

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1915
ANSWERED ON:05.08.2005
AGRICULTURE CREDIT
Kurup Adv. Suresh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has recently announced a series of measures for enhancing agriculture credit flow and providing credit related relief to the farmers;
- (b) if so, the details thereof; and
- (c) the follow-up action taken by NABARD and other credit related agencies?

Answer

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

(a) and (b) Yes, Sir. Government has made an announcement on 18th June 2004 on doubling the flow of agricultural credit in three years envisaging the various relief measures for farmers. RBI/ NABARD/IBA have issued guidelines to all banks for providing debt relief to farmers in distress/arrears by restructuring/ rescheduling the dues of farmers into term loans of upto five years period with a moratorium period of upto two years. Guidelines have also been issued to finance farmers under heavy burden of debt from non-institutional agencies like money lenders and for One Time Settlement for small and marginal farmers. The farmers availing benefit under these schemes are also eligible for fresh loans.

(c) NABARD/RBI has, inter-alia, taken following steps, to provide easier loans to farmers and people living in rural areas:

- (i) The banks have been asked to simplify the procedure for sanction of loan.
- (ii) One page documentation has been circulated among banks for adoption.
- (iii) Reserve Bank of India has instructed banks not to insist on collateral or margin for loans upto Rs. 50000/-.
- (iv) Banks have been asked to issue Kisan Credit Cards to all eligible farmers.
- (v) Financing of Self Help Groups is being emphasised.
- (vi) A Project has been initiated for lending by banks to joint liability groups of tenant farmers and oral lessees.