

Government of India
Ministry of Finance
Department of Financial Services

RAJYA SABHA
Unstarred Question No. 2280
Answered on Tuesday, March 16, 2021/ 25 Phalguna, 1942 (Saka)
FINANCIAL INCLUSION IN THE STATE OF ODISHA

Question

2280. Shri Bhaskar Rao Nekkanti:

Will the Minister of Finance be pleased to state:

- (a) whether Government announces such specific measures so that Commercial Banks will be able to deliver adequate and timely credit in agriculture and allied sector as well as to Self Help Groups (SHGs) in the State of Odisha which is essential for economic and social development;
- (b) if so, the details thereof;
- (c) whether Government will allow women Self Help Groups (SHGs) to act as Banking Correspondents by infusing adequate liquidity; and
- (d) whether Government will issue appropriate directions to the banks operating in the Cuttack and Bolangir districts to achieve 100% digitization by the end of February 2021?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

- (a) & (b): The Government/RBI has taken the following initiatives to deliver adequate and timely credit to agriculture and allied sector as well as to Self Help Groups (SHGs):
- The Priority Sector Lending (PSL) directions of RBI mandate all Domestic Scheduled Commercial Banks to earmark 18% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposure (CEOBE), whichever is higher, as on the corresponding date of the previous year, for lending to Agriculture including loans to farmers.
 - Kisan Credit Card (KCC) scheme is being implemented by the Government for issue of KCC to farmers. The scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers to meet their short term credit requirements for cultivation of crops, investment credit requirement for agriculture & allied activities and other related needs.
 - Government of India implements an interest subvention scheme under which short term crop loans up to Rs. 3.00 lakh are provided to farmers at a reduced interest rate of 7% p.a. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

➤ The benefits of KCC along with interest subvention have been extended to Animal Husbandry and Fisheries farmers.

➤ Under the KCC Scheme, a flexible limit of Rs. 10,000 to Rs. 50,000 has been provided to marginal farmers (as Flexi KCC), based on the land holding and crops grown, including post harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investments without relating it to the value of land.

➤ To enhance coverage of small and marginal farmers in the formal credit system, RBI has decided to raise the limit for collateral-free agriculture loans from Rs. 1 lakh to Rs. 1.6 lakh.

➤ 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.

➤ To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks.

➤ Government in M/o Rural Development has been implementing Deen Dayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) which aims to mobilize one woman from every rural family into Self Help Groups. All rural Households with at least one deprivation under the Socio-Economic and Caste Census data are considered the target households for coverage under DAY-NRLM. In addition, any rural households identified as poor through a process of participatory identification of poor and vetted by the Gram Sabha can also be included in the SHG network. Accordingly, it is estimated that about 9-10 crore rural households would be covered under DAY-NRLM by 2024-25. Till 31st December 2020, a total of 7.26 crore rural households have been mobilized into 66.03 lakh SHGs.

During FY 2020-21, as on 31.01.2021, 1,96,685 SHGs have been credit linked with total credit disbursement of Rs. 3026.19 crore. The average loan size is Rs. 1.6 lakh. Total outstanding loan to SHG groups stands at Rs. 4184.42 crore.

As on 31.01.2021, total agriculture credit disbursement is to the tune of Rs.12,52,656 crore during FY 2020-21.

(c): Odisha Livelihoods Mission in collaboration with State Bank of India, Utkal Grameen Bank and Odisha Gramya Bank is engaging women Self Help Group (SHG) members to act as their Business Correspondent Agents. As on 1st March, 2021, 612 Business Correspondent Agents have been engaged in providing banking services in the state.

(d): State Level Bankers' Committee (SLBC) Odisha has informed that Reserve Bank of India (RBI) vide their circular dated 28.09.2020, has extended the timeline for completion of 100% digitization of Cuttak and Balangir to March, 2021.
