

Government of India
Ministry of Finance
Department of Financial Services

RAJYA SABHA
Unstarred Question No. 2456

Answered on Tuesday, 17 December , 2024/ 26 Agrahayana, 1946 (Saka)

Reduction in ST (SAO)

2456. Shri Lahar Singh Siroya:

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

- whether NABARD has reduced the allocation of Short-Term (Seasonal Agriculture Operations) (ST (SAO)) to Karnataka for the fiscal year 2024-25;
- if so, the details thereof;
- the rate of interest on loans availed by farmers from NABARD; and
- the total allocation provided by NABARD to Karnataka under various schemes and programs in the last five years, year-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): Based on the shortfall in achievement in Priority Sector Lending (PSL) targets by the banks, the Reserve Bank of India (RBI) makes annual allocations under various funds including Short-Term (Seasonal Agriculture Operations) (ST (SAO)) funds of Short Term Cooperative Rural Credit Fund (STCRCF) for Cooperative Banks and Short Term Regional Rural Bank (Refinance) Fund (STRRBF) for Regional Rural Banks (RRBs). During FY 2024-25, PSL shortfall had reduced to Rs. 1.5 lakh crore from Rs. 2.1 lakh crore in FY 2023-24. In view of the reduced shortfall, the allocation under various funds, including STCRCF and STRRBF, was rationalized keeping in view the demand of institutions, priorities of the Government and utilization of funds during previous years.

Considering the reduced allocation for FY 2024-25, NABARD has allocated Rs. 2340 crore under STCRCF for Cooperative Banks and Rs.400 crore under STRRBF for RRBs to Karnataka on the basis of availment of refinance during last year and other eligibility criteria and parameters.

NABARD provides refinance against the loans given by State Cooperative Banks and RRBs to farmers at 7% for crop loans. Government of India under MISS also provides Prompt Repayment Incentive (PRI) of 3% to farmers for timely repayment of these loans. Therefore, the effective interest rate for farmers is 4%.

(d): NABARD is providing state wise allocation in respect of STCRCF, STRRBF and Long Term Rural Credit Fund (LTRCF), which are sourced from PSL shortfall. The details of year-wise allocation under these funds are as under:

(Rs. in crore)

S N	Fund	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	STCRCF	4,200	5,500	5,484	5,550	5,600	2,340
2	STRRBF	600	700	723	1,100	1,100	400
3	LTRCF (StCB)	1,033	823	693	722	679	900
4	LTRCF (RRB)	1,717	1,346	854	906	975	
5	LTRCF (SCARDB)	169	175	285	196	168	

StCB – State Cooperative Bank, *RRB* – Regional Rural Bank, *SCARDB* – State Cooperative Agriculture and Rural Development Bank
