

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1777  
ANSWERED ON:22.08.2012  
ASSESSMENT OF AGRICULTURAL LOAN BURDEN  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the nationalized banks are conducting any assessment/survey regarding loan burden increased in agricultural sector due to drought;
- (b) if so, the details thereof, State-wise, bank-wise;
- (b) whether any additional burden is likely to be incurred by the banks due to weak monsoon; and
- (d) if so, the details thereof ?

**Answer**

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. The relief measures, inter alia, include conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans for period ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops; treatment of converted/rescheduled agri-loans as 'current dues'; non compounding of interest in respect of loans converted/rescheduled; moratorium period of at least one year, while restructuring; relaxed security and margin norms; fresh crop loans and consumption loans for affected farmers. It has also been clarified that the accounts that are restructured for the second time or more on account of natural calamities would retain the same asset classification category on restructuring. Accordingly, for once restructured standard asset, the restructuring necessitated on account of natural calamity would not be treated as second restructuring, i.e., the standard asset classification will be allowed to be maintained