

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2712

ANSWERED ON:09.12.2011

LOANS TO FARMERS

Nagar Shri Surendra Singh;Raghavendra Shri B. Y.;Sharma Dr. Arvind Kumar;Shivanagouda Shri Shivaramagouda;Siddeswara Shri Gowdar Mallikarjunappa;Singh Shri Radha Mohan

Will the Minister of FINANCE be pleased to state:

- (a) the details of the loans disbursed by the scheduled commercial banks, cooperative banks and regional rural banks, cooperative banks and regional rural banks to the farmers alongwith their Non-Performing Assets during each of the last three years and the current year, State-wise including Karnataka, Uttar Pradesh and Haryana and bank-wise including Oriental Bank of Commerce;
- (b) the details of the applications pending with the said banks for such loans, as on date and the reasons for such pendency alongwith the time by which such applications are likely to be cleared;
- (c) whether the Government has received complaints against the said banks for denial of loans and discrimination in disbursement of loans to the farmers during the said period;
- (d) if so, the details thereof and the reasons therefore alongwith the action taken on such complaints; and
- (e) the steps taken/being taken by the Government to bring each farmer of the country under institutional lendings?

Answer

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

(a) to (e): The State-wise details of the loans disbursed by Scheduled Commercial Banks, Regional Rural Banks and Cooperative Banks during the last three years i.e. 2008-09, 2009-10, 2010-11 and current financial year 2011-12 (upto 30th Sept., 2011) are given in Annex-I, Annex-II, Annex-III and Annex-IV respectively.

The details of NPAs on Agriculture loan outstanding of Scheduled Commercial Banks for the last reporting Friday of March are as under:

(Amount Rs. in crore)			
Year,	March NPAs in Agriculture	Outstanding adv. Percentage of NPAs	
	sector (amt. in crore)	to Agriculture	to Agri outstanding
2008	9735	308086.79	3.1
2009	7149	375594.91	1.9
2010	10353	463321.44	2.2
2011 (prov)	16659	507182.93	3.3

Bank-wise/State-wise data are not maintained by RBI.

To redress the complaints 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 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.

Complaints of various types, including complaints on denial of loans by banks received by the Government are forwarded to the concerned Bank for redressal.

The Government of India has taken several measures for the availability of credit to farmers through banks. These include:

(i) 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 payees farmers, i.e., those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This is being increased to 3% in 2011-12.

(ii) The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 has de-clogged the lines of credit that were clogged due to the debt burden on the farmers.

(iii) Banks have been advised to dispense with the requirement of "no dues" certificates 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.

(iv) Reserve Bank of India (RBI) has advised banks to waive margin/security requirements for agricultural loans upto Rs 1,00,000.

(v) To extend the reach of banking facilities to the rural hinterland, banks have identified approximately 73,000 villages with population of more than 2000 to provide banking facilities by March, 2012. As per reports received from State Level Bankers Committee (SLBC)

Convener Banks, over 45,000 such villages have been covered.

(vi) General permission has been granted to domestic Scheduled Commercial Banks (other than RRBs) to open branches/mobile branches/Administrative Offices/CPCs (Service Branches), (i) in Tier 2 to Tier 6 centres (with population upto 99,999) and (ii) in rural, semi urban and urban centres of the North-Eastern States and Sikkim, subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the Banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.