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**PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA**

Sub:- Enhancing of Crop loan limit from ₹ 50,000/- to ₹1,00,000/- provided to the farmers through Commercial Banks and Regional Rural Banks(RRBs) at 3% interest subsidy -regarding

**GOVERNMENT ORDER NO.AGD/76/ASC 2012, BANGALORE,**  
**DATED 16<sup>th</sup> AUGUST 2012.**

Read:- 1) G.O. No. AHD 14/AML/2009, dated 26.05.2009.  
2) G.O. No. AHD 14/AML/2009, dated 08.09.2009.  
3) G.O. No. AHD 45/ASC/2009, dated 08.09.2011.  
4) Letter No. DDA/TA-2/26/2009-10, dated 14.05.2012 & 04.07.2012 from the Director of Agriculture.

**PREAMBLE:**

In the Government order read at(1) above, sanction has been accorded for providing interest subsidy of 4% to facilitate short-term crop loans to the farmers at an interest rate of 3% through Commercial Banks and Regional Rural Banks(RRBs) during 2009-10, as per the scheme announced and subject to certain terms and conditions.

In the Government order read at (2) above, sanction has been accorded to provide interest subsidy of 4% to facilitate short-term crop loans up to ₹ 50,000.00 to the farmers at 3% interest rate from the Public Sector Commercial Banks and Regional Rural Banks during 2009-10 as per the scheme and modalities subject to certain conditions.

In the Government order read at (3) above, State Government has reduced the interest subsidy to 2% from the date Government of India has increased interest subvention from 1% to 2% as announced in union budget 2010-11.

In the letter read at (4) the Director of Agriculture has requested the State Government to issue Government Order regarding sanction of Crop loans to the farmers through Commercial Banks and Regional Rural Banks (RRBs) at 3% raising from present ₹ 50,000.00 to ₹ 1,00,000.00 as announced by Hon'ble Chief Minister of Karnataka in the 2012-13 Agriculture Budget Speech. Further, the Director of Agriculture has stated that Government of India has given 2% interest subsidy for this scheme as announced in the Union Budget 2010-11.

The Government has examined the proposal in detail and issues the following order.

**ORDER**

Sanction is hereby accorded to enhance the maximum limit of crop loans provided to the farmers by Commercial Banks and Regional Rural Banks at 3% interest subsidy from the existing ₹ 50,000 to ₹ 1,00,000 with the following conditions:-

1. This enhancement is applicable for short-term crop loans approved and disbursed on or after 01.04.2012.
2. In view of additional incentive of 3% subvention given by the Government of India to those farmers who repay the loan promptly, the interest subsidy payable by the State Government would be 1% to enable the loans at interest rate of 3% p.a.
3. No interest subsidy is allowed by the State Government for the loans of above ₹ 1,00,000/-.

This order is issued with concurrence of the Finance Department vide Note No.FD 288 Exp.4/2012, dated 17.07.2012 and that of the Planning Department vide Note No. PD 22 PFO 2012, dated 12.06.2012.

By order and in the name of  
Governor of Karnataka,

  
(J.R. VISHWANATHACHAR)

Under Secretary to Government,  
Agriculture Department(Planning)

TO,

1. The Accountant General (Accounts & Audit) Karnataka, Bangalore.
2. The Chief Secretary to Government of Karnataka, Vidhana Soudha, Bangalore.
3. The Additional Chief Secretary & Development Commissioner, Vidhana Soudha, Bangalore.
4. The Principal Secretary to Hon'ble Chief Minister of Karnataka, Vidhana Soudha, Bangalore.
5. The Principal Secretary to Government, Planning Department, M.S. Building, Bangalore.
6. The Principal Secretary to Government (B&R), Finance Department, Vidhana Soudha, Bangalore.
7. The Commissioner/Director of Agriculture, Bangalore.
8. The General Manager, Reserve Bank of India, Nrupatunga Road, B'lore.
9. The Secretary to Government of India, Department Agriculture & Co-operation, Ministry of Agriculture, Krishi Bahvan, New Delhi.
10. The Chief General Manager, NABARD, Jeevan Prakash Annex 113/1, J.C. Road, Bangalore.
11. The Convenor, SLBC, Karnataka Syndicate Bank, Corporate Office, 5<sup>th</sup> Floor, II cross, Gandhinagar, Bangalore-560 009.
12. Cabinet Section (C No.389/2012), Vidhana Soudha, Bangalore.
13. The Director of Treasuries, Podium Block, Bangalore.
14. The Private Secretary to Hon'ble Minister for Agriculture, Vikasa Soudha, Bangalore.
15. The Under Secretary to Government, Finance Department (Exp.-4), Vidhana Soudha, Bangalore.
16. All the District Joint Directors of Agriculture (through Agriculture Commissioner)
17. All the District Treasury Officers (Through Director of Treasuries)
18. Concerned Public Sector and Regional Rural Banks (Through Convenor, SLBC, Karnataka).
19. Private Secretary to Principal Secretary, Agriculture Department
20. P.A. to Deputy Secretary-I, Agriculture Department.
21. Section Guard File/Spare Copies