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Bank of India, IOB implement debt waiver scheme

Timely boon to distressed farmers, says BOI chief

Our Bureau

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Two public sector banks, Bank of India and Indian Overseas Bank, on Saturday began implementing the agricultural debt waiver scheme.

In the case of Bank of India, 4.70 lakh small and marginal farmers, who are eligible for debt waiver under the Government of India's scheme, will get their loans waived off. The amount involved is Rs 1,085 crore, consisting of Rs 648 crore of crop loans and Rs 437 crore of investment credit.

The Chairman and Managing Director, Bank of India, Mr T.S. Narayanasami, said the waivers, when fully implemented, would bring down the bank's NPAs by Rs 350 crore and release Rs 250 crore from provisions.

"But we are not looking at it as a means of reducing NPAs. We are looking at it as a fresh opportunity to lend to the farmers," Mr Narayanasami said, describing the debt waiver scheme as "a timely boon for farmers".

In addition, 44,000 'other farmers' are eligible for part-waivers of Rs 349 crore of crop loans and Rs 87 crore of investment credit.



Mr T. S. Narayanasami

In the case of Indian Overseas Bank, 4.6 lakh 'small and marginal farmers' and 84,000 'other farmers' (defined in terms of land holdings) have benefited by the scheme.

Out of the relief of Rs 1,360 crore, Rs 950 crore will go to the small and marginal farmers.

Mr Narayanasami said that the bank had put all its 48 zones under the charge of one or the other of its General Managers, who would oversee the implementation of the scheme. Similarly, IOB has appointed 39 executives of the bank as Grievance Redressal Officers to dispose off any grievances of the loanee farmers.

IOB, which is also the Convenor of the State Level Bankers' Committee for Tamil Nadu, has also appealed to other banks to ensure accelerated credit flow to farmers. At a meeting held on Thursday, the bank's Executive Director, Mr G. Narayanan, called upon other bankers to grant fresh loans to distressed farmers, especially in view of favourable agro climatic conditions and improved water availability.

IOB-sponsored Regional Rural Banks - Pandyan Grama Bank in Tamil Nadu and Neelachal Gramya Bank in Orissa have also begun implementation of the scheme, benefiting another 1 lakh farmers to the tune of Rs 214 crore.

BOI's Mr Narayanasami said that the bank had also started work on a debt-swap scheme, under which the bank would takeover the loans payable by farmers to private money lenders. For this scheme, 128 villages have been identified with 95,000 beneficiaries. In 26 of them, 2,890 farmers have already been released from the clutches of the money lenders, sum involved being Rs 1.3 crore.