

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. 1339
Answered on Monday, February 10, 2020/Magha 21, 1941 (Saka)

INTEREST SUBVENTION SCHEME

Question

1339. SHRI GANESH SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) the salient features of interest subvention scheme for short-term crop loans to farmers along with directions of Reserve Bank of India (RBI) in this regard;
- (b) whether the Government fixes agriculture credit disbursement targets for farmers every year and if so, the details thereof along with the details of agriculture credit disbursement targets fixed for Satna district of Madhya Pradesh;
- (c) the details of achievement made in respect of agriculture credit flow during the last five years, Statewise including Satna district;
- (d) whether it is a fact that Non Performing Assets (NPAs) and GNPA ratio for Agriculture and Allied Activities is reported by RBI in respect of Scheduled Bank, if so, the details thereof along with reasons for NPA during the said period; and
- (e) the details of borrowers who have diverted the funds or siphoned off funds or removed assets given as security during the said period, bank-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a): With a view to ensuring availability of agriculture credit at a reduced interest rate of 7% p.a. to farmers, the Government in the Department of Agriculture, Cooperation & Farmers' Welfare (DAC&FW) is implementing an Interest Subvention Scheme for short term crop loans up to Rs.3.00 lakh. The salient features of the said Scheme for the year 2018-19 and 2019-20 are given below:

- In order to provide short term crop loans upto Rs. 3 lakh to farmers at a concessional interest rate of 7 percent per annum during the years 2018-19 and 2019-20, interest subvention of 2% per annum is provided to lending institutions viz. Public Sector Banks (PSBs), Private Sector Commercial Banks (in respect of loans given by their rural and semi urban branches only), Regional Rural Banks (RRBs) and Cooperative Banks on use of their own resources. This interest subvention of 2% is calculated on the crop loan amount from the date of its disbursement/drawal upto the date of actual repayment of the crop loan by the farmer or upto the due date of the loans fixed by the Banks/RRBs/Cooperatives, whichever is earlier, subject to a maximum period of one year.
- To provide an additional interest subvention of 3% per annum to such of those farmers repaying on time i.e. from the date of disbursement of the crop loan upto the actual date of repayment of farmers or upto the due date fixed by the banks for repayment of crop loan, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers paying promptly would get short term crop loans @ 4% per annum during the year 2018-19 and 2019-20.

- In order to discourage distress sale by farmers and to encourage them instead to store their produce in warehouses, the benefits of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post the harvest of the crop on the produce stored in warehouses accredited with Warehousing Development Authority (WDR) against negotiable warehouse receipts, at the same rate as is available on crop loan.
- Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) are the nodal agencies for implementation of the said scheme.

The benefits of KCC along with interest subvention have also been extended to Animal Husbandry and Fisheries farmers.

In this regard, as apprised by RBI, they have issued the following guidelines (circulars) on the interest subvention for farmers:

(i) FIDD.CO.FSD.BC.No.15/05.02.001/2018-19 dated March 7, 2019 on ‘Interest Subvention Scheme for Short Term Crop Loans during the years 2018-19 and 2019-20’

(ii) FIDD.CO.FSD.BC.No.10/05.02.001/2019-20 dated August 26, 2019 on ‘Interest Subvention Scheme for Kisan Credit Card (KCC) to Fisheries and Animal Husbandry farmers during the years 2018-19 and 2019-20’.

(b) & (c): Government fixes agriculture credit disbursement targets for the banking sector every year and banks have consistently surpassed these targets. State-wise details of achievement made in respect of agriculture credit flow during the last five years as reported by National Bank for Agriculture and Rural Development (NABARD) are provided in the *Annexure* to this reply.

(d) & (e): Data on total outstanding Gross Non Performing Assets (GNPAs) and GNPA ratio for Agriculture and Allied Activities, in respect of Scheduled Commercial Banks (SCBs) for the last five years, as reported by RBI, is as under:

Year	Agriculture and Allied Activities – GNPAs (in Rs. crore)	Agriculture and Allied Activities – GNPA ratio (in percent)
As on 31.03.2015	37853	4.60
As on 31.03.2016	51964	5.44
As on 31.03.2017	62311	5.61
As on 31.03.2018	85482	7.16
As on 31.03.2019	111851	8.44

Source: RBI (domestic operations)

Failure of crops due to natural calamities like drought, flood cyclone etc. impair the farmer’s capacity to repay loans. Also, as apprised by RBI, an analysis by its Internal Working Group indicated an increase in NPA level for those States that announced farm loan waiver programmes in 2017-18 and 2018-19.

RBI has informed that details of borrowers who have diverted or siphoned off funds or removed assets given as security are not maintained centrally. RBI has further informed that lists of suit-filed wilful defaulters of Rs. 25 lakh and above are available in public domain on the websites of credit information companies. As reported by Public Sector Banks (PSBs), they had declared borrowers as wilful defaulters in 10,078 accounts, involving an outstanding amount of Rs. 1,67,420 crore, as on 31.12.2019.

Annexure as referred to in reply of Lok Sabha Unstarred Question No. 1339 for 10.02.2020

Agriculture Credit Target & Disbursement Data for the period 2014-15 To 2018-19 (Rs. In Lakhs) *

S.No.	State/UT	2014-15		2015-16		2016-17		2017-18		2018-19	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1	DELHI	7600.00	1526401.00	8100.00	554974.47	9800.00	1994164.97	61200.00	1952779.80	68400.00	2433071.79
2	HARYANA	5317000.00	4043848.00	5665000.00	4979049.00	5865000.00	4948107.13	6065000.00	5538147.31	6701200.00	6334913.86
3	HIMACHAL PRADESH	484000.00	496412.00	510000.00	512193.53	595000.00	611614.56	625000.00	1433840.16	666500.00	686983.70
4	JAMMU & KASHMIR	285100.00	76600.00	145000.00	276146.16	168000.00	729674.06	460000.00	1130387.79	755600.00	1311782.76
5	PUNJAB	7189800.00	7296298.00	7650000.00	8465288.56	7940000.00	7430146.82	8095000.00	7316887.29	8718200.00	7745645.35
6	RAJASTHAN	5862000.00	6574336.00	6560000.00	6762726.22	6820000.00	7430385.60	7605000.00	8091360.30	8073800.00	8308093.83
7	CHANDIGARH UT	10600.00	233992.00	11000.00	141536.00	12000.00	140594.60	10000.00	235719.57	11300.00	199244.67
8	ARUNACHAL PRADESH	16500.00	4991.00	30100.00	4282.18	25800.00	13258.66	37600.00	8174.32	44800.00	5581.92
9	ASSAM	517700.00	275103.00	520500.00	390547.53	571000.00	610207.41	714000.00	675530.48	853700.00	724617.66
10	MANIPUR	33600.00	15255.00	34300.00	15867.18	41800.00	25112.17	65200.00	25458.92	77900.00	24842.31
11	MEGHALAYA	55300.00	19594.00	34200.00	15627.14	42500.00	36831.05	66000.00	35073.62	79000.00	19923.31
12	MIZORAM	19800.00	7020.00	20300.00	9912.84	24600.00	11435.63	27300.00	17493.61	32600.00	36277.17
13	NAGALAND	29200.00	13491.00	31500.00	11816.65	38800.00	12939.21	38400.00	20501.71	45800.00	20922.78
14	SIKKIM	16600.00	7548.00	14100.00	7161.36	19900.00	16169.65	24800.00	12497.20	29600.00	15993.01
15	TRIPURA	107100.00	102271.00	100000.00	128054.76	109300.00	151312.53	178000.00	232572.61	211700.00	269086.66
16	A & N ISLAND	12300.00	6647.00	12800.00	11184.38	14800.00	13498.20	23000.00	12023.51	26700.00	12996.44
17	BIHAR	3605900.00	2286388.00	3620000.00	4054231.00	3890000.00	2618458.38	3798000.00	2921293.66	4022100.00	3582769.44
18	JHARKHAND	633500.00	251836.00	524000.00	366183.81	691500.00	437999.18	696000.00	377879.80	783500.00	409165.82
19	ODISHA	1948000.00	1727058.00	2152500.00	2028270.04	2435000.00	2126496.46	2992000.00	2277105.56	3225600.00	2741601.92
20	WEST BENGAL	3980000.00	3729373.00	3997000.00	3907458.44	4247000.00	3489572.32	5505000.00	4086784.83	6407100.00	4632637.04
21	CHHATTISGARH	1094000.00	787201.00	1013000.00	767426.11	1130000.00	1223742.13	1300000.00	1513440.90	1411600.00	1039093.70
22	MADHYA PRADESH	5242000.00	4704858.00	5975000.00	5210400.35	6355000.00	5614906.41	6568000.00	6003693.54	7400500.00	6147433.05
23	UTTARAKHAND	589400.00	558647.00	618800.00	586937.77	670000.00	650543.42	975000.00	787648.65	1067800.00	1033582.16
24	UTTAR PRADESH	8418500.00	7261136.00	8430000.00	8764167.01	8870000.00	8158401.41	10790000.00	8404809.48	11735000.00	8906035.86
25	GOA	76400.00	77731.00	78000.00	56711.46	83500.00	101127.66	128500.00	123814.87	151500.00	131960.62
26	GUJARAT	4849800.00	3932672.00	4990000.00	4456320.39	5310000.00	5427669.75	5810000.00	6255789.85	5941000.00	6611117.18
27	MAHARASHTRA	5712500.00	6682129.00	6111500.00	6277679.78	6471500.00	8138383.63	6965000.00	7247875.54	8133500.00	8356953.77
28	D & N HAVELI UT	2200.00	2984.00	2200.00	2026.85	2600.00	8017.10	11100.00	6584.22	13200.00	7065.06
29	DAMAN & DIU UT	2100.00	2605.00	2100.00	644.67	2600.00	3458.32	4900.00	3325.96	5800.00	4385.52
30	ANDHRA PRADESH	8251900.00	5393621.00	5392500.00	7413594.20	5712500.00	9286862.14	6060000.00	11235535.15	6566600.00	12278160.01
31	TELANGANA	0.00	3051666.00	3765000.00	3332568.03	4035000.00	6788535.43	5190000.00	5883137.03	5578500.00	5754317.95
32	KARNATAKA	4745400.00	6023300.00	5340000.00	8483248.35	5560000.00	7808272.12	5492500.00	7914371.62	6050600.00	7341871.36
33	KERALA	3796800.00	5720901.00	4068000.00	4339237.06	4288000.00	6773876.45	3955000.00	8417633.33	4480500.00	9245673.76
34	PUDUCHERRY	76700.00	1593012.00	78500.00	108155.84	91700.00	529008.42	433200.00	260631.65	471100.00	286646.23
35	TAMILNADU	7010000.00	10022577.00	7494000.00	9109362.38	7854000.00	13214456.68	9225000.00	15801388.52	10151400.00	19022221.83
36	LAKSHADWEEP UT	700.00	23321.00	1000.00	0.00	1800.00	327.30	5300.00	505.70	6300.00	292.32
	TOTAL	80000000.00	84532823.00	85000000.00	91550991.50	90000000.00	106575567.01	100000000.00	116261698.06	110000000.00	125682961.82

Source:NABARD