMAL AKHTAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has any plan to provide cheap loans to farmers in view of serious situation in the country due to drought and large number of suicide by farmers;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) what percentage of total loans sanctioned were given to farmers, public sector bank-wise and year-wise for last three years; and
- (e) the steps taken to make banks more accountable to the poor farmers of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (c) In terms of the Budget announcement for 2009-10, the Government of India has approved the Interest Subvention Scheme for Short Term Crop Loans of farmers for 2009-10, with the following stipulations:

- (i) Interest subvention of 2% per annum is applicable to Public Sector Banks (PSBs), Cooperative Banks and Regional Rural Banks (RRBs) on their own funds used for short term crop loans upto Rs. 3,00,000/- per farmer provided the lending institutions lend such loans @7% per annum.
- (ii) An additional interest subvention @1% has been given to those prompt paying farmers who repay their short term crop loans within the period of interest subvention *i.e.* within one year of disbursement of such loans. This also implies that the prompt paying farmers would now get short term crop loans @6% per annum during the year 2009-10. This benefit would not accrue to those farmers who repay after one year of availing such loans.
- (iii) Interest subvention is available to farmers from the date of disbursement till the date of repayment, subject to a maximum period of one year.

(d) The quantum of agricultural loans outstanding and its proportion to total credit outstanding during the last three years is given in the Statement-I and the details of total agricultural advances outstanding by banks during the last three years are given in the Statement-II. (See below)

(e) A number of steps have been taken to ensure the proper availability of credit to farmers by banks in the country. These include according priority sector status to agriculture and stipulating a target of 18 per cent of the Adjusted Net Bank Credit (ANBC) (within the overall target of 40 per cent of ANBC for priority sector lending) for lending to agriculture by domestic scheduled commercial banks; introduction of Special Agricultural Credit Plan (SACP), under which the banks are required to fix self-set targets (a certain percentage higher than previous year's disbursements) and also strive to achieve disbursements to that level; introduction of Kisan Credit Card (KCC) Scheme to address the credit needs of the farmers in a more holistic manner; simplification of procedural aspects of farm credit thereby encouraging the farmers to approach the institutional sources for credit; loans upto Rs. 50,000 have been made collateral and margin free; introduction of the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for farmers for flow of institutional credit, which had become clogged due to the debt burden on the farmers. Further, Banks have been advised to dispense with the requirement of "no due" certificate for small loans up to Rs.50,000 to small and marginal farmers, share-croppers and the like and, instead, obtain self-declaration from the borrower. Banks have been advised to accept certificates provided by local administration/panchayati raj institutions regarding the cultivation of crops in case of loans to landless labourers, share-croppers and oral lessees. Banks (including RRBs) were advised in August 2008 that, where there are difficulties in getting certification from local administration/panchayati raj institutions regarding the cultivation of crops, etc., banks may accept an affidavit submitted by landless labourers, share croppers and oral lessees giving occupational status (*i.e.*, details of land tilled/crops grown) for loans up to Rs.50,000. In addition Banks were also asked to encourage the Joint Liability Group (JLG)/SHG mode of lending for such persons.

**Statement-I**

*Sectoral Deployment of Gross Bank Credit*

(Amount in Rs. crore)

Sl. No.	Sector	Outstanding as on				Variation			Year-on-Year growth (%)		
		March 31, 2006	March 31, 2007	March 28, 2008	March 27, 2009	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1		2	3	4	5	6	7	8	9	10	
I.	Gross Bank Credit (I + III)	1,445,531	18,48,187	22,47,289	26,48,501	402,656	3,99,102	4,01,212	27.86	21.59	17.85
II.	Food Credit	40691	46,947	44,399	46,211	6,256	-2,548	1,812			
III.	Non-Food Gross Bank Credit	1,404,840 (100.0)	18,01,240 (100.0)	22,02,890 (100.0)	26,02,290 (100.0)	396,400 (100.0)	4,01,650 (100.0)	3,99,400 (100.0)	28.22	22.30	18.13
IV.	Agriculture and Allied Activities	173,972 (12.4)	2,30,377 (12.8)	2,75,343 (12.5)	3,38,656 (13.0)	56,405 (14.2)	44,966 (11.2)	63,313 (15.9)	32.42	19.52	22.99
V.	Non-Agricultural Credit (III-IV)	1,230,868	1570863	1927547	2263634	339,995	356684	336087	27.62	22.71	17.44

Source: RBI Reports on Trends and Progress.

- Note: 1. Data are provisional and relate to select scheduled commercial banks which account for more than 90 per cent of bank credit of all scheduled commercial banks. Data include the figures of Bharat Overseas Bank, which was merged with Indian Overseas Bank of March 31, 2007.
2. Gross bank credit data include bills rediscounted with Reserve Bank, Exim Bank, other financial institutions and inter-bank participations.
3. Figures in parentheses represent the share in total non-food gross bank credit.

**Statement II**

*Advances of Public Sector Banks to Agriculture*

(Amount in Rs. crore)

Sr. No.	Name of the Bank	Total Agricultural Advances (As on the last reporting Friday of)					
		Mar-07		Mar-08		Mar-09	
		Amount	Per cent to ANBC as against the target of 18% of ANBC or credit equivalent of OBE, whichever is higher	Amount	Per cent to ANBC as against the target of 18% of ANBC or credit equivalent of OBE, whichever is higher	Amount	Per cent to ANBC as against the target of 18% of ANBC or credit equivalent of OBE, whichever is higher
1	2	3	4	5	6	7	8
<b>Public Sector Banks</b>							
1.	Allahabad Bank	7,692.00	18.3	9,145.67	20.4	8,989	18.1
2.	Andhra Bank	5,149.78	15.5	6,156.72	21.8	6,834	19.8
3.	Bank of Baroda	10,366.39	15.9	13,268.93	16.8	16,964	16.9

1	2	3	4	5	6	7	8
4.	Bank of India	11,289.00	18.4	13128.00	18.5	16,346	18.2
5.	Bank of Maharashtra	3,884.12	14.0	4841.01	15.4	4,522	15.2
6.	Canara Bank	15,521.00	15.7	17996.00	17.7	20,144	19.0
7.	Central Bank of India	9,251.89	15.8	11104.06	17.6	13,639	16.5
8.	Corporation Bank	2,621.74	9.2	3529.79	10.0	4,330	11.1
9.	Dena Bank	3,344.70	15.2	2764.64	14.7	3,851	15.5
10.	Indian Bank	5,656.08	21.0	6214.87	22.1	7,618	19.9
11.	Indian Overseas Bank	7,890.22	18.7	8688.90	18.9	10,573	18.5
12.	Oriental Bank of Commerce	5,732.28	11.1	6592.00	12.3	8,565	13.3
13.	Punjab National Bank	18,571.00	18.9	19946.40	18.9	23,806	19.7
14.	Punjab and Sind Bank	2,502.12	16.0	2438.22	17.9	2,969	14.1
15.	Syndicate Bank	8,049.60	17.46	9331.81	19.9	10,796	18.4
16.	Union Bank of India	10,674.76	16.8	11392.87	17.2	13,233	16.0
17.	United Bank of India	2,713.00	12.0	3172.00	13.2	3,869	13.0
18.	UCO Bank	6,154.00	13.9	7948.00	16.2	11,038	19.0
19.	Vijaya Bank	3,230.63	12.4	3942.16	12.9	4,513	14.0
20.	IDBI Bank Ltd.	1,377.98	2.2	4526.00	6.7	8,311	10.1

1	2	3	4	5	6	7	8
<b>State Bank Groups</b>							
21.	State Bank of India	41,661.32	14.5	56,432.00	18.6	69,279	18.3
22.	State Bank of Bikaner and Jaipur	3,754.59	18.3	4589.58	22.1	4,828	19.1
23.	State Bank of Hyderabad	3,798.65	13.7	5,147.71	18.1	6,932	18.8
24.	State Bank of Indore	2,644.56	17.2	3018.47	19.1	3,343	18.2
25.	State Bank of Mysore	2,180.94	13.8	2911.36	18.1	3,571	16.8
26.	State Bank of Patiala	4,961.00	15.8	4573.71	15.7	5,040	13.7
27.	State Bank of Travancore	1,936.61	18.1	2194.76	19.5	2,953	10.3

Notes: 1. Data are provisional

2. ANBC — Adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, with effect from April 30, 2007.
3. Indirect agriculture is reckoned up to 4.5 per cent of ANBC for calculation of percentage for Agriculture.

Source: RBI Reports on Trends and Progress.

OBE — Off Balancesheet Exposure.