

Government of India  
Ministry of Finance  
Department of Financial Services

LOK SABHA  
Starred Question No. 289  
To be answered on Friday, August 4, 2017/Shravana 13, 1939 (Saka)  
Repayment of Loans

\*289. DR. P.K. BIJU:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has conducted any study on borrowers who are unable to repay their loans and those who have defaulted in repayment of loans in the wake of successive droughts in various parts of the country particularly in Kerala;

(b) if so, the details thereof along with the number of borrowers and the total amount of loans sanctioned/granted in the above categories, State and category-wise, as on date; and

(c) whether the Government is considering to waive off the above loans as a relief measure to the farmers, if so, the details thereof and if not, the reasons therefor?

**Answer**

The Finance Minister  
(Shri ArunJaitely)

(a) to (c): A Statement is laid on the Table of the House

**Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. \*289 to be answered on 04.08.2017 regarding Repayment of Loans tabled by Dr P.K BIJU.**

(a) to (c): While no such specific study has been conducted the Government has taken the following initiatives to reduce the debt burden of farmers:

- With a view to ensuring availability of agriculture credit at a reduced interest rate of 7% p.a. to farmers, the Government of India in the Department of Agriculture, Cooperation & Farmers' Welfare implements an interest subvention scheme for short term crop loans up to Rs. 3.00 lakh. Under the said scheme, additional subvention of 3% is given to those farmers who repay their short term crop loan in time, thereby reducing the effective rate of interest to 4% p.a. for such farmers.
- Reserve Bank of India (RBI) has issued master directions on relief measures to be provided by lending institutions in areas affected by natural calamities including drought which, inter alia, include identification of beneficiaries, extending fresh loans and restructuring of existing loans, relaxed security and margin norms, moratorium, etc. The benchmark for restructuring of loans has been reduced from 50% to 33% crop loss, in line with the National Disaster Management Framework. In addition, as per the Priority Sector Lending Guidelines issued by RBI, loans to distressed farmers to repay non-institutional lenders, are eligible under priority sector.
- Pradhan MantriFasalBimaYojana (PMFBY) provides a comprehensive insurance cover against failure of insured crops due to non-preventable natural risks, thus providing financial support to farmers suffering crop loss/ damage arising out of unforeseen events; stabilizing the income of farmers to ensure their continuance in farming; and encouraging them to adopt innovative and modern agricultural practices.
- For development of agriculture and welfare of farmers of the country, the Government in Department of Agriculture Cooperation and Farmers Welfare (DAC&FW), is implementing various Central Sector/ Centrally Sponsored Schemes, which include:
  - (i) RashtriyaKrishiVikasYojana (RKVY)
  - (ii) National Food Security Mission (NFSM)
  - (iii) National Agriculture Market (e-NAM)
  - (iv) National Mission For Sustainable Agriculture (NMSA)
- Post demonetisation, Government has taken the following relief measures for the farmers in the cooperative sector:
  - (i) An additional grace period of 60 days for prompt repayment incentive @ 3% was provided to such farmers whose crop loans dues fell due between 01/11/2016 to 31/12/2016 and if such farmers repaid the same within 60 days from their due date in this period.
  - (ii) Interest waiver for two months (November and December, 2016) for all short term crop loans availed from Cooperative Banks between 01.04.2016 to 30.09.2016 and upfront deposit of the same in the accounts of the concerned farmers.
  - (iii) National Bank For Agriculture And Rural Development (NABARD) raised short term borrowings from the market at prevailing market rate of interest for ₹17,880.78 crore and disbursed the same under refinance for on-lending to Cooperative Banks at 4.5% rate of interest during 2016-17.

There is no proposal under consideration of the Union Government to waive off loans of farmers.