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Title: Regarding problem faced by the Kerala State Agricultural and Rural Development Bank in operation of Kisan Credit Card Scheme and Education Loan Scheme.

SHRI P.T. THOMAS : I would like to draw the attention of the Government towards the issues faced by the Kerala State Cooperative Agriculture and Rural Development Bank in the operation of Kisan Credit Card Scheme and Education Loan Scheme.

The Bank is implementing the schemes since 2005 with due sanction from NABARD to provide loans to small and marginal farmers. But NABARD has abruptly stopped refinance facility to the Bank from 2010-11 due to the reason that Agricultural and Rural Development Banks (ARDBs) are not in the approved list of institutions to give Short Term Loans and ARDBs are not cooperative Banks as provided in the Banking Regulation Act. The facility of interest subvention incentive extended to prompt payment of Short Term Loans from 2009-10 has also been denied to ARDBs due to the above said reason. Similarly, the Bank has been kept outside the purview of the scheme of interest subsidy on education loans which resulted to deny the benefit to poor students.

The issue adversely affects both the functioning and existence of long term credit structure. Innocent borrowers are penalized on account of availing loan from ARDBs.

So, I would request the Government for including ARDBs as eligible institutions for concessional financing by NABARD for the operation of short term loan – Kisan Credit Card Scheme (KCC) and interest subvention facility allowed both under KCC and Educational Loan Scheme.