

- (iv) In the case of a co-operative society, being a primary society engaged in supplying, oilseeds, fruits or vegetables raised or grown by its members to—
- A federal co-operative society, being a society engaged in the business of supplying oilseeds, fruits, or vegetables, or
 - The Government or a local authority; or
 - A Government company as defined in section 617 of the Companies Act, 1956, or a corporation established by or under a Central, State or Provincial Act (being a company or corporation engaged in supplying oilseeds, fruits or vegetables to the public).

(b) and (c) Government of India has mandated that Banks, including Rural Cooperative Banks, provide crop loan upto ₹ 3.00 lakh per farmer, at 7% interest per annum. Further to make good the loss that the banks may incur on account of involvement of own funds of the banks, an interest subvention of 2% is also provided by Government of India directly to the co-operative banks for short term crop loans.

To facilitate the same, NABARD provides concessional refinance to co-operative banks ranging from 55-60% for NER, J&K, HP, Uttarakhand, A&N Islands /35-45% for eastern region comprising of Bihar, Orissa, WB, Chhattisgarh and 28 districts in eastern UP (under BGREI scheme of GOI) / 30 - 40% for rest of the States, of their realistic lending programme (subject to their eligibility based on net NPAs etc. fixed by NABARD) at 4.5% interest per annum for supporting their short term crop loan lending to farmers.

Rate of return under APY

1694. SHRI JESUDASU SEELAM: Will the Minister of FINANCE be pleased to state:

- (a) whether Government has analyzed the rate of return on pension that will be provided under Atal Pension Yojana (APY) to the beneficiaries;
- (b) whether it is a fact that the rate of return under APY is lower than the rate of return on a bank RD scheme, Government bonds of NPS, corporate bonds and equity fund;
- (c) if so, details thereof;
- (d) whether the benefits are inflation adjusted; and

(e) if so, what will be the real rate of return benefit to the beneficiaries at the time of maturity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) The minimum rate of return implicit in the Atal Pension Yojana is 8% during the accumulation phase, which may extend from a period of 20 to 42 years, depending upon the age of the subscriber at entry, and around 7% during the annuity phase covering the life of the subscriber and the spouse. Investments in recurring deposits and or fixed deposits of banks are for shorter periods and subject to interest rate variation and reinvestment rate risks and therefore cannot be compared with APY where a minimum rate of return is being guaranteed by the Government for a long period of time. The interest and reinvestment rate risks are borne by the Government for this period.

It may be stated that Government would guarantee the minimum pension under APY, however, if the actual returns on the pension contributions are higher than the assumed returns for minimum guaranteed pension, over the period of contribution, such excess shall be credited to the subscriber's account, resulting in enhanced scheme benefits to the subscribers.

(d) and (e) The pension benefits under APY are not inflation adjusted. As regards the comparison of APY yield with those under NPS, it may be stated that since APY also uses the NPS architecture and the investment guidelines are the same, the actual return under APY will be the same as from NPS.

Delay in construction of IRDA building

†1695. SHRI JAVED ALI KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the time-limit for construction of the headquarters building of the Insurance Regulatory and Development Authority of India (IRDAI) located at Hyderabad has passed and the construction is being delayed; if so, the reasons therefor; and

(b) whether the loss to be incurred in IRDA due to cost overrun owing to delay in construction has been assessed; if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) The Insurance Regulatory and Development Authority of India (IRDAI) has informed that IRDAI building project was originally entrusted to Andhra Pradesh Industrial Infrastructure Ltd. (APIIC), Hyderabad, an undertaking of erstwhile combined State of Andhra Pradesh on deposit basis and the construction work commenced in May

†Original notice of the question was received in Hindi.