

Demand for loan waivers for farmers

1001. SHRI MOHD. ALI KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether some State Governments have sought loan waiver for their farmers due to floods, droughts and other disasters as well as because the present scheme and amount was insufficient;

(b) if so, the details thereof, State-wise including Andhra Pradesh; and

(c) the action taken so far and the amount released so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (c) In order to provide relief to bank borrowers in times of natural calamities, Reserve Bank has issued standing guidelines to banks. The relief measures, *inter alia*, include conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops; treatment of converted/rescheduled agri-loans as 'current dues'; non-compounding of interest in respect of loans converted/rescheduled etc.; moratorium period of at least one year, while restructuring; relaxed security and margin norms; fresh crop loans and consumption loans for affected farmers etc. It has also been clarified that the accounts that are restructured for the second time or more on account of natural calamities would retain the same asset classification category on restructuring. Accordingly, for once restructured standard asset, the restructuring necessitated on account of natural calamity would not be treated as second restructuring, *i.e.*, the standard asset classification will be allowed to be maintained.

Capital planning exercises by banks

1002. SHRI T.M. SELVAGANAPATHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Government had asked the Public Sector Banks (PSBs) to undertake a comprehensive capital planning exercise;

(b) whether it is also a fact that Government asked these banks to devise suitable strategies for curbing and rolling back their non-performing assets (NPAs); and

(c) if so, the reasons received by Government from these PSBs in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) Reserve Bank of India (RBI) has issued guidelines to Scheduled Commercial Banks on

Basel II capital requirements and these banks have already implemented the basic approaches under Basel II. RBI has also listed a road map for implementation of Advanced Approaches under Basel II. Basel II guidelines provide for Total Capital Adequacy Ratio (CAR) of 8%, of which a minimum of 50% must be Tier I capital. RBI has mandated a minimum CAR of 9%, with minimum Tier I capital of 6%. Government of India, in order to keep the Public Sector Banks (PSBs) well capitalized, has decided to maintain a minimum CAR of 12% for PSBs, of which at least 8% should be Tier I capital. This is also required to prepare the PSBs for Basel III which envisages improving the quality, consistency, risk coverage and transparency of capital and these are supplemented by non risk based leverage ratio improvement and global liquidity standards.

(b) and (c) Over the years, there have been conscious and persistent efforts by Reserve Bank of India (RBI) and Government of India through the prescription of strict objective and prudential norms for the identification and classification of Non-performing assets (NPAs), and for setting up the requisite infrastructure as also systems/procedures/legal framework for effecting recoveries/reduction of NPAs in the Indian Banking system. To improve the health of financial sector, to reduce the NPAs, to improve asset quality of the banks and to create a good recovery climate, Reserve Bank of India (RBI) and the Government have already taken various steps over the years, which, *inter-alia*, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, Corporate Debt Restructuring and other restructuring schemes, One Time Settlement schemes, enactment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, the Credit Information Companies (Regulation) Act, 2005 and the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993 etc.

Distribution of Kisan credit cards

1003. SHRI RAM VILAS PASWAN: Will the Minister of FINANCE be pleased to state:

(a) the details of target of distribution of Kisan credit cards throughout the country in the last three years, State-wise including Bihar; and

(b) the number of Kisan credit cards distributed out of the target fixed, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) The State-wise details of the number of Kisan Credit Card (KCC) issued in the country and amount sanctioned by Commercial Banks, Cooperative Banks and Regional Rural Banks during the last three years is given in the Statement.