

(e) whether Government is of the view that demonetisation has given good results and RBI's lending policy only led the country into the present state of affairs; and

(f) the steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (f) As per Reserve Bank of India's 'Master Circular on Loans and Advances — Statutory and Other Restrictions', banks may extend loans and advances in terms of their Board-approved policies. Accordingly, lending by banks is in terms of the loan policy of the bank concerned and, as such, invocation of the provisions of Section 7 of the Reserve Bank of India Act in respect of such lending policies does not arise.

As regards monetary policy, its primary objective is maintenance of price stability in the economy, whereas lending policy is aimed at securing prudential lending.

As regards bad loans in banks and steps taken by the Government in this regard, high incidence of Non-Performing Assets (NPAs) was revealed in the Asset Quality Review (AQR) carried out in 2015 and Government has followed a comprehensive approach of recognition of stressed assets as NPAs, resolution of NPAs, recapitalisation of Public Sector Banks (PSBs), and reforms to strengthen banks. Recognition following AQR has been coupled with effective resolution under the Insolvency and Bankruptcy Code, unprecedented recapitalisation to the tune of ₹ 2,07,349 crore through infusion of capital by the Government and mobilisation from markets by banks, and the PSB Reforms Agenda.

As regards results of demonetisation, among the positive results observed are a significant improvement in the level of tax compliance, as reflected in 18% growth during the financial year (FY) 2017-18 (higher than in the seven preceding financial years) in net direct tax collections, and an upswing in new tax-filers, as reflected in 70.86% increase in the income-tax returns e-filed up to August 2018, over the returns e-filed up to August, 2017.

Schemes to pass benefits of agricultural loans waiver

844. SHRI RAJMANI PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of farmers of the country have not been given benefits of loan waiver under agriculture loan waiver scheme during the last three years as announced by Government particularly in Madhya Pradesh;

(b) whether Government will provide the benefit of loan waiver by bringing a fresh scheme in this regard so that large number of farmers may be covered under the scheme; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (c) The Union Government has not implemented any farm loan waiver scheme during the last three years. However, some State Governments have announced their own schemes, *inter alia*, of waiver of loan of farmers.

The Central Government has, *inter alia*, taken the following major initiatives to reduce the debt burden of farmers and for development of agriculture and welfare of farmers:—

- 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 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%. Further, in order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against warehouse receipts, the benefit of interest subvention scheme has been extended to small and marginal farmers having Kisan Credit Card for a further period of up to six months post-harvest on the same rate as available to crop loan against negotiable warehouse receipt for keeping their produce in warehouses accredited by Warehousing Development Regulatory Authority (WDRA).
- Under the aforesaid interest subvention scheme, to provide relief to farmers affected by natural calamities, the interest subvention on crop loan continues to be available to banks for the first year on the restructured amount. Such restructured loans may attract normal rate of interest from the second year onwards as per policy laid down by the Reserve Bank of India (RBI).
- Reserve Bank of India has issued directions for Relief Measures to be provided by respective lending institutions in areas affected by natural calamities which, *inter alia*, include, restructuring/rescheduling of existing crop loans and term loans, extending fresh loans, relaxed security and

margin norms, moratorium, etc. These directions have been so designed that the moment calamity is declared by the concerned District Authorities they are automatically set in motion without any intervention, thus saving precious time. The benchmark for initiating relief measures by banks has also been reduced to 33% crop loss in line with the National Disaster Management Framework. In addition, loan to distressed farmers indebted to non-institutional lenders is an eligible category of farm credit under the Priority Sector Lending (PSL) as per directions issued by RBI.

- The Government has announced its decision to fix Minimum Support Price (MSP) at a level of at least 150 per cent of the cost of production for kharif crops 2018-19.
- Pradhan Mantri Fasal Bima Yojana (PMFBY) provides a comprehensive insurance cover against failure of insured crops due to non-preventable natural risks, thus providing financial support to farmers suffering crop loss/damage arising out of unforeseen events; stabilizing the income of farmers to ensure their continuance in farming; and encouraging them to adopt innovative and modern agricultural practices.
- For development of agriculture and welfare of farmers of the country, the Government in DAC&FW, is implementing various Central Sector/Centrally Sponsored Schemes, which include:—
 - (i) Rashtriya Krishi Vikas Yojana (RKVY)
 - (ii) National Food Security Mission (NFSM)
 - (iii) National Agriculture Market (e-NAM)
 - (iv) National Mission For Sustainable Agriculture (NMSA)

There is no proposal under consideration of the Union Government to waive off loans of farmers.

Repatriation of fugitive economic offenders

†845. SHRI SURENDRA SINGH NAGAR: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government's policy on fugitive economic offenders has failed, if so, the reasons therefor;

†Original notice of the question was received in Hindi.