

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:703  
ANSWERED ON:25.02.2009  
LOANS TO AGRICULTURAL SECTOR  
Reddy Shri K. Jayasurya Prakash

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government is giving priority in providing loans to agricultural sector as compared to industrial sector and individual loans; and

(b) if so, the comparative details thereof during each of the last three years and the current year, State-wise, bank-wise and sector-wise?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Yes, Sir.The Government has been according priority in providing loans to agricultural sector, which is evident from the following facts:

i. Agricultural Debt Waiver and Debt Relief Scheme, 2008 has been able to declog the line of credit by benefitting around 3.6 crore farmers making them eligible for fresh credit from the institutional credit system;

ii. The Government is providing interest subvention to the lending institutions so that farmers get short term crop loans up to Rs.3 lakh at a rate of interest of 7 per cent per annum;

iii. Loans upto Rs.50,000/- have been made collateral and margin free and the requirement of 'No Dues Certificate' has been dispensed with;

iv. Kisan Credit Card norms have been revised to allow broader credit support viz. consumption credit, allied activities and Term Credit also;

v. Banks have simplified the procedure for documentation for agriculture loans.

All these have yielded result in agricultural credit increasing almost three times - from Rs. 86,981 crore in 2003-04 to Rs. 2,43,570 crore in 2007-08.The target for 2008-09 is Rs.2,80,000 crore

(b): Data Reporting System does not generate State-wise and bank-wise information.However, sector-wise information in respect of agriculture, industry and personal loan is as follows:

(Rs. Crore)

Sector	As on 31.03.2005	As on 31.03.2006	As on 31.03.2007	As on 31.03.2008
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Agriculture and Allied Activities	124269	173972	230398	273658
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Industry	423136	550444	697334	871900
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(Small,Medium &  
Large)

Personal Loans	256348	360248	456734	505390
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