



(c) & (d) In order to mitigate debt related stress of farmers, the Government of India has announced a comprehensive credit policy package on 18th June, 2004. The policy, inter alia, provides for Special One Time Settlement Scheme for settling the old and chronic loan accounts of small and marginal farmers with discretion to the banks for partially writing off the debts of the farmers. An amount of Rs.756.83 crores and Rs. 373.77 crores have been provided as debt relief to the farmers under the Scheme during the year 2004-05 and 2005-06 (April to December 2005) respectively.

(e) Other measures taken by the Government for mitigating the debt related problems of farmers, inter alia, include:-

# The banks have been directed to restructure the debts of farmers in distress and farmers in arrears providing for rescheduling of outstanding loans over a period of five years including moratorium of two years, thereby making all farmers eligible for fresh credit.

# Banks have been allowed to finance for redeeming the loans taken by farmers from private money lenders.

# Implementation of the National Agriculture Insurance Scheme (Rashtriya Krishi Bima Yojna) to compensate crop loss of farmers due to occurrence of natural calamities.

# Credit flow to agriculture sector to increase by 30% per year.

# Commercial Banks to finance 100 farmers/branch and 50 lakh new farmers to be financed by the banks in a year.

# New investments in agriculture and allied activities for 2 to 3 projects/branch.

# Refinements in Kisan Credit Cards (KCCs) and fixation of scale of finance.

# During the year 2004-05 (1st April, 2004 to 31st March, 2005), against the targeted credit flow of Rs.1,05,000 crores, the achievement was Rs.1,15,242.81 crore which is a 32% growth in credit flow over the disbursement of Rs.86,981 crore during the year 2003-04. During the year 2005-06 (1st April to 31st December, 2005), as per the available data, the credit flow has been Rs.1,19,114.41 crore forming 84.48% of the annual target of Rs.1,41,000 crore.