

GOVERNMENT OF TELANGANA
ABSTRACT

Agriculture Department - Guidelines for Crop Loan Waiver Scheme for the farmers of Telangana State – Orders - Issued.

AGRICULTURE AND COOPERATION (AGRI.II) DEPARTMENT

G.O.Rt.No.69
2014.

Dated: 13-08-

ORDER:

Agriculture sector in Telangana while contributing 14 percent of the Gross State Domestic Product provides direct and indirect employment to over 50 percent of the rural population. Thus, the agriculture sector with a small share in GSDP provides subsistence livelihood to a large section of population. Majority of farm families are small and marginal. Agriculture sector in the State is characterized by stagnation, low productivity, frequent occurrence of droughts and low levels of public and private investments. Infusion of investment is the surest way to enhance agricultural productivity, which besides breaking the vicious cycle of rural poverty could also address the macroeconomic problem of persistent high food inflation.

Taking into account the plight of the farmers in the State, the new Government of the State of Telangana has assured the farmers that, as a first step towards alleviating their hardship, a scheme will be introduced for the waiver of their outstanding crop loans. In the current dispensation, crop loans are sanctioned for a period of one year and rolled over at the end of the year on payment of interest. Thus, there is no fresh cash inflow to farmers thus forcing them to purchase high cost inputs on credit at a very high interest. The Government of Telangana is convinced that unless this cycle is broken with a one-time crop loan waiver, farmers will remain trapped in perpetual indebtedness. This measure will also enable the farmers to make fresh investments in agriculture. Keeping in view this imperative, the Government of Telangana has formulated the Crop Loan Waiver Scheme. This scheme covers only institutional loans and does not cover loans from non-institutional sources.

Scope of the Crop Loan Waiver Scheme and Eligible Amount

This scheme will cover short term production loans, and crop loans against gold, disbursed to farmers in the Telangana State by scheduled commercial banks, cooperative credit institutions (including urban cooperative banks) and regional rural banks, collectively called as the "lending institutions".

The eligible amount for debt waiver would be limited to the amount of loan (together with applicable interest), which is disbursed and outstanding as of 31st of March, 2014 or Rs.1,00,000 per farmer family whichever is lower. The farmer family is defined as head of the family, spouse and dependent children.

The following loans/accounts shall not be eligible under the Crop Loan Waiver Scheme.

- a) Advances against pledge or hypothecation of agriculture produce other than standing crop
- b) Tied loans
- c) Closed crop loan accounts

Short term production loan means a loan given in connection with the raising of crops which is to be repaid within 18 months. It will include working capital loan, for traditional and non-traditional plantation and horticulture.

Implementation Guidelines of the Scheme

a) Preparation of list of farmers with outstanding crop loan dues and arriving at the amount of claim

i) Each lending institution – bank branch - which has disbursed short term crop loans to farmers shall prepare village-wise list of farmers with outstanding crop loan dues as on March 31, 2014 in the prescribed format (Annexure-A).

ii) Each lending institution, shall also prepare a village-wise list of farmers who have outstanding dues as on March 31, 2014 in respect of crop loans taken against gold in the prescribed format (Annexure-B).

iii) The list of farmers in Annexure-A and Annexure-B should be compared by the Bank Branch Manager and a final list of farmers who have outstanding crop loan and limited to a maximum extent of Rs.1.00 lakh should be prepared by the Bank Branch Manager in the format designed in Annexure-C. One copy of Annexure-A, B, C should be sent by the Bank Branch Manager each to LDM and District Collector.

iv) Some of the farmers might have taken crop loan/agriculture gold loan for crops from more than one bank branch of same bank or another bank. Hence, for eliminating the duplication/multiple financing and restricting the benefit of loan waiver of Rs.1.00 lakh per farmer family, a Bankers meeting at Mandal level will be convened by the JMLBC (Joint Mandal Level Bankers Committee) Convener. At the JMLBC meeting all the Banks will come with the lists of eligible farmers prepared in the proforma as in Annexure-A, B & C prescribed by the Government, and compare the list of farmers in Annexure- C with Annexure- C list of other bank branches in the mandal belonging to all the other banks (commercial, rural, cooperative). The mandal Tahsildar will also check all names in Annexure- C of all banks in the mandal and will verify if there are any fake pattadar pass books and also if all loanees have farm land. After this verification any false claims will be deleted. Then the farmer family who have availed loans from more than one bank branch will be identified by the JLMBC members. Their details will be recorded by the JLMBC in Annexure- D. The Co-op. Dept. auditors under the supervision of District Co-op. Audit Officer shall cross verify the A, B, C with D list pertaining to PACs and DCCBs. The DCAO shall allot the auditors to Mandals under his jurisdiction under intimation to the District Collector. A senior officer not below the rank of Deputy Collector and nominated by the District Collector will be the observer for this meeting. The Annexure-D thus prepared in JLMBC will be shared by all bank branches at the mandal level.

v) After comparing and deleting farmer family who have taken loan in more than one bank branch (Comparing Annexure C and D) each bank will prepare Annexure-E. It is to be noted that if a farmer family has multiple accounts but overall outstanding for crop loan is less than Rs.1.00 lakh, then their name will not be deleted. In case outstanding crop loan is more than Rs.1.00 lakh, then the name will be retained in the bank where the farmer family first availed the crop loan or where the outstanding amount is higher, the latter being the first priority. Annexure-E will be the final list of farmers bank branch wise who will be eligible for loan waiver.

vi) Annexure-E will be exhibited village wise and social audit conducted by a team consisting of MPDO, Tahsildar, AR (SDLCO)/Sl.& Branch Manager or his representative. After conduct of social audit and finalization of all objections received the final list of farmers bank branch wise will be prepared in Annexure-E (final). After the social audit and after taking into account the

objections of villages, if any, a final village-wise list of eligible farmers along with the amount eligible for waiver shall be prepared Annexure 'E' and displayed at all bank branches after due authentication. The final list shall be sent to the LDM and the District Collector in Annexure-E.

vii) A District Level Bankers' meeting will be convened (DCC) by the LDM and district details of loan waiver bank wise, farmer wise will be recorded and sent to SLBC in Annexure-E. SLBC will intimate Bank wise, Branch wise farmers eligible amounts to be released to the Government in Annexure-E.

b) Claim reimbursement by the Government to the lending institutions

i) The final list shall be consolidated village-wise and district-wise by convening a meeting of the District Level Bankers' Committee. After consolidating all such lists from the districts, the banks would need to raise a claim with the Government, which would be reimbursed to the banks.

ii) After adjustment of loan waiver amount by the State Government, each branch shall certify the amount of outstanding crop loans waived after duly crediting the amounts in the crop loan accounts of farmers. Before crediting the amount, an undertaking should be taken from the farmer in that he shall repay the amount of waiver if it is found subsequently that he/she has fraudulently obtained the crop loan or is found not eligible for crop loan waiver under the Scheme. A certificate of loan waiver in Annexure 'F' shall also be issued by the bank branch to each farmer, whose outstanding loan has been waived. The amount of loan waiver shall be consolidated bank-wise for the entire State.

iii) A meeting of the JMLBC shall be convened within one month of the completion of procedures laid down in i) and ii) above.

Audit

After the completion of procedures in i) and ii) above, the auditors of the Cooperation Department shall take up the audit of Primary Agricultural Cooperative Societies to ensure accuracy of the waiver amounts and shall submit the audit report to the Chief Auditor. The books of accounts of every lending institution that has granted crop loan waiver shall be subject to an audit in accordance with the usual procedure prescribed by RBI / NABARD. The audit may be conducted by concurrent auditors, statutory auditors or special auditors.

Obligations of lending institutions

Every lending institution shall be responsible for the correctness and integrity of the list of farmers eligible under the scheme and the particulars of crop loan waiver in respect of each farmer. Every document maintained, every list prepared and every certificate issued by a lending institution for the purpose of the scheme shall bear the signature of an authorised officer of the lending institution.

Monitoring and Grievance Redressal

There will also be a suitable monitoring and grievance redressal mechanism established at Mandal, District and State levels and every representation has to be disposed off within 30 days. Detailed orders in this regard would be issued separately.

Fresh Lending and agriculture campaign

Since the eligibility for loan waiver is decided based on the outstanding crop loan as on March 31, 2014, along with the interest on it computed up to the date of implementation to be notified by the State Government, and the liability will be taken over by the State Government. All the bankers should commence fresh lending of crop loans immediately. For clarity, it is reiterated that the eligible loan amount as computed by following the prescribed procedure shall be reimbursed irrespective of its renewal subsequent to 31-03-2014.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

POONAM MALAKONDAIAH,
APC & PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Commissioner & Director of Agriculture,
Government of Telangana, Hyderabad.

Copy to:

The Principal Secretary to Chief Minister.
The P.S. to Hon'ble Minister (Agri & A.H.)
The P.S. to Chief Secretary.
The Finance (EAC) Department.
The Accountant General, Telangana, Hyderabad.
The Pay and Accounts Officer, Telangana, Hyderabad.
SF/SCs.

// FORWARDED::BY ORDER //

SECTION OFFICER.

Annexure-C: Crop Loan + Agri. Gold Loan for crops

Sl. No	Farmer Name		Father/Husband Name	Aadhaar number of the farmer	Name of the Bank Branch	Loan A/c No.		Name of the Village of farmer	Name of the Mandal of farmers	Date of Disbursement of Crop Loan + AGL		Crop Loan + AGL for crop amount outstanding as on 31-03-14			Agr. Gold Loan for crop in (Rupees)			Gr. Total	Eligible amount (Maximum of Rs.1.00 lakh)
	Surname	Name				CL	AGL			CL	AGL	Prl	Int. + other charge	Total	Prl	Int. + other charge	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
						(a)	(b)			(a)	(b)	(a)	(b)	(c)	(a)	(b)	(c)	(13+17)	

- Other charges mean: (a) Crop Insurance, (b) Other Insurance charges; (c) Notice charges

Annexur-D: List of farmers who have crop loan / Agri Gold Loan for crops in more than one bank branch.

Sl. No	Farmer Name		Father/Husband Name	Aadhaar number of the farmer	Name of the Bank Branch	Loan A/c No.		Crop Loan (in Rs.) Interest and other charges	Agri Gold Loan for crop (in Rs.) Interest and other charges	Eligible amount Total Crop Loan + Agl. Gold Loan in (Rs.)
	Surname	Name				CL	AGL			
1	2	3	4	5	6	7	8	9	10	11
					(a) (b) (c)	(a) (b) (c)		(a) (b) (c)	(a) (b) (c)	

Annexure-E:

Sl. No	Farmer Name		Father/Husband Name	Aadhaar number of the farmer	Name of the Bank/Branch	Loan A/c No.	Crop Loan Amount	Agl. Gold Loan Amount	Total Crop Loan + AGL Amount	Eligible Amount CL + AGL limited to Rs.1.00 lakh
	Surname	Name								
1	2	3	4	5	6	7	8	9	10	11

Annexure – F

Certificate of Loan Waiver to be issued to Farmer

Name of the Bank _____ Branch _____

Certified that the Loan amount pertaining to the following Farmers has been waived as per the G.O.Ms.No. _____ dated _____ the details of which are as under

Name of the Farmer: _____
Name of Father/Husband: _____
Village and Mandal: _____
District: _____
Loan A/c No: _____
Type of Loan: <u>Crop Loan / Agriculture Gold Loan</u>
Amount of Loan waived
Principle: _____ Interest _____
Total: _____

It is certified that the benefits of waiver as above has been extended to you under the captioned scheme as per eligibility.

Signature of Branch Manager
Date:

Received the above certificate.

Farmer's Signature/LTI