

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
STARRED QUESTION NO: \*31  
TO BE ANSWERED ON THE 24<sup>th</sup> JUNE, 2019/ASHADHA 3, 1941(SAKA)

QUESTION  
Waiver of Bank Loans

**\*31: SHRI KODIKUNNIL SURESH:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has taken any steps to declare waiver or moratorium of bank loans for the victims in flood affected area in Kerala; and
- (b) if so, the details thereof?

ANSWER  
FINANCE MINISTER  
(SMT. NIRMALASITHARAMAN)

(a) and (b): A statement is laid on the Table of the House.

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**Statement as referred to in reply to parts (a) and (b) of Lok Sabha Starred Question no. \*31 for answer on 24<sup>th</sup> June, 2019/ Ashadha 3 (Saka), 1941 regarding "Waiver of Bank Loans" by SHRI KODIKUNNIL SURESH, Hon'ble Member of Parliament**

(a) and (b): As per inputs received from State Level Bankers Committee, Kerala (SLBC), in the context of floods in Kerala in August 2018, Scheduled Commercial Banks including Regional Rural Banks were advised for implementation of a set of relief measures for flood affected areas in Kerala adopted in a meeting of SLBC

held on 20.8.2018. These included restructuring/rescheduling of short-term crop loans and long-term (investment) credit with moratorium for minimum one year without any additional security/guarantee, waiving of penal interest, providing need-based long term loan and working capital limit for repair/acquisition of damaged productive asset, and sanctioning of fresh crop loans as per extant guidelines. As per SLBC's report, till December 2018, pursuant to these relief measures for the Kerala floods, banks in Kerala restructured a total amount of Rs. 5,513 crore in 1,24,623 accounts, provided moratorium in 1,60,672 accounts involving Rs. 6,968 crore, and waived penal interest of Rs. 32 crore. Under Government of India's scheme for 2% interest subvention for short-term crop loans up to Rs. 3 lakh, restructured amounts are also eligible for continued availability of the interest subvention for the first year. Banks also provided additional finance of Rs. 2,027 crore till May 2019 to calamity affected borrowers consequent to the Kerala floods.

Further, as per inputs received from National Bank for Agriculture and Rural Development (NABARD) subsequent to the Kerala floods, credit limit under NABARD's Short Term Seasonal Agriculture Operation Scheme to Kerala State Cooperative Bank has been enhanced by NABARD from Rs. 1,100 crore to Rs. 1,500 crore. Refinance under this line of credit is extended to State Cooperative Banks at a concessionary annual rate of interest of 4.5% from out of Short Term Cooperative Rural Credit (Refinance) Funds for providing crop loans to farmers.

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