

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No.1215
To be answered on Friday, December 22, 2017/Pausha 01, 1939 (Saka)
Loan to Farmers

1215. SHRIMATI KOTHAPALLIGEETHA: SHRI J.C. DIVAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the details of the loans being given to farmers, industries and others during the last three years and the current year, State/UT-wise including Andhra Pradesh;

(b) the methods adopted in giving such loans;

(c) whether eligible farmers are being denied loans for agricultural purpose by banks as the banks have no proper records of farmers and if so, the details thereof, State/UT-wise including Andhra Pradesh along with the reasons therefor;

(d) the corrective steps being taken in this regard by the Government to help the farmers in getting timely loans for various crops instead of depending on lenders in getting the loans; and

(e) whether the Government of Andhra Pradesh asked Union Government and proposed to take village as unit instead of taking mandal as unit in providing loans to farmers and if so, the details thereof and the steps being taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance
(Shri Shiv Pratap Shukla)

(a) to (e): The state wise details including Andhra Pradesh, of agriculture credit disbursed during last 03 years as reported by National Bank for Agriculture & Rural Development is given in Annexure I. The details of advances outstanding to industries during the last three year and the current year (upto 30.09.2017) in respect of Scheduled Commercial Banks (SCBs) as reported by Reserve Bank of India (RBI) are as under:

(Amount in Rupees crore)

Industry - Advances Outstanding			
31-Mar-15	31-Mar-16	31-Mar-17	30-Sep-17
29,73,471	29,98,424	29,45,792	29,78,786

Banks are expected to lay down, with the approval of their boards, transparent policies and guidelines for credit dispensation, in respect of each broad category economic activity, keeping in view the credit exposure norms and various other guidelines issued by Reserve Bank of India (RBI) from time to time.

Agricultural loans to farmers have registered increase over the years and the Government of India/ Reserve Bank of India (RBI)/ NABARD have, inter alia, taken the following major steps for providing hassle free crop loan to farmers.:-

- Government of India implements an Interest Subvention Scheme to ensure that Short Term Crop loans up to Rs. 3 lakh are available to the farmers at a reduced interest rate of 7% p.a. An additional 3% incentive is given to the farmers for prompt repayment of the loan, reducing the effective rate of interest to 4%.
- As per RBI directions, Domestic Scheduled Commercial Banks are required to lend 18% of the Adjusted Net Bank Credit (ANBC) or Credit Equivalent to Off-Balance Sheet Exposure (CEOBE), whichever is higher, towards agriculture.
- Government has introduced the Kisan Credit Card (KCC) Scheme, which enables the farmers to draw cash to purchase agricultural inputs such as seeds, fertilizers, pesticides as well as meet other agricultural and consumption needs. The KCC Scheme has since been simplified by providing the farmers with ATM enabled debit card based on one-time documentation and built-in cost escalation in the limit, etc.
- RBI has conveyed to Banks to waive margin/security requirements of agricultural loans upto Rs.1,00,000/-.
- To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks.