

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4640
ANSWERED ON:25.04.2008
IHTBRBST FREE LOAN TO FARMERS
Murmu Shri Rupchand;Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government, proposes to waive off interest on agriculture loans;
- (b) if so, the details thereof; and
- (c) the total funds proposed to be released towards waiver of interest on agriculture loans including tin: share of the State Governments, State-wise?

Answer

THE MINISTER OF STATE~IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) : In the Union Budget 2008-09, the Government has announced a debt waiver and debt relief (scheme for farmers, which stipulates that all agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs) and Cooperative Credit Institutions to small and marginal farmers upto 31st March, 2007 that: were overdue as on 31s December, 2007` and which remained unpaid until 29th February, 2008 will be waived while under One Time Settlement (OTS) scheme for other farmers, a rebate of 25% against payment of the balance amount of 75% is allowed.Provisional estimates indicate that the relief to be offered will be around Rs.60,314 crore comprising Rs.50,524 crore of debt waiver to small and marginal farmers and Rs.9,790 crore as relief to other farmers as a one-time settlement (OTS) at 25% of their overdues. The Budget announcement does not envisage any share from State Government in the funds required for the implementation of this scheme.