



Thrust on Rural Banking

Dena Bank has been the first to introduce credit cards in rural India, known as 'Dena Krishi Sakh Patra'. Anandi Lal, general manager (Priority Sector & RRB) of the bank, in an interview to Mehul Dani, outlines the bank's various programs for the benefit of farmers.

Mehul Dani: How many farmers have benefited and what is the total amount involved under Dena Bank's Agriculture Debt Waiver and Debt Relief Scheme, 2008?

Anandi Lal: Dena Bank has implemented the Agricultural Debt Waiver and Debt Relief Scheme 2008 in accordance with the guidelines issued by the government of India and the RBI. The bank has extended waiver to 27,540 farmer borrowal accounts involving an aggregate waiver of Rs 76.92 crore. As regards relief to the farmers, the bank has extended relief amounting to Rs 52.32 crore covering 20,340 farmers.

How many Dena Kisan, Kisan Gold, Bhumiheen and general credit cards have been issued in Q2 of 2008? What is the total outstanding in each of them?

The bank has issued more than 3.34 lakh Dena Kisan credit cards involving aggregate credit limits of Rs 2081.15 crore since introduction of the scheme in 1999-2000. The bank has also issued 11882 Dena Kisan Gold Credit Card, Dena Bhumiheen Card and Dena general credit card involving cumulative credit limit of Rs 89.23 crore.

The bank has been lending to cold storages and rural godowns? What is your opinion about expansion of cold storages given the power shortage situation in various parts of the country?

The bank is implementing the scheme of setting up of cold storages and construction of rural godowns. The response to these schemes, particularly rural godowns, is highly encouraging. The bank has extended total financial assistance to the extent of Rs 26.20 crore covering 523 borrowal accounts. The availability of uninterrupted supply of power is of great importance, but it is not a limiting factor given the fact that cold storages also have the facility of alternative power supply sources.

How much credit is extended for purchase of land by small and marginal farmers?

The bank has come out with the scheme for purchase of land by small and marginal farmers in 2002. However, the scheme has not picked as desired.

Which crops top the financing under horticulture segment this year? What do you see as the trend compared to last year?

Dena Bank is actively involved in the implementation of schemes relating to development of plantations both under its normal schemes as well as under the schemes of national and state horticulture boards. The experience shows that farmers are opting for this activity in an increasing way. Many farmers, particularly in the states of Gujarat and Maharashtra, where the bank has a major presence, have come forward for availing of the loans. The maximum financial assistance is being extended for cultivation of grapes, pomegranate, mangoes and bananas.

Dena Bank has sponsored two RRBs in Gujarat and Chhattisgarh. What are the recent achievements?

Both these RRBs have been working very satisfactorily - their business volumes have grown by around 23% during the last year. In the current year, the growth in business is around 9% over the level of March 2008. RRBs are focusing not only on mobilizing low cost deposits but also providing adequate credit to the intended segments of the community such as small and marginal farmers, agricultural laborers, rural artisans, weaker sections of the society, women and minority community.

How do you propose to expand the RRB network?

During last year, the operational area of one of the amalgamated RRBs, namely DGGB, was extended to Ahmedabad district which was hitherto not covered by any RRB. During the last year, our RRBs have opened 12 new branches, taking the total network of both the RRBs to 243. During the current year, RRBs have received licenses for opening of 6 more branches within their respective command areas. However, there is no plan to open any more RRBs in other states, since all the districts where the bank is shouldering the lead bank responsibility are already being covered by the RRBs.

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