

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:882
ANSWERED ON:25.02.2011
SHORT TERM LOANS TO FARMERS
Bhagora Shri Tarachand

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to do away with short-term loan distribution on concessional rates to farmers;
- (b) if so, the details thereof and the reasons therefore; and
- (c) the State-wise details of defaulters of such concessional loans?

Answer

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

(a) to (c): The Government of India has since 2006-07 been subsidizing short term crop loans to farmers in order to ensure the availability of crop loans to farmers for loans up to Rs. 3.00 lakh, at 7% p.a. This Interest Subvention Scheme has been further continued for 2010-11 for Public Sector Banks, Regional Rural Banks and Cooperative Banks. This year an additional subvention of 2% to farmers, who repay on time has been provided. Thus, the effective rate of interest for such farmers is five per cent per annum for 2010-11.

The present information system of National Bank for Agriculture and Rural Development (NABARD) and Reserve Bank of India (RBI) does not contain the details of defaulters of such concessional loans.