

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1640
ANSWERED ON:10.12.2004
DENIAL OF LOAN TO FARMER IN ANDHRA PRADESH
Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

- (a) whether it has been reported that despite a 'farmer friendly' policy Government has denied more than 37 lakh farmers of the State of Andhra Pradesh bank loans on minor technicalities;
- (b) if so, the number of farmers denied bank loan during the last three years;
- (c) the steps the Government proposes to take to help all type of farmers in Andhra Pradesh for providing loan facilities from banks; and
- (d) the extent to which the Government is able to fulfil the needs of the farmers who were up till now being denied the bank loans ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S.PALANIMANICKAM)

(a) & (b) As reported by Andhra Bank, the convenor for SLBC in Andhra Pradesh, no such report has come to their notice.

(c) & (d) In pursuance of the announcements made by the Govt. of India on 18th June, 2004 for stepping up credit flow to agriculture and allied sectors, banks in Andhra Pradesh have taken a number of steps including inter alia, increase in lending by 35.81% during the current year so far against the target of 30% increase over the previous year. The total credit disbursement to agriculture activities in the State as at the end of September, 2004 was around Rs. 18,802 crores. Out of 106.43 lakh farm holdings in the State, banks have covered 86.09 lakh holdings with bank finance as on 30.09.2004.

The banks in Andhra Pradesh have covered about 7.96 lakh new farmers with bank finance during the kharif season of the current year .

To enable the tenant farmers to access bank credit, a new Scheme has been formulated in Andhra Pradesh called Rythu Mithra Groups (RMG's). Bankers in the State have also requested the State Govt. to issue Pattadar Pass Books (revenue records) to all the eligible farmers to enable them to access bank credit.