

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. †4636
To be answered on Friday, March 23, 2018/Chaitra 2, 1940 (Saka)
Revised Targets for Agricultural Loans

†4636. SHRI R. DHRUVA NARAYANA:
SHRI HARINARAYAN RAJBHAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to revise the targets for Public Sector Banks (PSBs) by increasing the target by 10 per cent during the next financial year i.e. 2018-19;

(b) if so, the details thereof;

(c) the number of proposals for agricultural loan pending with the PSBs during the said period, bank-wise, State/ UT-wise including Rajasthan; and

(d) the steps taken/being taken by the banks to provide hassle free loan to farmers?

Answer

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

(a) to (c): Yes, Madam. The Government has fixed the agriculture credit target of Rs. 11 lakh crore for the year 2018-19 against the target of Rs. 10 lakh crore for the year 2017-18.

Reserve Bank of India (RBI) has reported that the information on proposals for agricultural loan pending with the Public Sector Banks (PSBs), are not maintained centrally.

(d): The following major initiatives have been taken by the Government/Reserve Bank of India (RBI) to provide hassle free crop loan to farmers:-

- 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.
- With a view to ensure availability of agriculture credit at a reduced interest rate of 7% p.a. to the farmers, the Government of India in the Department of Agriculture, Cooperation and Farmers' Welfare implements an interest subvention scheme for short term crop loans up to Rs. 3.00 lakh. The scheme provides interest subvention of 2% per annum to Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.
- Government fixes agriculture credit disbursement targets for the banking sector every year and banks have consistently surpassed these targets.
- The Government has introduced the Kisan Credit Card (KCC) Scheme, which enables farmers to meet the short term credit requirements for cultivation of crops; Post-harvest expenses; Produce marketing loan; Consumption requirements of farmer household; Working capital for maintenance of farm assets and activities allied to agriculture; and Investment credit requirement for agriculture and allied activities. The KCC Scheme provides for issue of ATM enabled RuPay debit card with, inter alia, facilities of one-time documentation, built-in cost escalation in the limit, any number of drawals within the limit, etc.
- RBI has conveyed to Banks to waive margin/security requirements of agricultural loans upto Rs.1,00,000/-. The requirement of 'no due' certificate has also been dispensed with for small loans up to Rs.50,000 to small and marginal farmers, share-croppers and the like and, instead, only a self-declaration from the borrower is required.