

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

**RAJYA SABHA**  
**STARRED QUESTION NO. 55**  
TO BE ANSWERED ON 5/2/2021

**MORATORIUM ON FARMERS' LOANS**

55 Shri Prabhakar Reddy Vemireddy:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether it is a fact that the Ministry has announced moratorium on loans taken by farmers due to COVID-19 pandemic;
- (b) if so, the number of farmers who availed this benefit, State-wise;
- (c) whether it is a fact that there are demands to increase the period of moratorium to one year; and
- (d) if so, whether the Ministry has taken any decision on this and if so, the details thereof?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

**( SHRI NARENDRA SINGH TOMAR )**

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT IN RESPECT OF PARTS (a) TO (d) OF THE RAJYA SABHA STARRED QUESTION NO. 55 FOR 5.2.2021 REGARDING MORATORIUM ON FARMERS' LOANS.**

(a): Yes Sir, Reserve Bank of India (RBI) vide its circular dated 27<sup>th</sup> March 2020 had issued guidelines to the effect that all commercial banks (including Regional Rural Banks, Small Finance Banks And Local Area Banks), Co-operative Banks, All-India Financial Institutions, And Non-Banking Financial Companies (Including Housing Finance Companies) (“lending institutions”) were permitted to grant a moratorium of three months on payment of all installments falling due between 1<sup>st</sup> March, 2020 and 31<sup>st</sup> May, 2020 in respect of all term loans (including agricultural term loans, retail and crop loans). The repayment schedule for such loans was shifted across the board by three months after the moratorium period.

In respect of working capital facilities sanctioned in the form of cash credit/overdraft (“CC/OD”), lending institutions were permitted to defer the recovery of interest applied in respect of all such facilities during the period from 1<sup>st</sup> March, 2020 upto 31<sup>st</sup> May, 2020 (“deferment”). This moratorium was further extended upto 31<sup>st</sup> August 2020 vide RBI circular dated 23<sup>rd</sup> May 2020.

In addition, the Government had also provided benefit of 2% Interest Subvention (IS) to Banks and 3% Prompt Repayment Incentive (PRI) to farmers for the extended period of repayment of loans upto 31.08.2020 or date of actual repayment date whichever is earlier, for short terms crop loan upto Rs.3 lakh per farmer given by Banks @ 7% p.a., which had become due or would have become due between 1<sup>st</sup> March, 2020 and 31<sup>st</sup> August, 2020.

(b): As informed by NABARD and RBI, farmer-wise details, who availed the benefit of extension of moratorium is not maintained.

Contd...2/-

(c) & (d): A few requests were received for extending the period of moratorium. After assessing the situation post grant of moratorium of three months on all loans and in view of continued lockdown due to COVID-19 pandemic, the Government granted moratorium for a further period of three months i.e. till 31<sup>st</sup> August, 2020.

In view of the phased lifting of the lockdown from June, 2020 and resumption of economic activities etc. no need of further extension of moratorium was felt by the Government.

\*\*\*\*\*