

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3778
ANSWERED ON:16.12.2011
LOAN WAIVER SCHEME
Chitthan Shri N.S.V.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has waived any loan taken up by the farmers in Tamil Nadu due to floods or otherwise during the current year;
- (b) if so, the details thereof;
- (c) whether the Government has initiated any alternative measures for the farmers in this regard; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)to(d): In order to provide relief to bank borrowers in times of natural calamities, Reserve Bank of India has issued standing guidelines to banks. These are as under:

- (a) conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans.
- (b) conversion/rescheduling loans and the interest accrued thereon for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops;
- (c) fresh crop loans for affected farmers;
- (d) treatment of converted/rescheduled agri-loans as 'current dues';
- (e) non-compounding of interest in respect of loans converted/ rescheduled etc;
- (f) relaxed security and margin norms;
- (g) provision of consumption loans to agriculturists whose crops have been damaged ; and
- (h) moratorium period of at least one year, while restructuring.

In the State of Tamil Nadu, under the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008, Regional Rural Banks and Cooperative Banks have provided Debt Waiver and Debt Relief to 1.51 lakh farmers account to the extent of Rs. 216.07 Crore.