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Stick to crop cover norms from April 1, banks told

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Mumbai, March 17

The Reserve Bank of India has asked banks to adhere to guidelines under the Pradhan Mantri Fasal Bima Yojana, the government's crop insurance scheme, with effect from April 1, to ensure all eligible farmers are covered under the scheme.

"You are advised to ensure strict compliance by your bank of the provisions of the schemes/guidelines and ensure coverage of 100 per cent of defined loanee farmers along with good number of non-loanee farmers with effect from April 1, 2016, to achieve the defined objectives and targets fixed under the scheme," the central bank told banks on Thursday.

On January 13, the Union Cabinet had approved the new crop insurance scheme for farmers, at a subsidised premium, with the Centre and state governments making good the difference in premium on a 50:50 basis.

The Pradhan Mantri Fasal Bima Yojana will replace National Agricultural Insurance Scheme and Modified National Agricultural Insurance Scheme from the Kha-



rit season of 2016. Banks, through their branches in notified areas, have to ensure all farmers taking loans under the Seasonal Agricultural Operational Loans scheme or those holding Kisan Credit Cards, are covered under the scheme.

Banks will also have to guide the farmers through the entire process.

While the scheme is voluntary for farmers falling outside the criteria, the insurance policy being issued would be subject to the farmer having a bank account.

The Financial Express, P10, 18-3-16

RBI advises banks to comply with crop insurance plan provisions

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Mumbai, March 17: The Reserve Bank of India (RBI) has advised banks to ensure strict compliance of the provisions of the crop insurance schemes and ensure coverage of 100% of defined loanee farmers along with a good number of non-loanee farmers with effect from April 1.

The central bank indicated that 100% coverage of loanee farmers in notified areas growing notified crops is required to be done by all concerned bank branches as the scheme is compulsory for loanee farmers availing seasonal agricultural operational (SAO) loans/kisan credit card (KCC) holders for the notified crops in notified areas.



Another issue which needs to be addressed is the lack of compilation of land details and crop sown details of the loanee farmers availing crop loan by the banks which has resulted in non-availability of requisite data on real time basis for monitoring and planning purposes, the central bank pointed out.

"In the present system banks are using different formats for capturing requisite data of land and crop details of farmers which is not accessible on the system for all concerned agencies for cross verification," RBI said.

It further stated that a crop insurance portal has been operationalised by the government for effective administration of the crop insurance programme but its integration with banks is essential for capturing the requisite data/information on real time basis.

In view of this, the government has proposed to initiate development of an integrated platform on a pilot basis for providing real time information at one place for use by all agencies, RBI said.

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