

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5255

ANSWERED ON:24.04.2015

LOAN POLICY

Lokhande Shri Sadashiv Kisan;Phoole Sushree Sadhvi Savitri Bai;Thota Shri Narasimham

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

(a) whether the Government has any proposal/proposes to review the shortcomings/drawbacks of the loan policy followed by the banks and financial institutions for sanctioning of loan and its recovery from the underprivileged, unemployed youth, labourers and farmers;

(b) if so, the details thereof;

(c) the details and ratio in which rural families have been granted loan by the banks, financial institutions and self-help groups during the last three years, State-wise including Jharkhand;

(d) whether there is any decrease in the amount of loan granted to rural poor during the said period; and

(e) if so, the details thereof along with the corrective steps taken by the Government in this regard?

**Answer**

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRI JAYANT SINHA)

(a) & b): Reserve Bank of India (RBI) has, from time to time, issued guidelines/instructions/ directives to Scheduled Commercial Banks (SCBs) on Priority Sector Lending (PSL) which also include loans and advances to agriculture, micro and small enterprises, housing and weaker sections which, inter alia, include small farmers (SF) and marginal farmers (MF), artisans, and village & cottage industries, SC/ST, Self Help Groups (SHGs) and Minority Communities, etc. The target set under PSL for weaker sections is 10% of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure (QBE), whichever is higher.

As regards, Regional Rural Banks (RRBs), 60% of their outstanding advances shall be for PSL. Of the total priority sector advances, at least 25% (i.e.15% of the total advances) should be advanced to weaker sections of the society.

As regards, Cooperative Banks, their major loans and advances shall be for agriculture and allied activities.

(c) to (e) The information in the desired form is not maintained. However, Government of India has been announcing the target for agriculture credit to be disbursed by SCBs, RRBs and Cooperative Banks in Union Budget. The agency wise details of disbursements during the last three years i.e. 2011-12, 2012-13 & 2013-14 including credit disbursed to small and marginal farmers are given in Annexure I.

The total agriculture lending by banks which was Rs.5,11,029 crore in 2011-12 rose to Rs.7,11,621 crore in 2013- 14.

The loans granted to SHGs by banks are generally in the ratio of 1 4 of the savings. However, in case of matured SHGs, loans can be extended beyond the limit of 4 times of the savings depending on the comfort of banks and credit history of the SHGs.

The state-wise savings and credit linkages in the last 3 years i.e. 2011-12, 2012-13, 2013-14 are given in Annexure II and III.

The provisional data for 2014-15 is given in Annexure IV

In respect of financing to SHGs by banks, there is no decline in the loans granted under SHG- Bank Linkage Programme. The loans disbursed to SHGs increased from Rs.16,534.77 crore in 2011-12 to Rs.20,585.36 crore in 2012-13 and to Rs.24,017.36 crore in 2013-14. The share of SF & MF in the total agricultural credit increased from Rs.2,21,329 crore (404.82 lakh accounts) in 2011-12 to Rs.2,57,224 crore (415.61 lakh accounts) in 2012-13 and Rs.3,22,007 crore (507.19 lakh accounts ) in 2013-14.