

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:308

ANSWERED ON:16.04.2010

LOANS TO FARMERS

Roy Shri Nripendra Nath;Singh Smt. Meena

Will the Minister of FINANCE be pleased to state:

- (a) the details of the loans disbursed to farmers by the scheduled commercial banks during the last one year, State-wise and bank-wise;
- (b) whether the Government has received complaints regarding reluctance and corruption in providing loans to farmers and denial of fresh loans to farmers whose loans have been waived off during the said period, State-wise and bank-wise;
- (c) if so, the details thereof alongwith the action taken thereon;
- (d) whether the Government has relaxed/extended the time limit for the farmers who failed to repay their loans in time;
- (e) if so, the details thereof;
- (f) whether the Government proposes to launch any new scheme for giving relief to the farmers by enabling them to raise loans; and
- (g) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (g): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (g) of Lok Sabha Starred Question No.308 to be answered on 16th April, 2010 regarding Loans to Farmers, tabled by Shri Nripendra Nath Roy and Shrimati Meena Singh.

(a): The flow of agriculture credit in the year 2009-10 upto December 31, 2009 has amounted to Rs 248,510 crore. The State-wise details are placed at Annex-I. The bank-wise details are at Annex-II.

(b) & (c): The guidelines for the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 mandated a decentralized grievance redressal mechanism for dealing with complaints right down to the branch level of the banks. This Grievance Redressal Mechanism required a Grievance Redressal Officers (GRO) to be designated exclusively to address grievances and complaints of the farmer borrowers of the Scheduled Commercial Banks, Cooperative Banks and Regional Rural Banks. These GROs were required to dispose of all complaints / grievances brought to their notice within a stipulated timeframe. The National Bank for Agriculture and Rural Development (NABARD) has reported that the grievances regarding the implementation of ADWDRS, 2008 have been redressed as per the scheme guidelines and the aggrieved farmers have been given relief/waiver whenever their grievances were found to be correct. NABARD has further reported that up to January 2010, Rs 2.83 crores was released to 5426 farmers accounts as part of the grievance redressal mechanism.

Further, NABARD has reported that up to December 31, 2009 fresh agriculture loans worth Rs. 9455.79 crore have been provided to 46.42 lakh farm accounts that were covered under the Agricultural Debt Waiver and Debt Relief Scheme(ADWDRS), 2008 by Regional Rural Banks and the Cooperative Credit Institutions.

A clearly defined mechanism also exists in all Banks for redressing complaints of various types, including complaints on agriculture lending by banks. This mechanism lays specific emphasis on resolving such complaints fairly and expeditiously, regardless of their source. To ensure that the complaint redressal mechanism is effective and for strengthening customer services, the Reserve Bank of India (RBI) has issued instructions to all banks for putting in place a four tier institutional arrangement consisting of (i) Customer Service committee of the Board, (ii) Standing committee of Executives on Customer Service,(iii) a nodal department /office for customer service at the Head Office and Controlling Offices and(iv) a Customer Service Committee at the branch level.

(d) & (e): Yes Sir. The last date for the payment of dues by `other farmers` under the Debt Relief portion of the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for `One time Settlement` (OTS) has been now extended upto 30 June 2010 in view of the recent drought in some States and the severe floods in some other parts of the country.

(f) & (g): No Sir, the existing schemes are being continued in the financial year 2010-11 also.

