

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2636

ANSWERED ON:04.12.2009

AGRAHAYANA SAKA DROUGHT RELIEF SCHEME QUESTION

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Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks (PSBs) have announced special drought relief scheme for farmers availing themselves of minor irrigation and crop loans in view of the weak monsoon and drought conditions in the country;

(b) if so, the details thereof;

(c) the details of total loans disbursed so far, condition on which the loans have been sanctioned, the number of farmers benefited thereby and the rate of interest charged thereon, scheme-wise;

(d) whether the said scheme is likely to remain valid for Kharif and Rabi season 2009-10 i.e. for loans sanctioned and disbursed till the end of March, 2010; and

(e) if so, the details thereof?

Answer

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

(a) to (e) : Reserve Bank of India has issued comprehensive guidelines on relief measures to be extended by banks in areas affected by natural calamities, including floods, droughts etc., so that the required relief is provided by the banks without any loss of time to not only existing borrowers but also other eligible borrowers. The relief measures include, inter alia, the following:

(i) Conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans;

(ii) conversion/rescheduling of loans and the interest accrued thereon for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops;

(iii) fresh crop loans for affected farmers;

(iv) treatment of converted/rescheduled agri-loans as `current dues`.

(v) non-compounding of interest in respect of loans converted/rescheduled etc;

(vi) relaxed security and margin norms;

(vii) provision of consumption loans to agriculturists whose crops have been damaged; and

(viii) moratorium period of at least one year, while restructuring.

All these relief measures have been consolidated in the master circular on relief measures by banks in areas affected by natural calamities, issued to scheduled commercial banks by RBI dated July 1, 2009 and is available at www.rbi.org.in.

The State Level Banker's Committee (SLBC) in each State initiates the action to be taken as per the RBI circular in case a natural calamity occurs. The details of loans disbursed by Public Sector Banks under the Special Drought Relief Schemes for farmers are not centrally collected.