

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION No. 4100**  
TO BE ANSWERED ON 25<sup>TH</sup> MARCH, 2025

**ADJUSTED NET BANK CREDIT**

4100. Shri Sachithanantham R.:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the percentage of the mandated 18% Adjusted Net Bank Credit that was allocated to micro, small and medium scale farmers for the FY 2024-25; and
- (b) the details of the measures taken by the Government to ensure the banks comply with the mandate and extend credit to the small farmers?

**ANSWER**

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE  
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): Reserve Bank of India has issued guidelines on Priority Sector Lending (PSL) vide Master Directions on PSL dated September 04, 2020. As per priority Sector Lending (PSL) regulation, RBI has mandated that the Scheduled Commercial Banks will provide 18% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposure (CEOBE), whichever is higher; out of which a sub limit has been fixed for small and marginal farmers which at present is 10%.

(b): In order to ensure that Banks comply with the directions and extend credit to the small farmers, Banks have been prescribed a sub-target for 'Weaker Sections' including Small and marginal farmers. Further, banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) established with National Bank for Agriculture and Rural Development (NABARD) and other funds with NABARD as decided by the Reserve Bank from time to time. The amounts from RIDF are refinanced to District Co-operative Central Bank (DCCBs) and Regional Rural Banks (RRBs) through Short Term Refinance for Seasonal Agricultural Operations (STSAO) scheme of NABARD, for onward lending to small and marginal farmers.

Government is also supporting small and marginal farmer through Modified Interest subvention scheme aims to provide concessional interest rates on short-term agricultural loans obtained by farmers through Kisan Credit Cards (KCC) for their working capital requirements. Under this scheme, farmers receive KCC loans at a subsidized interest rate of 7%. To facilitate this, an up front interest subvention (IS) of 1.5% is provided to the lending financial institutions. Additionally, farmers who repay their loans promptly receive a 3% Prompt Repayment Incentive (PRI), effectively reducing the interest rate to 4% per annum. The benefits of IS and PRI are available for loan limits up to Rs.3 lakhs. However, if the short-term loan is taken for allied activities (other than crop husbandry), the loan amount is limited to Rs.2 lakhs only keeping in the working capital requirements of small and marginal farmers. However, in the budget of 2025, an announcement has been made to extend this limit to Rs. 5 lakh.

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