

NOTIFICATION

Sub:- Interest subsidy on Loans for Agriculture and Allied Activities.

Government desires to provide credit facilities to the farmers at subsidized rate of interest to accelerate investment in agriculture and allied sectors in the State. Accordingly, Government is pleased to notify the following scheme for implementation with immediate effect.

Name of the Scheme: Interest subsidy on Loans for Agriculture and Allied Activities.

Duration: The scheme will remain operative initially for a period of three years and will be reviewed for continuation on completion of three years.

Loan amount eligible for interest subsidy: Rs.5.00 lakhs and below. All the loans sanctioned after the date of notification only shall be eligible for interest subsidy.

Institutions entitled to extend loan: Nationalized Banks, Scheduled Commercial Banks, Goa State Cooperative Bank and Primary Agricultural Cooperatives (PAC's).

Rate of Interest and subsidy: Rate of interest applicable to the farmers will be 4% and the interest over and above this ceiling charged by the institutions shall be borne by the Government as interest subsidy to the farmer and will be directly released to the institution. The interest subsidy will be extended only to those agricultural loans where repayment of installments of Principal and Interest as specified by the lending bank is regular. The Government shall stop release of subsidy in case of any default in repayment by the farmer and the bank branch shall not claim interest subsidy in such cases from the month the default takes place. In such cases, the banks while recovering their dues as per laid down procedure of respective banks, shall also recover the entire interest subsidy released by the Government to the banks and refund the subsidy component to the Government.

However if the loanee regularizes his/her loan in the meantime, he/she shall be eligible for interest subsidy for the defaulting period, but in such cases penal interest charged by bank shall not be considered for interest subsidy.

Sectors to be covered: Agriculture including horticulture, Animal Husbandry, Fisheries, Processing and marketing of agricultural produce with loan component upto Rs. 5.00 lakhs shall be covered under this programme.

Purposes for which the loan to be extended to avail interest subsidy: Crop loan, Medium term loan, long term loans advanced for fencing of agricultural land; land development; soil and water conservation; purchase of agricultural implements and machinery; establishment of irrigation infrastructure including sprinklers and drip irrigation systems; setting up of poly houses, shadenet units, green houses, plant nurseries, mushroom cultivation, fruit and vegetable processing units; setting up of horticultural orchards and crop production loans for various field and horticultural crops be considered in agriculture sector. (Loans for animal husbandry will include those for establishment of modern dairy, poultry, piggery, goat and rabbit rearing units, loans for Kamdhenu scheme, milk packaging infrastructure for locally produced milk and small dairy units set up under schemes of Goa Cooperative Milk Producer's Union. Loans in the fisheries sector will include those for purchase of canoes, outboard motors, fishing nets, fish finders and Global Positioning Systems(GPS) for fishing vessels, construction of fish hold in vessels, setting up of aquaculture farms, mussel farming, aquarium fish farming, drying and processing units, ice plants for fisheries and repairs and modification of fishing vessels.) Any activity which is not covered under any of the purposes specified above shall be referred to the Monitoring Committee for which special addendum shall be issued with approval of Government. It shall be responsibility of lending institution to ensure that the loan is sanctioned for purpose covered under scheme only. For any deviation the concerned bank shall be responsible. A certificate to this effect shall be furnished on the claim format given at Annexure.

Type and period of loan eligible for interest subsidy: All loans for above purposes i.e. for establishment of infrastructure and/or production activities will be eligible for the scheme irrespective of whether the activity was eligible for other subsidies under various government programmes. (Short, medium and long time loans would be eligible for interest subsidy for a maximum period of five years.) In case of long term loans beyond five years interest subsidy will be granted only for a period of five years.) Loans for different purposes by a farmer upto a cumulative amount of Rs.5.00 lakhs will be considered for the interest subsidy scheme.