

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2392
ANSWERED ON:07.12.2012
INTEREST RATE ON CROP LOANS
Kumar Shri Vishwa Mohan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government of Bihar has requested for subvention of interest rates for the restructured crop loans;
- (b) if so, the details thereof; and
- (c) the action taken by the Government in this regard so far?

Answer

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

(a) to (c): In order to provide relief to farmers in drought affected areas, the Government of India has issued instructions on 17.09.2012 to banks that in cases where short term crop loans are restructured due to drought as per RBI guidelines, the interest subvention already available for short term crop loans will continue to be available for the current financial year on the full restructured amount. Such restructured loans will attract normal rate of interest from next financial year onward as per the policy laid down by the RBI.