

Government of India
Ministry of Finance
Department of Financial Services
LOK SABHA
Unstarred Question No. 4113
To be answered on Friday, August 10, 2018/Shravana 19, 1940 (Saka)
Loan from Banks

4113. SHRI SHIVKUMAR UDASI:

Will the Minister of FINANCE be pleased to state:

- (a) the total number of farmers in the country so far that have availed loans from Public Sector Banks and other Government agencies and are unable to pay it back;
- (b) whether the Government has waived off the loans of farmers and if so, the details thereof along with the number of loans and the quantum of loans that have been waived off, State/UT-wise;
- (c) if not, the reasons therefor;
- (d) whether the Government has provided loans to states for waiving off loans of farmers and if so, the details thereof, State/UT-wise; and
- (e) if not, the reasons therefor?

Answer

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

(a) to (e): National Bank for Agriculture and Rural Development (NABARD) and Reserve Bank of India (RBI) have reported that the data on the total number of farmers in the country having availed loans from PSBs and other Government agencies and unable to pay it back, is not centrally maintained. The Total agriculture credit provided by banks during the last three years, as reported by NABARD, is as under:

(Rs. in crore)

Year	Total Agriculture Credit Disbursement
2015-16	9,15,509.92
2016-17	10,65,755.67
2017-18*	11,68,502.84

Source: NABARD (*provisional)

At present there is no Loan waiver scheme under implementation by the Union Government. As informed by NABARD, since 2014, various State Governments have announced their own schemes, inter alia, for loan waiver of farmers. However, no financial assistance for loan waiver has been provided by the Union Government to State in this regard.

The Government has taken the following major initiatives to reduce the debt burden of farmers and for development of agriculture and welfare of farmers:

- 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%.
- 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, Loan to distressed farmers indebted to non-institutional lenders is an eligible category of farm credit under the Priority Sector Lending (PSL) as per directions issued by RBI.
- Under the aforesaid interest subvention scheme, to provide relief to farmers affected by natural calamities, the interest subvention on crop loan continues to be available to banks for the first year on the restructured amount. Such restructured loans may attract normal rate of interest from the second year onwards as per policy laid down by the Reserve Bank of India (RBI).
- RBI has conveyed to Banks to waive margin/ security requirements of agricultural loans upto Rs.1,00,000/-. The requirement of 'no due' certificate has also been dispensed with for small loans upto Rs.50,000/- to small and marginal farmers, share croppers and the like and, instead, only a self-declaration from the borrower is required.