

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2332
ANSWERED ON:07.12.2012
INTEREST FREE LOAN TO FARMERS BY COOPERATIVE BANKS
Meghwal Shri Bharat Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public Sector Banks (PSBs) and the cooperative banks have not charged any interest from farmers after 28 February, 2008 in accordance with the announcement of Loan Waiver Scheme by the Government;
- (b) if so, the details thereof;
- (c) whether the Government proposes to compensate the losses caused to the said banks as a result thereof;
- (d) if so, the details thereof along with the manner and time by which the said banks are likely to be compensated; and
- (e) if not, the reasons therefor?

Answer

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

(a) & (b): As per Agricultural Debt Waiver and Debt Relief Scheme, 2008 (ADWDRS) the lending institution shall not charge any interest on the eligible amount¹ for any period after 29th February, 2008. However, in case of other farmer¹ who defaults in paying his share of the eligible amount on or before 30 June 2010 and become ineligible for OTS relief, the bank may charge interest for the period after 30 June, 2010.

(c) to (e): In view of the staggered reimbursement schedule, the Government had decided to pay interest on the 2nd, 3rd and 4th instalments of reimbursable claims of lending institutions. An amount of Rs. 2071.31 crore as interest on reimbursement claims, has been released to the lending institutions.