

Government of India
Ministry of Finance
Department of Financial Services
LOK SABHA

Unstarred Question No. †1132
Answered on Monday, February 8, 2021/Magha 19, 1942 (Saka)
LOAN TO FARMERS

Question

†1132. SHRI PANKAJ CHAUDHARY:

Will the Minister of FINANCE be pleased to state:

- (a) the details of scheme being implemented by the Government to provide loans to farmers for carrying out various agricultural activities across the country;
- (b) the total amount of loans provided to Farmers by various banks under this scheme and the details of outstanding amount due on them, bank-wise;
- (c) whether the Government proposes to provide loan to farmers on minimum interest rate for agriculture and agricultural equipment;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken/being taken by the Government to facilitate easy disbursal of loans to Farmers?

Answer

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

(a) to (e): The Kisan Credit Card (KCC) scheme is being implemented by the Government for issue of KCC to farmers. The scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers to meet their short term credit requirements for cultivation of crops, investment credit requirement for agriculture and allied activities and other related needs.

Bank-wise details of total agricultural balance outstanding in respect of Scheduled Commercial Banks as on 31.03.2020 are provided in the **Annexure** to this reply.

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 the regulatory guidelines on interest rate on advances contained in RBI's Master Direction dated 03.03.2016. Interest rates on loans could vary from time to time and are based on credit profile of the borrowers.

Government of India implements an interest subvention scheme under which short term crop loans up to Rs. 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/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 (CEOBE), 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 10% for small and marginal farmers has also been fixed. The target for lending to small and marginal farmers shall be revised upwards from 10% to 12% in phased manner from FY 2021-22 to 2023-24.
- Under the KCC Scheme, a flexible limit of Rs. 10,000 to Rs. 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 Rs. 1 lakh to Rs. 1.6 lakh.
- 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.
- To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks.

Annexure as referred to in part (b) of the reply to Rajya Sabha Unstarred Question No. 1132 for 08.02.2021

Total Agricultural Balance outstanding for Scheduled Commercial Banks as on March 31, 2020

Sr.No	Bank Name	Balance Outstanding (in Rs. thousand)
1	AB BANK LIMITED	0
2	ABU DHABI COMMERCIAL BANK PJSC	0
3	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	0
4	BANK OF AMERICA , NATIONAL ASSOCIATION	0
5	BANK OF BAHRAIN & KUWAIT B.S.C.	0
6	BANK OF CEYLON	0
7	BANK OF NOVA SCOTIA	0
8	BARCLAYS BANK PLC	0
9	BNP PARIBAS	675140
10	CITIBANK N.A	120518397
11	COOPERATIEVE RABOBANK U.A.	1270054
12	CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK	556502
13	CREDIT SUISSE AG	0
14	CTBC BANK CO., LTD.	230000
15	DEUTSCHE BANK AG	401431
16	DOHA BANK QSC	0
17	EMIRATES NBD BANK (P.J.S.C.)	0
18	FIRST ABU DHABI BANK PJSC	0
19	FIRSTSTRAND BANK LTD	0
20	HONGKONG AND SHANGHAI BANKING CORPN.LTD.	211826894.8
21	INDUSTRIAL AND COMMERCIAL BANK OF CHINA	0
22	INDUSTRIAL BANK OF KOREA	0
23	JPMORGAN CHASE BANK NATIONAL ASSOCIATION	0
24	KEB HANA BANK	0
25	KOOKMIN BANK	0
26	KRUNG THAI BANK PUBLIC COMPANY LIMITED	2196
27	MASHREQ BANK PSC	0
28	MIZUHO BANK LTD	0
29	PT BANK MAYBANK INDONESIA TBK	0
30	QATAR NATIONAL BANK SAQ	0
31	SBERBANK	61682
32	SHINHAN BANK	122476
33	SOCIETE GENERALE	0
34	SONALI BANK	0
35	STANDARD CHARTERED BANK	188381206
36	SUMITOMO MITSUI BANKING CORPORATION	0
37	THE BANK OF TOKYO-MITSUBISHI UFJ LTD	32536
38	THE ROYAL BANK OF SCOTLAND PLC	2099946
39	UNITED OVERSEAS BANK LTD	0
40	WESTPAC BANKING CORPORATION	0
41	WOORI BANK	0

	FOREIGN BANKS	526178460.8
1	ALLAHABAD BANK	248585695
2	ANDHRA BANK	312458473.7
3	BANK OF BARODA	1009519645
4	BANK OF INDIA	564862024
5	BANK OF MAHARASHTRA	169988094
6	CANARA BANK	756475440.8
7	CENTRAL BANK OF INDIA	308147150
8	CORPORATION BANK	240898656
9	INDIAN BANK	313575601
10	INDIAN OVERSEAS BANK	315498359
11	ORIENTAL BANK OF COMMERCE	206535414.7
12	PUNJAB AND SIND BANK	111681638
13	PUNJAB NATIONAL BANK	957827915
14	SYNDICATE BANK	353945214
15	UCO BANK	236514336
16	UNION BANK OF INDIA	547068469
17	UNITED BANK OF INDIA	135650944.1
	NATIONALISED BANKS	6789233069
1	AXIS BANK LIMITED	907630178
2	BANDHAN BANK LIMITED	207948174
3	CATHOLIC SYRIAN BANK LTD	17178601.13
4	CITY UNION BANK LIMITED	68766978
5	DBS BANK LTD.	7795715
6	DCB BANK LIMITED	36391376.94
7	FEDERAL BANK LTD	187768970.8
8	HDFC BANK LTD.	1465167492
9	ICICI BANK LIMITED	990835933.1
10	IDBI BANK LIMITED	310674509.2
11	IDFC BANK LIMITED	154481081
12	INDUSIND BANK LTD	235788216
13	JAMMU & KASHMIR BANK LTD	103600220
14	KARNATAKA BANK LTD	86550223
15	KARUR VYSYA BANK LTD	99745601.97
16	KOTAK MAHINDRA BANK LTD.	354463649
17	LAKSHMI VILAS BANK LTD	49900121
18	NAINITAL BANK LTD	8642688.09
19	RBL BANK LIMITED	80827442.26
20	SBM BANK (MAURITIUS)LTD.	995833
21	SOUTH INDIAN BANK LTD	122271184.6
22	TAMILNAD MERCANTILE BANK LTD	67246886
23	THE DHANALAKSHMI BANK LTD	15231684
24	YES BANK LTD.	251377555

	PRIVATE SECTOR BANKS	5831280313
1	STATE BANK OF INDIA	3301601246
	SBI AND ITS ASSOCIATES	3301601246
1	AU SMALL FINANCE BANK LIMITED	18097085
2	CAPITAL SMALL FINANCE BANK LIMITED	8944444
3	EQUITAS SMALL FINANCE BANK LIMITED	9485387
4	ESAF SMALL FINANCE BANK LIMITED	33528240
5	FINCARE SMALL FINANCE BANK LIMITED	27949822
6	JANA SMALL FINANCE BANK LIMITED	25672838
7	NORTH EAST SMALL FINANCE BANK LIMITED	5227998
8	SURYODAYA SMALL FINANCE BANK LTD.	1454935.7
9	UJJIVAN SMALL FINANCE BANK LIMITED	39650627.68
10	UTKARSH SMALL FINANCE BANK LIMITED	7520830.08
	SMALL FINANCE BANK	177532207.5
Source: RBI		