

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1501  
ANSWERED ON:03.03.2000  
LOANS TO COTTON GROWERS  
RAOSAHEB PATIL DANVE

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government propose to make available the loan easily through the nationalized banks to encourage the farmers engaged in cotton cultivation in Maharashtra; and

(b) if so, the details in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) As per the extant guidelines issues by Reserve Bank of India, all scheduled commercial banks and credit institutions are required to provide short term loans to farmers for raising agricultural crops including cotton under the production oriented system of lending known as crop loan system. Scales of finance are fixed for different crops taking into account various factors like variations in agro-climatic conditions, flexibility in disbursing the loan in cash, adherence to seasonality in lending and recovery, etc., which are aimed at making available timely and adequate credit to farmers. Further, in pursuance to the recommendations made by the High Powered Committee of Shri R.V. Gupta, simplification of loan sanction and disbursement procedure, delegation of higher powers to Branch Managers, introduction of composite cash credit limits, devising of new loan products to protect farmers' interest, cash disbursement of loans, non-insistence on 'No Dues Certificates', etc. have also been introduced by banks. With a view to further improving farmers' access to timely and adequate credit for agriculture, Kisan Credit Cards have been introduced by public sector banks, regional rural banks and cooperative banks in the country, which envisages provision of credit to farmers to enable them to purchase agricultural inputs such as seeds, fertilizers, pesticides, etc. and draw cash for their production needs, in a hassle-free and cost-effective manner.