

Government of India
Ministry of Finance
Department of Financial Services
LOK SABHA

Starred Question No. †*180

To be answered on Friday, December 29, 2017/ Pausha 08, 1939 (Saka)

Interest Free Agricultural Loan

†*180. SHRI LAXMI NARAYAN YADAV:
SHRI MANSUKHBHAI DHANJIBHAI VASAVA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to provide interest free agricultural loan upto certain amount to the farmers;

(b) if so, the details thereof; and

(c) if not, the reasons therefor and the reaction of the Government thereto?

Answer
The Minister of Finance
(Shri Arun Jaitley)

(a) to (c) : A Statement is laid on the Table of the House

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. †*180 to be answered on 29.12.2017 regarding Interest Free Agricultural Loan by SHRI LAXMI NARAYAN YADAV: SHRI MANSUKHBHAI DHANJIBHAI VASAVA:

(a) to (c): No, Madam. However, with a view to ensure availability of agriculture credit at a reduced interest rate of 7% p.a. to the farmers, the Government of India in the Department of Agriculture Cooperation and Farmers' Welfare implements an interest subvention scheme for short term crop loans up to Rs. 3.00 lakh. The scheme provides interest subvention of 2% per annum to Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.