

(c) whether the shares of PNB tumbled more than 8 per cent after the fraud came to light and the investors in PNB lost over ₹ 4,000 crore; and

(d) whether some senior officers of PNB are involved in the fraud and if so, the details thereof and action taken against each one of them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) Yes, Sir. As per CBI inputs, two cases have been registered relating to fraudulent transactions in PNB by jewellery companies and these are under investigation.

(c) The closing price of the shares of Punjab National Bank (PNB) on the National Stock Exchange on 14.2.2018, the day the fraud was reported to stock exchanges by PNB, was 8.24% lower than its opening price the same day, corresponding to a decrease in PNB's market capitalisation by ₹ 3,138 crore.

(d) The matter is under investigation.

Interest rates on small savings schemes

1159. SHRI RAM KUMAR KASHYAP: Will the Minister of FINANCE be pleased to state:

(a) what are the reasons for reducing interest rates in small savings comprising of Postal Savings Schemes, Senior Citizen Savings Scheme and Public Provident Fund (PPF);

(b) whether drastic reduction in interest rates is impacting adversely upon the social security of senior citizens who are totally depended upon interest earnings for their survival;

(c) if so, whether there is any proposal to enhance interest rate on senior citizen savings scheme and PPF holders and if not, the reasons therefor; and

(d) the steps taken to address the genuine concern of small savers, particularly senior citizens and PPF holders while reviewing the interest rates?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) Sir. The interest rates of small savings schemes are fixed on the basis of interest rates in the economy as determined by the yields on Government Securities of comparable maturities. The reduction in interest rates during the 4th quarter of 2017-18 was due to fall in the interest rates.

(b) and (c) The minor reduction in interest rate of small savings for the 4th quarter of 2017-18 will not adversely impact the social security of senior citizens as the real interest rate for investors has not come down (due to decline in inflation).

(d) In order to give interest rate advantage to senior citizens and other small savers, a spread ranging from 25 basis points (for Public Provident Fund Scheme) to 100 basis points (for Senior Citizen Savings Scheme) is added to the market-determined interest rates on certain small savings schemes. When interest rates were revised downwards on 01.01.2018, the rates for Senior Citizen Savings Scheme were left untouched.

Increase in rate of default in repayment of agricultural loans

†1160. SHRI MEGHRAJ JAIN: Will the Minister of FINANCE be pleased to state:

(a) the details of number and amount of agricultural loans waived off during the last three years, till date State-wise;

(b) whether due to waiving off of such loans, the rate of default in repayment of loans has increased in some States in the recent months, if so, the details thereof, State-wise; and

(c) whether any action has been taken or is being taken by Government to resolve this problem, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (c) There is no loan waiver scheme announced by the Union Government during last three years. However, to reduce the debt burden of farmers, the following major initiatives have been taken:—

- 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 (DAC&FW) implements an interest subvention scheme for short term crop loans up to ₹ 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%.
- Reserve Bank of India has issued directions for Relief Measures to be provided by respective lending institutions in areas affected by natural

†Original notice of the question was received in Hindi.