

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4716
ANSWERED ON:18.12.2009
QUANTUM OF LOAN
Agarwal Shri Jai Prakash

Will the Minister of FINANCE be pleased to state:

- (a) the per capita quantum of loan liability each in rural and urban areas in the country as on date, State-wise and the reasons therefor;
(b) the quantum of interest paid thereon, during the last three years and till date; and
(c) the steps taken to reduce the said liability?

Answer

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

(a): The National Sample Survey Organisation (NSSO) publishes decennially an "All India Debt and Investment Survey", which gives details of the indebtedness of households in the country. The results of the various rounds of survey are not strictly comparable due to differences in the nature and scope of the Survey. Changes between rounds are therefore only indicative in nature. As per the NSSO surveys, the overall aggregate outstanding debt of households was estimated to be Rs.1,76,795 crore in 2002 as against Rs.37,443 crore in 1991. The incidence of indebtedness (measuring the proportion of households that are reported to be in debt) and average amount of debt is given in the table below.

Table: Incidence of indebtedness (IOI), average amount of debt (AOD) per household during 1971,1981, 1991 and 2002 (All India)

Occupational categories of households	IOI (Per cent)				AOD (Rupees)			
	1971	1981	1991	2002	1971	1981	1991	2002
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Rural								
Cultivator	46.1	22.3	25.9	29.7	605	803	2294	9261
Non-cultivator	34.3	12.4	18.5	21.8	223	205	1151	4991
All	42.8	20.0	23.4	26.5	500	661	1906	7539
Urban								
Self employed	16.9	19.9	17.9		1473	4434	12134	
Others	17.6	18.9	17.8		816	3198	11577	
All	17.4	19.3	17.8		1030	3618	11771	

Source: NSSO.

Table: State-wise debt position

Statement 24: Incidence of indebtedness (IOI) and average debt per household (AOD) for different occupational categories as on 30.6.02 rJRAL

state cultivator	IOI (%)			AOD (Rs.)		
	cultivator	non- cultivator	all	cultivator	non- cultivator	all
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	54.0	33.5	42.3	16154	6401	10590
Assam	6.7	8.9	7.5	641	647	643
Bihar	22.5	20.8	21.8	3336	2467	2992
Jharkhand	12.9	9.2	12.0	1021	1454	1124
Gujarat	33.9	20.7	28.1	12958	10287	11794
Harayana	31.7	21.1	27.3	17340	5225	12359
Himachal Pradesh	17.9	7.2	15.3	5843	3225	5196
Jammu & Kashmir	3.8	2.2	3.6	1198	464	1114
Karnataka	39.1	20.7	31.3	13422	3489	9193
kerala	42.9	35.9	39.4	27641	11813	19663
Madhya pradesh	31.7	15.0	26.1	12246	2763	9031
Chhattisgarh	23.0	9.8	19.8	4833	1186	3933
Maharashtra	37.8	14.9	27.5	14268	5655	10391
Orissa	31.3	17.5	26.4	3976	2942	3609
Punjab	28.5	22.5	25.7	25211	6387	16502
Rajasthan	36.7	25.4	33.8	13261	8413	12031
TAmilnadu	40.3	26.6	31.3	14823	6354	9304
Uttranchal	3.9	10.0	5.5	693	2308	1113
Uttar Pradesh	24.1	21.4	23.4	5363	4149	5059
West Bengal	24.7	18.0	21.8	3820	2378	3194
India	29.7	21.8	26.5	9261	4991	7539

Source: NSSO.

Statement 26: Incidence of indebtedness (IOI) and average debt per household (AOD) for different occupational categories as on 30.6.02 urban

states employed	IOI (%)			AOD (Rs.)		
	Self	Others employed	all	Self	Others	all
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Andhra Pradesh	30.8	29.3	29.8	21787	18928	19901
Assam	5.3	6.6	6.0	1156	2992	2126
Bihar	9.5	9.5	9.5	2051	3184	2616
Jharkhand	5.3	7.0	6.6	5081	4402	4587
Delhi	3.3	0.6	1.5	2784	705	1441
Gujarat	21.8	21.2	21.4	14856	16224	15715
Harayana	17.6	14.9	16.0	17712	9700	12929
Himachal Pradesh	11.6	9.5	10.1	29788	24339	25951
Jammu & Kashmir	4.6	5.4	5.0	1806	7084	4438
Karnataka	19.8	18.0	18.6	12546	9666	10544
Kerala	41.1	35.4	37.3	35349	25036	28446
Madhya Pradesh	14.9	19.2	17.7	8685	18494	15029
Chhattisgarh	17.2	11.8	13.2	11385	7897	8809
Maharashtra	15.2	15.6	15.5	19170	13614	15192
Orissa	19.0	19.2	19.2	14488	12852	13406
Punjab	11.6	14.3	13.1	12181	8791	10297
Rajasthan	17.1	16.1	16.5	10223	8478	9130
Tamil Nadu	30.0	23.5	25.5	14769	10672	11936
Uttaranchal	4.4	8.3	6.8	2653	5623	4484
Uttar Pradesh	14.1	12.0	13.0	4522	4044	4275
West Bengal	15.6	18.2	17.1	6197	9337	8071
India	17.9	17.8	17.8	12134	11577	11771

Source: NSSO.

(b) Out of the total cash debt of rural households in 2002, about 69 per cent and 21 per cent were at simple and compound interest, respectively. The corresponding numbers were 69 per cent and 17 per cent in the urban areas. A tiny 2 to 3 per cent of the debt was extended at concessional rates, while about 8 to 10 per cent was free of any interest burden.

(c) An analysis of the purpose and amount of borrowings for the latest two rounds of NSSO Survey reveals an increase in the share of uptake of loans for productive purposes. The details are given in the table below:

Table: Percentage share of amount of borrowing by purpose of borrowing during 1971-72, 1981-82, 1991-92 and 2002-03

Purpose of borrowing	Rural				Urban		
	1971-72	1981-82	1991-92	2002-03	1981-82	1991-92	2002-03
Farm business:							
Capital expenditure	18.3	25.9	9.3	15.6	4.5	1.2	1.5
Current expenditure	15.1	25.5	3.6	22.4	3.4	0.4	1.6
Non-farm business:							
Capital expenditure	1.6	9.8	5.7	9.7	20.6	9.5	11.7
Current expenditure	2.0	3.7	1.7	4.3	10.6	3.8	5.3
Productive purposes	37.0	64.9	20.3	52.1	39.1	14.9	20.2
Other purposes	63.0	35.1	79.7	47.9	60.9	85.1	79.8
All purposes	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source :NSSO

Developmental initiatives taken through various plan schemes in general for ameliorating the condition of poor and the farm-debt waiver in the recent past are some of the initiatives for reducing indebtedness.