

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1714
ANSWERED ON:23.03.2012
QUESTION SPECIAL PACKAGE FOR DEBT RIDDEN FARMERS
Gulshan Smt. Paramjit Kaur

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has announced a Special Package for the debt ridden farmers of Maharashtra;
- (b) if so, the details thereof;
- (c) whether the Government has received any proposal for Special Package for debt ridden farmers of Punjab;
- (d) if so, the details thereof; and
- (e) the steps taken/being taken to provide assistance to the debt ridden farmers of Punjab and Maharashtra to prevent them from committing suicide?

Answer

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

(a) to (e): The Government of India implemented Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 in the country, including Maharashtra and Punjab, which aimed at de-clogging the line of credit that were clogged due to the debt burden on the farmers and to entitle these farmers for fresh credit. 2.9 crore farmers have been benefited under the Scheme. The Government of India (GoI) has so far released an amount of Rs. 52,516.86 crore to the lending institutions as reimbursement under the Scheme.

The Government of India has taken several measures for the availability of credit to farmers through banks. These include:

- (i) The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans upto Rs. 3 lakh for a period of one year available to farmers at the interest rate of 7 percent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payees farmers, i.e., those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This has been increased to 3% in 2011-12.
- (ii) Banks have been advised to dispense with the requirement of "no dues" certificates for small loans up to Rs. 50,000 to small and marginal farmers, share-croppers and the like and instead obtain a self-declaration from the borrower.
- (iii) RBI has advised banks to waive margin/security requirements for agricultural loans upto Rs 1,00,000.
- (iv) To extend the reach of banking facilities to the rural hinterland, banks have indentified approximately 73,000 villages with population of more than 2000 to provide banking facilities by March, 2012. As per reports received from State Level Bankers Committee (SLBC) Convener Banks, about 70,000 such villages have been covered upto February, 2012.
- (v) General permission has been granted to domestic Scheduled Commercial Banks (other than RRBs) to open branches/mobile branches/Administrative Offices/CPCs (Service Branches), (i) in Tier 2 to Tier 6 centres (with population upto 99,999) and (ii) in rural, semi urban and urban centres of the North-Eastern States and Sikkim, subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the Banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.