

Government of India
Ministry of Finance
Department of Financial Services
LOK SABHA
Unstarred Question No. 4094
To be answered on Friday, August 10, 2018/Shravana 19, 1940 (Saka)
Agricultural Credit

4094. KUMARI SUSHMITA DEV: SHRI JYOTIRADITYA M. SCINDIA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has instructed the Public Sector Banks (PSBs) to step up the agriculture credit to all the eligible farmers in the country in view of the decline in the share of investment credit in the sector;
- (b) if so, the reaction of the PSBs in this regard and the details of agriculture credit provided to farmers in the country, State/UT-wise;
- (c) whether PSBs have not met the targets for lending to micro and small enterprises during the past two years;
- (d) if so, the reasons therefor; and
- (e) the steps PSBs proposes to meet the target of extending loans to farmers and micro and small enterprises during the current financial year?

Answer

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

(a) & (b): Government fixes agriculture credit disbursement targets for the banking sector every year and banks have consistently surpassed these targets. Further to increase the share of investment credit for agriculture and allied activities and to boost asset creation and capital formation in rural areas, agriculture credit targets are fixed by the Government. As reported by National Bank for Agriculture and Rural Development (NABARD), total agriculture credit disbursement during the year 2015-16, 2016-17 and 2017-18 was Rs. 9,15,509.92 crore, Rs. 10,65,755.67 crore and Rs. 11,68,502.84 crore respectively.

State-wise details of agriculture credit provided by banks during 2017-18 as reported by NABARD is given in Annexure .

(c) to (e): In terms of Reserve bank of India (RBI)'s Master Direction dated July 07, 2016 on Priority Sector Lending-Targets and Classification, a target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, has been set for lending to the priority sector by domestic scheduled commercial banks and foreign banks with 20 and above branches. Within this, a sub-target of 18 per cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, has been prescribed to all domestic Scheduled Commercial Banks, including Small Finance Banks, for lending to Agriculture. In addition, a sub-target of 7.5 per cent of ANBC/CEOBE, whichever is higher has been prescribed for lending to Micro Enterprises.

As against target of 40% of ANBC or Credit Equivalent amount of OBE for total priority sector lending, the achievement in respect of Public Sector Bank was 38.39% and 39.94% during the year 2016-17 and 2017-18 respectively, as reported by RBI. For agriculture Advances, against target of 18% of ANBC or Credit Equivalent amount of OBE, the achievement in respect of Public Sector Bank was 17.81% and 17.96% during the year 2016-17 and 2017-18 respectively, as reported by RBI. For lending to micro enterprises, against target of 7.5% of ANBC or Credit Equivalent amount of OBE, the achievement in respect of Public Sector Bank was 6.24% and 6.39% during the year 2016-17 and 2017-18 respectively, as reported by RBI.

RBI has informed that, there exist appropriate provisions to monitor the performance of banks against the stipulated targets/ sub-targets, including Agriculture. To ensure continuous flow of credit to priority sector, the guidelines have also prescribed monitoring of priority sector returns figures on 'quarterly' basis. As per the directions of RBI, Scheduled Commercial Banks (SCBs) 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. Further, non-achievement of the priority sector targets/ sub-targets are also taken into account by RBI while considering regulatory clearances/ approvals for various purposes to the banks.

Government and RBI have taken several steps to facilitate easy loans to Micro, Small and Medium Enterprises (MSMEs). These inter-alia include, advise to all SCBs to achieve a 20% year-on-year growth in credit to Micro and Small Enterprises (MSEs), allocation of 60% of the MSEs advances to the micro enterprise accounts, a 10% annual growth in number of micro enterprise accounts, adoption of clusters, operationalising at least one specialised MSME Branch in every district etc. SCBs have been mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector and computation of working capital requirements of MSE units has been simplified to make it minimum 20% of the projected annual turnover of the unit.

Annexure to Lok Sabh USQ No. 4094 for 10.08.2018
Agriculture Credit Disbursement Data for the period 2017-18 (Provisional) (Rs. In Lakh)

S.No.	State/UT	Total Agriculture Credit
1	DELHI	19,59,799.17
2	HARYANA	55,51,071.86
3	HIMACHAL PRADESH	14,33,919.48
4	JAMMU & KASHMIR	11,30,172.98
5	PUNJAB	73,20,150.96
6	RAJASTHAN	80,98,976.83
7	CHANDIGARH UT	2,35,818.44
8	ARUNACHAL PRADESH	8,342.09
9	ASSAM	6,75,613.84
10	MANIPUR	27,280.04
11	MEGHALAYA	35,073.62
12	MIZORAM	17,493.61
13	NAGALAND	20,501.71
14	SIKKIM	12,499.28
15	TRIPURA	2,32,572.61
16	A & N ISLAND	12,023.51
17	BIHAR	26,98,673.37
18	JHARKHAND	3,78,093.39
19	ODISHA	22,77,721.45
20	WEST BENGAL	40,92,023.21
21	CHHATTISGARH	15,19,922.76
22	MADHYA PRADESH	60,43,188.47
23	UTTARAKHAND	7,88,127.24
24	UTTAR PRADESH	85,13,614.74
25	GOA	1,24,550.64
26	GUJARAT	62,68,293.45
27	MAHARASHTRA	76,72,266.10
28	D & N HAVELI UT	6,584.22
29	DAMAN & DIU UT	3,325.96
30	ANDHRA PRADESH	1,13,42,747.74
31	TELANGANA	58,90,751.41
32	KARNATAKA	79,38,377.02
33	KERALA	84,17,707.69
34	PUDUCHERRY	2,60,798.66
35	TAMILNADU	1,58,41,700.46
36	LAKSHADWEEP UT	505.70
	TOTAL	11,68,50,283.71

Source: NABARD

