

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1093

ANSWERED ON:05.08.2011

AGRICULTURAL LOANS

Pratap Narayanrao Shri Sonawane;Ram Shri Purnmasi

Will the Minister of FINANCE be pleased to state:

- (a) the details of the subsidized agricultural loans disbursed by the Scheduled Commercial Banks, Regional Rural banks, Cooperative Banks and other financial institutions during the last three years and the current financial year, State/UT-wise including Delhi and bank-wise;
- (b) the details of the criterion prescribed for an applicant to be eligible for raising agricultural loans;
- (c) whether the said banks have diverted farm loans to the commercial real estate sector in the recent past;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the corrective steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): The quantum of subsidized agricultural loans disbursed by banks during the last three years is as under:

Year Amount of loans disbursed (Rs. in crore)
Public Sector Cooperative Banks Total
Banks and RRBs

2008-09	94,147.87	62,642.72	156,790.59
2009-10	128,164.75	86,748.05	214,932.80
2010-11	74,344.21#	102,335.49	176,679.70

#(Provisional. Figures still being compiled)

State-wise details in respect of Cooperative Banks and Regional Rural Banks during the last three years are given in Annex-1 (A), (B) & (C). State wise details in respect of Public Sector Banks is not maintained by Reserve Bank of India (RBI).

(b) to (e) : The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans upto Rs. 3 lakh for a period of one year available to farmers at the interest rate of 7 percent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payees farmers i.e. those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This is being increased to 3% in 2011-12.

The target and actual flow of credit to the agriculture sector in the year 2008-09, 2009-10 and 2010-11 is shown below:-

Year	Target	Achievement
2008-09	2,80,000	3,01,682
2009-10	3,25,000	3,84,514
2010-11	3,75,000	4,46,778.96

It would be seen that the target for flow of credit to the agriculture sector are being met and the flow is steadily increasing. The Government reviews disbursement of crop loans on an ongoing basis. This is also regularly reviewed at the level of District Level Bankers Committee (DLBC) and State Level Bankers Committee (SLBC).