

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:69
ANSWERED ON:18.11.2002
FINANCIAL ASSISTANCE BY N.C.D.C
KANTILAL BHURIA

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the financial assistance is provided by National Co-operative Development Corporation through the State Governments;
- (b) if so, whether the rate of interest on this risk free loan assistance is on the very high side in the present situation of increasing competition and declining interest rates;
- (c) if so, whether the Union Government propose to provide loans to the co-operative institutions on competitive interest rates; and
- (d) if so, the details of the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a): Yes, Sir.

(b)to(d): The rates of interest of NCDC depend upon cost of borrowing of funds by it and are reviewed from time to time. The interest rates of NCDC have since been reduced and NCDC will now provide loans to the State Governments at the rates ranging from 11.25% to 12.5% per annum. These rates are quite competitive.