

Government of India  
Ministry of Finance  
Department of Financial Services

LOK SABHA  
Unstarred Question No. †7  
Answered on Monday, February 3, 2020/Magha 14, 1941 (Saka)  
LOANS TO FARMERS

†7: SHRI OMPRAKASH BHUPALSINH ALIAS PAWAN RAJENIMBALKAR:  
SHRI PARTHIBAN S.R.:  
SHRI SANJAY JADHAV:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the number of farmers who have been provided loans by the banks for various agricultural implements including tractors in the country during each of the last three years, State-wise;
- (b) whether the banks reject agricultural loan applications being submitted by the farmers by listing various reasons and if so, the details thereof;
- (c) whether the Government has made any effort to find out the reasons as to why the banks are not rightfully discharging their duties and if so, the details thereof;
- (d) whether private agencies are being given the responsibility for recovery of debt by banks and if so, the details thereof, State-wise including Maharashtra; and
- (e) the steps taken by the Government to meet the financial requirements of farmers in the country?

**Answer**

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

(a): The number of accounts in which agricultural term loans which inter alia includes purchase of agricultural implements such as tractors and machinery were provided by banks during the last three years, are as under:

(Rs. in crore)

Year	No. of accounts in which agricultural term loans (investment credit) was disbursed by banks
2016-17	2,10,08,411
2017-18	2,25,03,392
2018-19	3,19,62,255

(Source: NABARD)

Separate data on bank loans for financing of agricultural implements including tractors is not maintained by Reserve Bank of India (RBI) and NABARD.

Details of state-wise disbursement of term loan during the last three years by Commercial Banks, Regional Rural Banks and Cooperative Banks, as reported by National Bank for Agriculture and Rural Development (NABARD), are provided in the Annexure to this reply.

(b) & (c): While the target for agriculture credit fixed by the Government has been surpassed each year, agriculture loans to farmers have also witnessed an increase over the years, which is indicative of progressive enhancement in the credit flow to the farm sector over time.

The Government has launched a Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal which provides the citizens with a platform for redress of their grievances. Banks ensure speedy redressal of complaints received by them directly as well as through the CPGRAMS – portal.

Also, complaints in regard to various issues relating to agriculture credit received by Government/RBI are taken up for appropriate redressal.

(d): As per RBI guidelines, banks are required to have a loan recovery policy, duly vetted by their Boards, that prescribe the manner of recovery of dues, period-wise targeted level of reduction in non-performing assets, etc. A number of recovery mechanisms are available to banks to effect recovery, such as filing of a suit in civil courts or in Debts Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, through negotiated settlement/compromise, and through sale of non-performing assets. Banks decide upon the best possible recovery mechanism to be adopted in individual cases depending on the merits of each case

(e): The Government/RBI has taken the following initiatives to meet the financial requirement of farmers::

➤ The Priority Sector Lending (PSL) directions of RBI mandate all Domestic Scheduled Commercial Banks to earmark 18% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposure (OBE), whichever is higher, as on the corresponding date of the previous year, for lending to Agriculture including loans to farmers. Further, a sub-target of 8% for small and marginal farmers has also been fixed.

➤ Government of India implements an interest subvention scheme under which short term crop loans up to ` 3.00 lakh are provided to farmers at a reduced interest rate of 7% p.a. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

➤ The Government has introduced the Kisan Credit Card (KCC) Scheme, which enables farmers to purchase agricultural inputs such as seeds, fertilisers, pesticides, etc. and draw cash to meet their agricultural and consumption needs. The KCC Scheme has since been simplified with facilities like one-time documentation, built-in cost escalation in the limit and facility of ATM enabled debit card etc.

➤ Under the KCC Scheme, a flexible limit of `10,000 to `50,000 has been provided to marginal farmers (as Flexi KCC), based on the land holding and crops grown including post harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investments without relating it to the value of land.

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

➤ To enhance coverage of small and marginal farmers in the formal credit system, RBI has decided to raise the limit for collateral-free agriculture loans from `1 lakh to `1.6 lakh.

➤ The requirement of 'no due' certificate has also been dispensed with for small loans up to `50,000 to small and marginal farmers, share-croppers and the like and, instead, only a self-declaration from the borrower is required

➤ To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks.

➤ Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme has been implemented to provide an assured income support to all farmers, irrespective of the size of their land holdings subject to the exclusion factor. Under this scheme direct income support @ of `6,000 per year is be transferred directly into the bank accounts of beneficiary farmers, in three equal installments of `2,000 each.

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**Annexure as referred to in part (a) of the reply to Lok Sabha Unstarred Question No. †7 for 03.02.2020**

Term loan disbursement during the last three years by Commercial Banks, Regional Rural Banks and Cooperative Banks

(Rs. in crore)

S.No.	State/UT	2016-17	2017-18	2018-19
1	DELHI	11563.95	12988.53	22541.14
2	HARYANA	13206.21	16546.63	21973.27
3	HIMACHAL PRADESH	1696.61	3432.76	2324.37
4	JAMMU & KASHMIR	594.44	2055.06	2584.54
5	PUNJAB	16267.16	20191.39	23295.66
6	RAJASTHAN	16428.32	17331.06	21572.36
7	CHANDIGARH UT	653.16	1063.95	1582.82
8	ARUNACHAL PRADESH	104.81	55.00	30.60
9	ASSAM	4533.88	5248.38	6021.17
10	MANIPUR	192.13	217.82	209.97
11	MEGHALAYA	86.61	64.11	60.81
12	MIZORAM	84.00	151.69	345.53
13	NAGALAND	56.49	122.38	126.19
14	SIKKIM	53.72	59.22	99.40
15	TRIPURA	1178.05	1620.98	2233.29
16	A & N ISLAND	99.01	78.18	98.29
17	BIHAR	11965.96	14777.80	16225.96
18	JHARKHAND	1558.59	1678.40	2217.17
19	ODISHA	5453.32	7121.04	9990.83
20	WEST BENGAL	21951.82	26024.27	33677.70
21	CHHATTISGARH	2873.92	4294.75	3972.96
22	MADHYA PRADESH	13239.22	14119.25	17298.81
23	UTTARAKHAND	2834.26	3183.81	4973.85
24	UTTAR PRADESH	21991.35	22535.64	27936.73
25	GOA	792.43	898.97	990.00
26	GUJARAT	20412.24	22907.52	26141.51
27	MAHARASHTRA	40045.01	45107.38	54354.52
28	D & N HAVELI UT	53.04	52.80	51.15
29	DAMAN & DIU UT	21.79	21.10	33.99
30	ANDHRA PRADESH	31477.14	33664.67	40384.14
31	TELANGANA	20596.13	13870.55	30226.08
32	KARNATAKA	36405.55	34997.94	35092.86
33	KERALA	23323.12	29417.09	32257.16
34	PUDUCHERRY	1951.52	760.35	624.40
35	TAMILNADU	52550.67	52737.72	62835.33
36	LAKSHADWEEP UT	2.72	4.55	1.52
	<b>TOTAL</b>	<b>376298.35</b>	<b>409402.74</b>	<b>504386.08</b>

Source: NABARD