

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:410

ANSWERED ON:31.07.2009

DEBT WAIVER SCHEME QUESTION

Shukla Shri Balkrishna Khanderao Balu Shukla;Yadav Shri Dinesh Chandra

Will the Minister of FINANCE be pleased to state:

- (a) whether any complaint of non-implementation of the debt waiver scheme has been received by the Government so far;
- (b) if so, the details thereof, State-wise and the action taken by the Government thereon;
- (c) whether the Government proposes to set up any mechanism to reschedule farm loan rather than one time massive waiver;
- (d) if so, the details thereof;
- (e) whether the massive loan waiver scheme has caused acute resentment among farmers who have been prompt in discharging loan obligations;
- (f) if so, the details thereof; and
- (g) the action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI 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. 410 to be answered on 31st July,2009 regarding Debt Waiver Scheme, tabled by Shri Balkrishna K. Shukla and Shri Dinesh Chandra Yadav.

(a) & (b): As provided in the Guidelines of Agricultural Debt Waiver and Debt Relief (ADWDR) Scheme 2008, every lending institution has appointed one or more Grievance Redressal Officers (GROs) for each State having regard to the number of branches of that lending institution in the State. The name and address of the GRO concerned is to be displayed in each branch of the lending institution. The GRO has the authority to receive representations from aggrieved farmers and pass appropriate orders thereon within 30 days of receipt thereof.State-wise details of the grievances received and disposed of by banks are at Annex.

(c) & (d): In order to provide relief to farmers in times of natural calamities, Reserve Bank of India has issued guidelines to banks which, inter alia, include conversion of the principal amount outstanding into term loans for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops, disbursement of fresh crop loans to the affected farmers, etc.

(e) to (g): The stipulations of ADWDR Scheme, 2008 did not include the prompt paying farmers as the Scheme was intended to benefit the defaulter farmers by de-clogging the line of credit by making them eligible for fresh credit from the banking system. However,it has been announced in the Union Budget Speech 2009-10 to provide an additional subvention of 1 per cent, over and above the subvention on short term crop loans, as an incentive to those farmers who repay such loans on schedule. Thus, the interest rate for such farmers will come down to 6 per cent per annum on short term crop loans.