

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2748

ANSWERED ON:07.02.2014

AGRICULTURAL LOAN TO FARMERS

Adsul Shri Anandrao Vithoba;Yadav Shri Dharmendra

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government/Reserve Bank of India (RBI) has received any complaint against Public Sector Bank regarding non-sanctioning of loans to the farmers in time;
- (b) if so, the details thereof along with the interest rate charged on farmer loans during the last three years and the current year, bank, State/UT-wise;
- (c) whether the National Bank for Agriculture and Rural Development (NABARD)/RBI has received any request/proposal from the Ministry of Agriculture to reduce the interest rate on farmer loans;
- (d) if so, the details thereof along with the reaction of RBI/NABARD thereto; and
- (e) the steps taken/being taken by the Government/RBI to simplify the process of agricultural loans and redress the grievances of the farmers in this regard?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (e):- Whenever any complaint regarding farm loan is received by the Government/Reserve Bank of India(RBI) with regard to certain issues relating to agriculture credit, the same are taken up, at appropriate level, for redressal thereof. However, no separate data on specific nature of complaints is maintained.

In order to provide credit for farmers at affordable interest rates, the Government of India, has since 2006-07, been implementing the Interest Subvention Scheme under which short-term crop loans upto Rs.3 lakh are made available to the farmers at an interest rate of 7 percent per annum by the Banks. The Government of India in 2009-10 introduced an additional interest subvention of 1 percent for farmers who repay their loans within the period of interest subvention i.e. within one year of disbursement of such loans. This additional subvention was increased to 2 percent in 2010-11 and 3 percent from 2011-12 onwards. The Interest Subvention Scheme has also been extended to the private sector commercial banks from the year 2013-14. However, no request from Ministry of Agriculture to reduce the interest rate on farmer loans is under consideration.

The Government has revised the Kisan Credit Card(KCC) Scheme. As per the revised Scheme, the KCC is valid for five years subject to an annual review. The farmer is required to furnish one-time documentation at the time of first avilment of loan and, thereafter, simple declaration about crop raised/proposed is required to be given from the second year onwards.

Besides, Banks have been advised to waive margin/security requirements of agricultural loans upto Rs.1,00,000/-. Banks have also been advised to dispense with the requirement of 'no due' certificate for small loans up to Rs.50,000 to small and marginal farmers, share-croppers and the like and, instead, obtain a self-declaration from the borrower.