

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5960
ANSWERED ON:11.05.2012
LOAN FROM LAND DEVELOPMENT BANK
Bairwa Shri Khiladi Lal

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to extend the subsidy on three percent interest to the farmers taking loan from Land Development Banks; and

(b) if so, the details thereof?

Answer

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

(a) & (b): 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 payee farmers. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12. The Government has in the Budget speech of 2012-13 announced continuation of the scheme in 2012-13.

Interest Subvention is provided to Public Sector Banks, Regional Rural Banks and Cooperative Banks. Land Development Banks are not Cooperative Banks as defined in Banking Regulations Act, 1949 and are not covered under the Scheme.