

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:392  
ANSWERED ON:19.12.2014  
NORMS FOR CROP LOAN  
Sreeramulu Shri B.

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

- (a) whether the Government/Reserve Bank of India (RBI) has formulated/issued any guidelines/norms for simplifying the process of sanctioning of crop loan and renewal of farm loans by public sector banks;
- (b) if so, the details thereof;
- (c) whether instances of violation of such guidelines/norms have come to the notice of the Government and if so, the details thereof along with the number of such instances reported during each of the last three years and the current year; and
- (d) the remedial measures taken or being taken by the Government in this regard?

**Answer**

The Minister of Finance (Shri Arun Jaitley)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 392 for answer on 19th December, 2014 regarding Norms for Crop Loan tabled by Shri B. Sriramulu, MP.

(a) to (d) : In order to simplify the process of sanctioning the crop loan and provide hassle-free crop loan to farmers, the Government/Reserve Bank of India (RBI)/National Bank for Agriculture & Rural Development (NABARD) have, inter alia, taken the following major steps :-

# Government has introduced the KCC Scheme, which enables them to purchase agricultural inputs such as seeds, fertilisers, pesticides, etc. and draw cash to address their consumption needs.

# This KCC Scheme has further been simplified and converted into ATM enabled debit card with, inter alia, facilities of one-time documentation and built-in cost escalation in the limit, etc. 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.

# Banks have been advised by RBI to waive margin/security requirements of agricultural loans upto Rs.1,00,000/-. The requirement of 'no due' certificate has also been dispensed with for small loans up to Rs.50,000 to small and marginal farmers, share-croppers and the like and, instead, only a self-declaration from the borrower is required.

# Small, marginal, tenant farmers, oral lessees, etc. have been brought into the fold of institutional credit through Joint Liability Groups (JLGs) promoted by banks, which are sanctioned crop loans on relaxed terms.

The concerned banks have their own grievance redressal mechanism for resolution of grievances /complaints. Any complaints/grievances which are brought to the notice of Government/RBI/ NABARD are taken up with the concerned banks for resolution.