

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3148
ANSWERED ON:19.08.2011
INTEREST SUBVENTION SCHEME
Antony Shri Anto

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to include the Private Sector Banks in the interest subvention scheme available for short-term crop loans;
- (b) if so, the details thereof and if not, the reasons therefor; and
- (c) the steps taken/being taken by the Government in this direction?

Answer

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

(a) to (c) : 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 lakh for a period of one year available to farmers at the interest rate of 7 percent 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 is being increased to 3% in 2011-12.