

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:52
ANSWERED ON:08.08.2012
QUESTION CROP LOANS BY BANKS
Ganpatrao Shri Jadhav Prataprao

Will the Minister of FINANCE be pleased to state:

- (a) whether crop loans were not given to the farmers of Buldhana district in Maharashtra by the nationalised banks and Gramin Vikas Bank due to guidelines framed by RBI;
- (b) if so, the details thereof;
- (c) whether it is intended to review the RBI guidelines and working of nationalised banks;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor and the reaction of the Government thereto?

Answer

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

(a) & (b): National Bank for Agriculture and Rural Development (NABARD) has reported that Commercial Banks and Regional Rural Banks have disbursed crop loan of Rs.431.47 crore to 97,311 farmers in Buldhana district of Maharashtra during Kharif 2012.

(c) to (e): In terms of Reserve Bank's extant guidelines on lending to priority sector, a target of 40 percent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, has been mandated for lending to the priority sector by domestic scheduled commercial banks, both in the public and private sector. Within this, a sub-target of 18 per cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, as on March 31 of the previous year, has been mandated for lending to agriculture sector.

Government has taken several policy measures from time to time to increase the availability of credit to the rural areas in general and farmers in particular. These inter-alia include the following:

The Government has been setting an annual target for the flow of credit to the agriculture sector. The agriculture target for 2012-13 is fixed at Rs 5,75,000 crore against the target of Rs 4,75,000 crore in 2011-12.

The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans upto Rs. 3 lakh for a period of one year available to farmers at the interest rate of 7 percent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payee farmers. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12. The Government has in the Budget speech of 2012-13 announced continuation to the scheme in 2012-13 also.

RBI has also advised banks to waive margin/security requirements for agricultural loans upto Rs 1,00,000.

Banks have been advised to issue Kisan Credit Cards (KCC) to all eligible farmers.