

Q.No.4 Explain the role of ADBP in the Agricultural Development Bank of Pakistan.

Origin:

The Agricultural development Bank of Pakistan was set up in Feb.1961 under an ordinance which merged the agricultural development finance corporation and the agricultural bank of Pakistan. It was established with the specific object of affording credit facilities to Agriculturalist and persons engaged in cottage industries in the rural areas and for methods connected therewith.

Management:

A Board of Directors supervises the policies of the bank. The board consists of one president and less than five members.

Capital:

Bank started with the share capital of Rs.20 crore divided into 20 lac fully paid shares of the nominal value of Rs.100 each to be issued by bank by the previous approval of Central government.

Objects:

The main object behind the creation of ADBP is the development of agricultural sector. ADBP is created with the sole object of raising living standard of the population in specially connected with agricultural subsector. The bank advances loans, provide information facilities to gain their objectives.

Types of Loans Advanced:

Bank provides credit facilities to all agricultural. Basically it provides follow types of loans.

Short term Loans:

These loans are repayable within 18 months and are provided mainly for seasonal requirements.

Medium term Loans:

These loans are advanced for a period of 18 months to 5 years and they are advanced basically for the purchase of agricultural implements.

Long term Loans:

These loans are advanced for a period over 5 years and these are advanced for major improvements in land adoption of mechanized methods of farming. Apart from above mentioned heads, ADBP previous loans for the following purposes.

Seasonal Finance:

This finance is given for the purpose of seeds, fertilizers, pesticides, small agricultural tools and to meet other working capital needs.

Development Finance:

This finance is provided to meet fixed investment requirements. The finance is generally for the purchase of plough cattle, bullocks, carts, power tillage etc. In certain cases for long term purpose development finance is given for the following 2 purposes.

(a) Purchase of costly machinery like tractors, tube wells, harvesting and threshing machines etc.

(b) Land improvements of permanent nature such as installation of big irrigation system clearance of jungle and flood control measures etc.

Finance for Forestry Fishery:

ADBP also provides credit for animal husbandry, poultry, forestry and fishery to improve the economic conditions of rural population. In this way the rate of the employment is falling and the rate of migration to urban areas has been also reduced.

Besides these ADBP issue finance for the development of various subsectors of agriculture.