

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2115
ANSWERED ON:12.08.2011
REBATE ON LOANS TO FARMERS
Agarwal Shri Rajendra

Will the Minister of FINANCE be pleased to state:

- (a) whether a rebate on loans is given to farmers depending on the repayment history of their previous loan;
- (b) if so, the details thereof;
- (c) whether cases of have come up before the Government; and
- (d) if so, the details thereof for the last three years and current year,thereon?

Answer

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

(a) to (d): 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.