

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3824
ANSWERED ON:27.04.2012
INTEREST FREE LOANS TO FARMERS
Bairwa Shri Khiladi Lal;Jakhar Shri Badri Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether the public sector banks and the cooperative banks have not charged any interest from farmers after 28 February, 2008 in accordance with the announcements of loan waiver scheme by the Government;
- (b) if so, the details thereof;
- (c) whether the said cooperative banks had to incur loss as a result thereof; and
- (d) if so, the details thereof;
- (e) whether the Government proposes to compensate the losses caused to the said banks;
- (f) if so; the details thereof alongwith the time by which these banks are likely to be compensated; and
- (g) if not, the reasons therefor?

Answer

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

(a) to (g): The Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS) 2008, was implemented in the country by Public Sector Banks, Private Sector Banks, Co-operative Banks, local area banks and Regional Rural Banks. The debt waiver portion of the scheme was closed on 30.6.2008. The debt relief portion of the scheme was closed on 30.6.2010.

As per the guidelines of the Scheme, the lending institutions shall not charge any interest on the eligible amount for any period after February 29, 2008. However, in the case of other farmers who defaults in paying his share of the eligible amount on or before June 30, 2009 and becomes ineligible for One Time Settlement (OTS) relief, the bank may charge interest for the period after June 30, 2009.

The Government has reimbursed Rs 18287.16 crore to the State Cooperative Banks towards the implementation of the Scheme.