Government of India
Ministry of Finance
Department of Financial Services
LOK SABHA
Unstarred Question No. 1808
To be answered on Friday, July 27, 2018/Shravana 5, 1940 (Saka)

Interest Rates on Agricultural Loans

1808. SHRIMATI REKHA VERMA: SHRI VENKATESH BABU T.G.: SHRI KRUPAL BALAJI TUMANE: SHRI SADASHIV LOKHANDE: SHRI ABHISHEK SINGH.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has reduced the interest rates on agricultural loans provided to farmers by the Public Sector Banks (PSBs)/Cooperative Banks/ NABARD during the last three years and if so, the details thereof;
(b) whether the Government has laid down guidelines/norms for providing interest/interest free agricultural loans to the farmers and if so, the details thereof;
(c) whether instances of violation of these guidelines have been reported by various banks during the last three years, if so, the details thereof, bank-wise along with the corrective steps taken by the Government in this regard;
(d) the details and percentages of agricultural loan disbursed, target set and achieved and interest rate charged by the Bank for sanctioning of loans along with the total amount of outstanding loan against them during the last three years and the current year, State/UT-wise including Maharashtra; and
(e) the steps taken/being taken by the Government to provide affordable rate of interest on crop loans so far?

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

(a) to (e): Reserve Bank of India (RBI) has deregulated the interest rate on advances sanctioned by Scheduled Commercial Banks and these interest rates are determined by banks with the approval of their respective Board of Directors subject to applicable regulatory guidelines.
However, 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 (DAC&FW) 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%.
National Bank for Agriculture and Rural Development (NABARD) has reported that they have no information on instances of violation of these guidelines. RBI has reported that complaints received by them are taken up promptly with concerned banks for remedial action. Further, as reported by RBI, there are no specific complaints regarding irregularities in interest rate on Kisan Credit Card (KCC) pending with RBI.
The State/ UT-wise agriculture credit target and loans disbursed and outstanding loans during the last three years, as reported by NABARD is at Annexure I & II.

Agriculture Credit Disbursement Data (Rs. In Lacs) **Annexure I**

S.No.	State/UT	All Agencies					
		2015-16		2016-17		2017-18	
		Target	Disbursement	Target	Disbursement	Target	Disbursement
1	DELHI	8100	554974.47	9800.00	1994164.972	61200	1959799.17
2	HARYANA	5665000	4979049.00	5865000.00	4948107.128	6065000	5551071.86
3	HIMACHAL PRADESH	510000	512193.53	595000.00	611614.5564	625000	1433919.48
4	JAMMU & KASHMIR	145000	276146.16	168000.00	729674.0637	460000	1130172.98
5	PUNJAB	7650000	8465288.56	7940000.00	7430146.824	8095000	7320150.96
6	RAJASTHAN	6560000	6762726.22	6820000.00	7430385.604	7605000	8098976.83
7	CHANDIGARH UT	11000	141536.00	12000.00	140594.6034	10000	235818.44
	Northern Region Total	**205,49,100.00**	**216,91,913.94**	**214,09,800.00**	**232,84,687.75**	**229,21,200.00**	**257,29,909.72**
8	ARUNACHAL PRADESH	30100	4282.18	25800.00	13258.66058	37600	8342.09
9	ASSAM	520500	390547.53	571000.00	610207.4098	714000	675613.84
10	MANIPUR	34300	15867.18	41800.00	25112.17491	65200	27280.04
11	MEGHALAYA	34200	15627.14	42500.00	36831.05286	66000	35073.62
12	MIZORAM	20300	9912.84	24600.00	11435.63322	27300	17493.61
13	NAGALAND	31500	11816.65	38800.00	12939.20706	38400	20501.71
14	SIKKIM	14100	7161.36	19900.00	16169.64758	24800	12499.28
15	TRIPURA	100000	128054.76	109300.00	151312.5343	178000	232572.61
	North Eastern Region Total	**7,85,000.00**	**5,83,269.64**	**8,73,700.00**	**8,77,266.32**	**11,51,300.00**	**10,29,376.80**
16	A & N ISLAND	12800	11184.38	14800.00	13498.20389	23000	12023.51
17	BIHAR	3620000	4054231.00	3890000.00	2618458.375	3798000	2698673.37
18	JHARKHAND	524000	366183.81	691500.00	437999.1831	696000	378093.39
19	ODISHA	2152500	2028270.04	2435000.00	2126496.465	2992000	2277721.45
20	WEST BENGAL	3997000	3907458.44	4247000.00	3489572.322	5505000	4092023.21
	Eastern Region Total	**103,06,300.00**	**103,67,327.67**	**112,78,300.00**	**86,86,024.55**	**130,14,000.00**	**94,58,534.93**
21	CHHATTISGARH	1013000	767426.11	1130000.00	1223742.133	1300000	1519922.76
22	MADHYA PRADESH	5975000	5210400.35	6355000.00	5614906.412	6568000	6043188.47
23	UTTARAKHAND	618800	586937.77	670000.00	650543.4181	975000	788127.24
24	UTTAR PRADESH	8430000	8764167.01	8870000.00	8158401.411	10790000	8513614.74
	Central Region Total	**160,36,800.00**	**153,28,931.24**	**170,25,000.00**	**156,47,593.37**	**196,33,000.00**	**168,64,853.21**
25	GOA	78000	56711.46	83500.00	101127.6641	128500	124550.64
26	GUJARAT	4990000	4456320.39	5310000.00	5427669.753	5810000	6268293.45
27	MAHARASHTRA	6111500	6277679.78	6471500.00	8138383.631	6965000	7672266.1
28	D & N HAVELI UT	2200	2026.85	2600.00	8017.098278	11100	6584.22
29	DAMAN & DIU UT	2100	644.67	2600.00	3458.32316	4900	3325.96
	Western Region Total	**111,83,800.00**	**107,93,383.15**	**118,70,200.00**	**136,78,656.47**	**129,19,500.00**	**140,75,020.37**
30	ANDHRA PRADESH	5392500	7413594.20	5712500.00	9286862.137	6060000	11342747.74
31	TELANGANA	3765000	3332568.03	4035000.00	6788535.432	5190000	5890751.41
32	KARNATAKA	5340000	8483248.35	5560000.00	7808272.116	5492500	7938377.02
33	KERALA	4068000	4339237.06	4288000.00	6773876.454	3955000	8417707.69
34	PUDUCHERRY	78500	108155.84	91700.00	529008.4231	433200	260798.66
35	TAMILNADU	7494000	9109362.38	7854000.00	13214456.68	9225000	15841700.46
36	LAKSHADWEEP UT	1000	0.00	1800.00	327.297	5300	505.7
	Southern Region Total	**261,39,000.00**	**327,86,165.86**	**275,43,000.00**	**444,01,338.54**	**303,61,000.00**	**496,92,588.68**
	GRAND TOTAL	**850,00,000.00**	**915,50,991.50**	**900,00,000.00**	**1065,75,567.01**	**1000,00,000.00**	**1168,50,283.71**
	Source: NABARD						

Agriculture Credit Outstanding data (Rs. In Lacs)		Annexure II		
S.N.	State/UT	All Agencies		
		2015-16	2016-17	2017-18
		Amount Outstanding	Amount Outstanding	Amount Outstanding
1	DELHI	1,61,697.40	1313761	1102723
2	HARYANA	53,31,688.56	5647357	5848236
3	HIMACHAL PRADESH	6,90,160.55	733661	783795
4	JAMMU & KASHMIR	6,47,267.96	662286	729518
5	PUNJAB	79,88,127.64	8376991	8552582
6	RAJASTHAN	79,17,531.51	9143184	10024054
7	CHANDIGARH UT	2,40,969.91	249366	236371
	Northern Region Total	**229,77,443.53**	**261,26,606.67**	**272,77,277.27**
8	ARUNACHAL PRADESH	17,528.12	26560	29038
9	ASSAM	8,43,078.16	1086065	1205503
10	MANIPUR	32,410.09	43204	44654
11	MEGHALAYA	67,185.37	83092	86086
12	MIZORAM	29,498.85	32571	50697
13	NAGALAND	38,571.27	38736	47353
14	SIKKIM	16,486.97	19300	22737
15	TRIPURA	1,40,082.58	235664	335355
	North Eastern Region Total	**11,84,841.41**	**15,65,191.81**	**18,21,423.88**
16	A & N ISLAND	30,295.82	14798	14777
17	BIHAR	31,37,017.09	3489403	3831707
18	JHARKHAND	7,32,952.19	730658	817322
19	ODISHA	23,80,299.26	2685323	2889584
20	WEST BENGAL	40,89,135.73	3846261	4071754
	Eastern Region Total	**103,69,700.09**	**107,66,443.48**	**116,25,143.30**
21	CHHATTISGARH	11,35,537.55	1252887	1394163
22	MADHYA PRADESH	66,59,013.28	7371363	8313028
23	UTTARAKHAND	8,83,236.73	922091	1006141
24	UTTAR PRADESH	124,80,062.22	20530100	20837028
	Central Region Total	**211,57,849.78**	**300,76,439.51**	**315,50,359.68**
25	GOA	90,363.36	153599	171225
26	GUJARAT	61,62,672.47	7057542	7704521
27	MAHARASHTRA	163,44,663.81	16914931	16150337
28	D & N HAVELI UT	6,104.37	5835	5516
29	DAMAN & DIU UT	2,009.92	2008	4378
	Western Region Total	**226,05,813.93**	**241,33,913.56**	**240,35,977.07**
30	ANDHRA PRADESH	101,86,047.56	11132261	12646617
31	TELANGANA	50,14,660.79	6225752	6040687
32	KARNATAKA	127,37,867.30	12214101	12927529
33	KERALA	60,60,363.93	6921243	7642105
34	PUDUCHERRY	1,90,200.55	224221	243001
35	TAMILNADU	134,25,780.28	14293142	17116907
36	LAKSHADWEEP UT	3,876.05	633	1772
	Southern Region Total	**476,18,796.46**	**510,11,352.96**	**566,18,616.64**
	GRAND TOTAL	**1259,14,445.20**	**1436,79,947.99**	**1529,28,797.84**
	Source: NABARD			