

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:351
ANSWERED ON:11.07.2014
OUTSTANDING LOAN AGAINST FARMERS
Nimmala Shri Kristappa

Will the Minister of FINANCE be pleased to state:

- (a) the details of the average loans outstanding against the farmers in the country during the last three years and the current year, State-wise including Punjab;
- (b) whether the Government proposes to waive off loans of farmers in view of the severe drought and floods etc. in various States;
- (c) if so, the details thereof alongwith the steps taken by the Government to provide adequate loan to farmers;
- (d) whether the Government has initiated any alternative measures for the farmers to help them to overcome such crisis; and
- (e) if so, the details thereof; and the time by which a final decision in this regard is likely to be taken?

Answer

The Minister of State in the Ministry of Finance (Smt. Nirmala Sitharaman)

(a) The State-wise details of average agricultural loan outstanding for the years 2012, 2013 & 2014, in respect of Cooperative Banks and Regional Rural Banks (RRBs), as provided by NABARD, are given in Annexure I to III. The State-wise details of agricultural loan outstanding for the years 2011, 2012 & 2013 and bank-wise details for the year 2014, in respect of Public Sector Banks (PSBs), as provided by the Reserve Bank of India, are given in Annexure-IV & V.

(b) & (c) : There is no proposal under consideration of the Government for waiver of loans of farmers in view of severe drought and floods, etc. in various States. However, with the objective of making credit available to farmers, Government has been fixing targets for flow of credit to agriculture by the banking sector every year. In addition, to ease the burden of interest on farmers, the Government is also providing interest subvention since 2006-07 to make the short-term crop loans upto Rs. 3 lakhs for a period of one year available to farmers at the interest rate of 7% per annum. Further, the farmers who repay their short-term crop loans in time are given an additional subvention of 3%.

(d) & (e) : In order to provide relief to borrowers in times of natural calamities, the Reserve Bank of India(RBI) and National Bank for Agriculture & Rural Development(NABARD) have issued standing guidelines for relief measures to be provided by respective lending institutions in areas affected by natural calamities which, inter alia, include identification of beneficiaries, extending fresh loans and restructuring of existing loans, relaxed security and margin norms etc. The moment calamity is declared by the concerned District Authorities, these Guidelines have been so designed that they are automatically set in motion without any intervention and this saves precious time.

Besides, to ease the burden of interest on restructured loans (short term crop loans converted into term loans) on account of natural calamities, the Government, in the year 2012, had allowed interest subvention for the first year on the restructured loans in cases where short term crop loans were rescheduled due to drought. Similar measure has recently been taken by the Government in cases where short term loans have been restructured in hailstorm affected States.