

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1876
ANSWERED ON:29.11.2002
WAVING OF LOANS OF FARMERS
MANIKRAO HODLYA GAVIT

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government have decided to waive of the loan taken by the farmers and interest thereon during the current financial year;
- (b) if so, the names of those Government and non government agencies which have granted these loans; and
- (c) the total losses likely to be suffered by these agencies on this account?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) Government have not taken any decision to waive the loan taken by farmers and interest thereon during the current financial year. However, Reserve Bank of India (RBI), in consultation with Government, has decided not to effect any recovery of the crop loans, including interest during the current financial year in the States affected by the failure of the South-West monsoon. Accordingly, RBI has advised all scheduled commercial banks vide its circular dated 15th November, 2002 that for Kharif 2002-03, the following reliefs may be extended by commercial banks to the farmers affected by drought, in the districts notified by the State Governments:

- (i) There should be no recovery of any amount either by way of principal or interest during the current financial year in respect of Kharif crop loan;
- (ii) The principal amount of crop loan should be converted into term loan and will be recovered over a period of minimum five years in the case of small and marginal farmers and four years in the case of other farmers;
- (iii) Interest due in the current financial year on crop loan should also be deferred. No interest should be charged on the deferred interest.

(b) All the scheduled commercial banks, cooperative banks and regional rural banks in the country provide loans to farmers.

(c) For rescheduling of loans as above banks will be sacrificing a part of the interest due. However, the above measures have been announced only recently and hence it is too early to assess the quantum of this sacrifice.