

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4772
ANSWERED ON:18.12.2009
AGRICULTURAL LOAN TO ANDHRA PRADESH
Siricilla Shri Rajaiah

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has received any proposal from State Government of Andhra Pradesh for enhancing the limit of collateral free agricultural loans from Rs.50,000 to Rs.1.00 lakh;
- (b) if so, the details thereof; and
- (c) the action taken by the Union Government thereon?

Answer

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

(a) & (b): State Government of Andhra Pradesh had written to the Ministry of Agriculture for enhancing the limit of agricultural loans to owner cultivators from Rs.50,000 to Rs.1.00 lakh without mortgaging their land.

(c): Reserve Bank of India has clarified that the purpose of allowing collateral free loans up to Rs.50,000 to farmers is in order to ensure that the desired benefit goes primarily to the small and marginal farmers. For agricultural loans above Rs.50,000, banks have been advised to use their discretion on matters relating to margin/security requirements.