

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2653
ANSWERED ON:19.12.2003
LOANS TO AGRICULTURE SECTOR
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has taken any decision on the issue of extending loans to the farm sector for buying tractors, power tillers and other farm implements on the same terms and conditions so as for motor vehicles in urban areas; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) State Bank of India (SBI) has entered into a tie-up with M/s. Tractors and Farm Equipments Manufacturers Ltd., M/s. Mahindra & Mahindra Ltd., M/s. Escorts Ltd. and some others, to obtain maximum possible discount in tractors and other agricultural equipments with a view to pass on the benefit to farmers taking loans for purchase of tractors, etc. Subsequently, Indian Banks Association (IBA) advised its member banks to make such tie-up with farm equipment manufacturers so that the farmers would be able to purchase the same at discounted price against loans sanctioned by banks.