

Government of India
Ministry of Finance
Department of Financial Services

Unstarred Question No.†1306
To be answered on Friday, February 09, 2018/Magha 20, 1939 (Saka)
Recoverable Loan

†1306. SHRI AJAY NISHAD

Will the Minister of FINANCE be pleased to state:

(a) the details of the total recoverable loans from the farmers having five acres or more land in the country;

(b) whether the Government has formulated any policy to provide relief on recovery of such loans;

(c) if so, the number of farmers likely to be benefited from the scheme along with the details of the scheme; and

(d) the steps taken/being taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance
(Shri Shiv Pratap Shukla)

(a) to (d): National Bank for Agriculture & Rural Development (NABARD) has reported that the outstanding/ recoverable agricultural loans (crop loans and term loans) in respect of farmers owning land upto five acres or more as on 31 March 2017 stood at Rs. 14,36,799.49 crore (provisional).

With a view to ensure availability of agriculture credit at a reduced interest rate of 7% p.a. to the farmers, the Government of India in the Department of Agriculture Cooperation and Farmers' Welfare implements an interest subvention scheme for short term crop loans up to Rs. 3.00 lakh. The scheme provides interest subvention of 2% per annum to Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

Post demonetisation, the Government has taken the following measures relating to recovery of agriculture loans:

i. The Government decided that an additional grace period of 60 days for prompt repayment incentive @ 3% will be provided to such of the 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. The Government also decided to grant interest waiver for two months (November and December, 2016) for all short term crop loan 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. NABARD raised market borrowing for short term borrowings at prevailing market rate of interest for ₹17,880.78 crore and disbursed the same borrowing under refinance for on-lending to Cooperative Banks at 4.5% rate of interest during 2016-17.