

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4496
ANSWERED ON:30.08.2011
INTEREST FREE LOAN
Karwariya Shri Kapil Muni

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government proposes to launch any scheme under which the farmers would be provided with interest free loan if they return their earlier soft crop loan on time; and

(b) if so, the time by which it is likely to be approved?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a): There is no such proposal under consideration of the Government. However, the Interest Subvention Scheme of the Government of India is being implemented by Public Sector Banks, Regional Rural Banks and Cooperative Banks since 2006-07 to provide short-term crop loans upto Rs.3.00 lakh for a period of one year available to farmers at the interest rate of 7 per cent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payee farmers; i.e. those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This has been increased to 3% in 2011-12. Hence, the prompt payee farmers get the short term crop loan upto Rs.3.00 lakh at the rate of 4% p.a. in 2011-12.

(b): Does not arise.