

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4796

ANSWERED ON:07.08.2009

DISPOSAL OF AGRICULTURAL LOAN APPLICATION

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Will the Minister of FINANCE be pleased to state:

- (a) whether agricultural loans advanced by various banks for kharif and rabi crops are available to farmers on time;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether a large number of farmers are affected because of the delay in disposal of loan applications;
- (d) if so, the number of applications pending with various banks, bank-wise at present; and
- (e) the corrective action/steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The flow of credit to agriculture has shown a sustained increase from Rs. 86,981 crore in 2003-04 to Rs. 2,87,149 crore (data provisional) in 2008-09. Besides, the target for flow of credit to agriculture has also been revised from Rs. 2,80,000 crore during 2008-09 to Rs. 3,25,000 crore for the year 2009-10. This shows that the Government is committed to ensure the availability of timely and affordable credit to farmers. Besides, as per Master Circular of the Reserve Bank of India on Lending to Priority Sector issued to Scheduled Commercial Banks, all loan applications (including agricultural loan applications) up to a credit limit of Rs. 25,000/- should be disposed of within a fortnight and those for over Rs. 25,000/- within 8 to 9 weeks.

(c) to (e): No specific report has been received by the Government about the farmers being affected because of the delay in disposal of loan applications. The nationalised banks have a robust internal grievance redressal mechanism designed to address all customer complaints including those relating to availing of loans by the farmers, etc. Various instructions have been issued to banks from time to time in this regard.