

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:225
ANSWERED ON:12.03.2010
AGRICULTURAL DEBT WAIVER SCHEME
Hazari Shri Maheshwar ;Viswanathan Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) the number of the farmers whose loans have been waived off under the Agricultural Debt Waiver Scheme, State-wise/UT-wise and Bank-wise;
- (b) whether the Government has fixed any time limit to waive off the loans of farmers covered under the scheme;
- (c) if so, the details thereof along with suggestions received from different quarters in this regard;
- (d) whether the time limit for the Debt Waiver Scheme has been extended; <
- (e) if so, the details thereof;
- (f) whether complaints against the improper implementation of the said scheme have been received by the Government; and
- (g) if so, the details thereof as on date, State-wise and the action taken by the Government thereon?

Answer

THE MINISTER OF FINANCE (SHRJI PRANAB MUKHERJEE)

(a) to (g): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (g) of Lok Sabha Starred Question No, 225 to be answered on 12th March, 2010 regarding Agricultural Debt Waiver Scheme, tabled by Sbn-F. Viswanathan %n& Shn Hiahashwar Hazsri.

(a) to (e): The Agriculture Debt Waiver and Debt Relief Scheme {ADVVDERS}, 20G3 announced by the Government of India was estimated to benefit 3.88 crore farmers with either debt relief or debt waiver to the tune of Rs 65,000 crore (provisional figures). The scheme was to be implemented by the Scheduled Commercial Banks, Regional Rural Banks, Cooperative Credit Institutions (including Urban Cooperative Banks) and Local Area Banks by 30 June 2008. The part of the scheme for debt waiver to the eligible small and marginal farmers was implemented by the due date.

In the case of small or marginal farmers, the entire `eligible amount` was waived. In the case of `other farmers`, there was one time settlement (OTS) Scheme under which these farmers were to be given a debt relief by way of rebate of 25 per cent of the `eligible amount` subject to the condition that the farmer pays the balance of 75 per cent of the `eligible amount`. The Government had extended the last date for the OTS for `other farmers` up to 31st December, 2009. It is now proposed to extend the last date for payment of dues by `other farmers` upto 30 June 2010 in view of the recent drought in some States and the severe floods in some other parts of the country, as mentioned in the Budget Speech 2010-11.

The guidelines of the Scheme has made the Reserve Bank of India (RBI) the nodal agency for the implementation of the Scheme by the Scheduled Commercial Banks, Local Areas Banks and Urban Cooperative Banks and the National Bank for Agricultural and Rural Development (NABARD), the nodal agency for Regional Rural Banks and Cooperatives Credit institutions.

As per reports received from RBI, the Scheduled Commercial Banks, Local Areas Banks and Urban Cooperative Banks have allowed a Debt Waiver of Rs.18,547 crore to approx. 91 lakh farmer accounts under the Scheme, Further, NABARD has reported that Regional Rural Banks and the Rural Cooperative Credit Structure have disbursed Rs. 24,476 crore against audited claims for debt Waiver to 1.42 crore farmer accounts.

The Bank-wise details for the Scheme as provided by RBI is at Annex-I. The State-wise information provided by NABARD for the Scheme is at Annex-II.

(f) & (g): The guidelines for the Scheme provide for a decentralized grievance redressal mechanism for dealing with complaints right down to the branch level of the banks. Receiving complaints and the redressal thereof by the concerned agencies is a continuous process.

RBI and NABARD have reported that the complaints received regarding the Scheme are mainly of a procedural nature relating to the

eligibility of the farmer borrowers, denial of benefit on the ground of ineligibility, and the wrong classification as `other farmer`. These complaints are being duly redressed by the lending institutions.