

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2772
ANSWERED ON:17.12.2008
GRANTING OF LOAN BY GRAMEEN BANKS IN JHARKHAND
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Will the Minister of FINANCE be pleased to state:

- (a) whether cases/reports of non-granting of agricultural loan to customers/farmers in Jharkhand have come to the notice of Union Government during the current year;
- (b) if so, the details thereof; and
- (c) the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) to (c) : No specific report of refusal of agricultural loan to customers/farmers in Jharkhand has come to the notice of the Government. All banks have robust internal grievance redressal mechanism to address customer complaints including denial of agricultural loans to the farmers. Various instructions have been issued to banks from time to time in this regard. Any genuine grievance is attended to by the concerned bank.

Besides, the Government of India has taken the following steps to ensure increased accessibility of credit by the farmers:-

The Government of India (GoI) is providing interest subvention to Public Sector Banks, Regional Rural Banks (RRBs) and Cooperative Banks on their own funds and concessional refinance to Cooperative Banks and RRBs to ensure Short Term crop loans upto Rs.3 lakh to farmers at interest rate of 7% per annum at the ground level.

The flow of agricultural credit has tripled in the last four years from Rs.86,981 crore in 2003-04 to Rs.2,43,570 crore in 2007-08.

Banks have simplified the procedure for documentation for agricultural loans.

Loans upto Rs.50,000/- have been made collateral and margin free and the requirement of 'No Dues Certificate' has been dispensed with.

Banks have been advised to provide all eligible farmers with Kisan Credit Cards.

Banks have been instructed to achieve financial outreach through provision of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, Non Governmental Organisations (NGOs), Post Offices as Business Facilitator/Business Correspondent Model, etc.