

For better Credit distribution to farmers, Reserve Bank of India need to relook India's agriculture banking model. Do you agree with this view? Comment

Soln

In recent Budget of FY21 there was a plan to form Asset Reconstruction Committee and Asset Management Committee to regain the NPA's.

Credit Distribution System to Farmers!

→ In schemes like Kissan Credit Card (KCC) scheme for merely!

- given loan amount up to 1 lakh
- were provide credit card
- were provided crop insurance
- were provided insurance (healthy)
- etc

→ Transfer of money was through Rural Infrastructure Development Fund (RIDF) managed by Fund.Nabard

→ There Impact of system & why RBI need to look!

→ The Non Performing Asset (NPA's) has increasing in agriculture sector also

→ The transfer of fund is not given to appropriate farmer.

→ Corruption is increasing.

A Help from RBI. in system.

→ will help to reduce the corruption  
~~ratio~~ clancy

↳ will promote or track the  
fund allocation

→ ~~The~~ Further lending programmes can  
no be ente stopped.

↳ Big farmers → Lend to Small  
farmers

• at high interest rate

• this will be stopped

→ The Direct Bank transfers can be helped  
for farmers.

→ Rural credit diversion can be ensured

→ Technology to farmers can be given at  
low interest as compared to  
NABARD

→ help the NPA's to reduce and  
control properly.

Conclusion

The Govt agencies should keep a  
Keen eye on the private banks and  
Self Help groups to avoid the  
problem and corruption issue along  
with increasing NPA's.