

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2719
ANSWERED ON:12.03.2010
LOAN TO FARMERS
Sukur Shri Jadhav Baliram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has identified bad debt / potential Non-Performing Assets (NPAs) in banks in connection with lending to farmers;
- (b) if so, the details thereof, bank-wise; and
- (c) the steps taken or proposed to be taken in this regard?

Answer

The Minister of State in the Ministry of Finance(Shri Namo Narain Meena)

(a): The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008, covered all direct agricultural loans extended by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Co-operative Credit Institutions (CCIs) and Local Area Banks (LABs), which were disbursed between March 31,1997 and March 31, 2007, becoming overdue on December 31, 2007 that remained unpaid until February 29, 2008. This also included loans to farmers which had become Non-performing Asset (NPA) in the books of the lending institutions. After extending the benefit of waiver/relief as per the Scheme, the lending institutions are required to treat the amounts receivable from Government of India on account of the scheme as performing assets. The beneficiaries of the scheme were also made eligible for fresh finance as per the conditions laid down in the scheme.

(b) & (c): The Government of India has, so far, released Rs.40,000 crore for implementation of ADWDRS for reimbursing the claims of lending institutions. Out of this, around Rs.28,000 crore was passed on to the National Bank for Agriculture and Rural Development (NABARD) for reimbursing the claims of RRBs & CCIs (excluding Urban Cooperative Banks) and Rs.12,000 crore for reimbursement of claims of Local Area Banks, Public Sector banks, Private Sector Banks and Urban Co-operative banks proportionately.