

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UN-STARRED QUESTION NO. 3579
TO BE ANSWERED ON 16th March, 2018 / Phalguna 25, 1939 (SAKA)

'Disparity in Disbursement of Loan'

**3579 : SHRI LAXMI NARAYAN YADAV:
SHRI HARISHCHANDRA CHAVAN:**

Will the Minister of FINANCE be pleased to state :

- (a) whether there is disparity in disbursement of loans by banks due to which benefits are not reaching the small entrepreneurs and farmers and if so, the details thereof ;
- (b) the reaction of the Government in this regard; and
- (c) the corrective measures taken by the Government along with the outcome thereof ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) to (c) :

Government fixes targets for agricultural credit disbursement and Pradhan Mantri Mudra Yojana (PMMY) loans to small entrepreneurs. These targets have been consistently met.

Government and Reserve Bank of India (RBI) have taken several steps to facilitate provision of hassle free loans to small entrepreneurs, which inter-alia include, advise to all Scheduled Commercial Banks (SCBs) to achieve a 20% year-on-year growth in credit to Micro and Small Enterprises (MSEs), allocation of 60% of the MSEs advances to the micro enterprise accounts, 10% annual growth in number of micro enterprise accounts; adoption of one cluster, operationalising at least one specialised MSME Branch in every district etc. In addition, a target of 7.5% of Adjusted Net Bank Credit (ANBC) has been prescribed for Micro Enterprises.

In order to simplify the process of sanction of crop loans, Government, RBI and National Bank for Agriculture & Rural Development (NABARD) have taken several steps, which inter-alia include, fixation of sub-target within the target for agriculture for small and marginal farmers, facility of Kisan Credit Card (KCC) Scheme for adequate and timely credit support to farmers, no margin/ collateral for agricultural loans up to Rs.1 lakh, availability of agricultural credit to farmers (including loans taken against KCC) at a reduced rate of interest, interest subvention scheme for short term loans up to Rs.3 lakh, incentive for prompt repayment of loan, loan restructuring on account of natural calamities at subvented rate, finance through Joint Liability Groups (JLG) to landless farmers cultivating land as tenant farmers, oral lessees or share croppers, small and marginal farmers, etc.
