

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:3769  
ANSWERED ON:13.12.2002  
LOAN TO SMALL AND MARGINAL FARMERS  
VIJAY KUMAR KHANDELWAL

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether the Government provides non-productive loan facilities to the small and marginal farmers along with landless labourers;
- (b) if so, the details of guidelines in this regard;
- (c) if so, the amount of loans provided by public sector banks on this account as on March 31, 2002; and
- (d) if not, the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) Reserve Bank of India (RBI) has reported that a scheme for providing bank credit to meet the consumption needs of the poorer sections of the society has been in operation since 1976. The scheme is applicable to, amongst others, small and marginal farmers. The aggregate finance presently available under the scheme for consumption purposes is not to exceed Rs. 1000.00 per family per year with the further proviso that the purpose-wise ceiling will not apply in cases where the loans are granted against the security of gold/silver ornaments for which a ceiling limit of Rs. 2000.00 has been stipulated per family. In addition, under the Swarnajayanti Gram Swarajgar Yojana (SGSY) to meet the small consumption needs of weaker sections of society, a Risk fund for consumption credit has been created by Government with 1% of SGSY funds at the district level. The scheme is intended to enable commercial banks, cooperative banks and regional rural banks to provide consumption loans, not exceeding Rs. 2000 per swarozgari from weaker sections of the society. Under this scheme, risk fund assistance is to be provided to banks to the extent of 10% of the total consumption loans disbursed by banks during the year to the above groups.

(c) and (d) As reported by RBI, an amount of Rs. 68601.59 lakhs was outstanding as on 31 March, 2001 in respect of consumption loans to the weaker sections under the pure consumption credit scheme. The details of loans provided by banks for consumption loans under SGSY is not being monitored separately and hence no data is available in this regard.