

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4636  
ANSWERED ON:04.05.2012  
QUESTION COOPERATIVE CREDIT SYSTEM  
Jakhar Shri Badri Ram

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the cooperative credit system has suffered losses on account of disbursement of short-term credit at concessional rates to the farmers;
- (b) if so, the details thereof during each of the last three years, State-wise;
- (c) whether the Government proposes to compensate the loss suffered due to short term loan disbursement to the farmers from cooperative credit system; and
- (d) if so, the extent to which it is likely to be done and if not, the reasons therefor?

**Answer**

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

(a) to (d): No Sir. 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% per annum. Interest Subvention is provided to Public Sector Banks, Regional Rural Banks and Cooperative Banks to meet the difference between the cost of their own funds and the lending rates on such loans. The Government has released Rs1356.64 crore to cooperative banks through NABARD towards Interest Subvention between 2006-07 and 2010-11.