

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. †6496
To be answered on Friday, April 6, 2018/Chaitra 16, 1940 (Saka)
Loans to Agriculture Sector

†6496. SHRIMATI RAMA DEVI:
SHRI MANSUKHBHAI DHANJIBHAI VASAVA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the percentage of loan to be provided to the agricultural sector is being accounted in the total Adjusted Net Bank Credit (ANBC) of banks, if so, the details thereof and the reasons therefor;
- (b) the reaction of the Government thereto; and
- (c) the remedial steps, if any, taken/ proposed to be taken by the Government in this regard along with the outcome thereon?

Answer

The Minister of State in the Ministry of Finance
(Shri Shiv Pratap Shukla)

(a) to (c): As per extant directions of Reserve Bank of India (RBI) on Priority Sector Lending (PSL), a target of 18 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposure (CEOBE) has been prescribed to all domestic Scheduled Commercial Banks, including Small Finance Banks, for lending to Agriculture. A sub-target of 8% is also prescribed for lending to small and marginal farmers (SF/MF) including landless agricultural labourers, tenant farmers, oral lessees and share croppers.

As per the directions of RBI, Scheduled Commercial Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) established with NABARD and other Funds with NABARD/NHB/SIDBI/ MUDRA Ltd., as decided by the Reserve Bank from time to time. The interest rates on banks' contribution to RIDF or any other Funds, tenure of deposits, etc. shall be fixed by RBI from time to time.