

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4855
ANSWERED ON:02.09.2011
INTEREST REBATE TO FARMERS
Agarwal Shri Rajendra

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received complaints against Public Sector Banks for not giving the rebate of two per cent to the farmers on timely repayment of agricultural loans during each of the last three years and the current financial year;
- (b) if so, the details thereof, State-wise and bank-wise alongwith action taken on such complaints; and
- (c) the other corrective steps taken/being taken by the Government in this regard?

Answer

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

(a) to (c): The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make 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 payees 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. Hence the prompt payee farmers will get the short term crop loan upto Rs.3 lakh at the rate of 4% p.a. in 2011-12.

Public Sector Banks have a grievance redressal mechanism to take necessary action on the complaints received. Such complaints are also being redressed by the Banking Ombudsman. The Government also receives some complaints which are forwarded to the concerned banks, Reserve Bank of India, National Bank for Agriculture and Rural Development (NABARD) and Banking Ombudsman for redressal. Disposal of cases at the office of Banking Ombudsman is monitored by the Reserve Bank of India.

The data reporting system of Reserve Bank of India does not generate information of Bank-wise and sector wise disposal of complaints.