

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

STARRED QUESTION NO. *202

ANSWERED ON MONDAY, AUGUST 4, 2025/SRAVANA 13, 1947 (SAKA)

FUNDS FOR INFRASTRUCTURAL DEVELOPMENT PROJECTS BY NABARD

*202. Shri Maddila Gurumoorthy:

Shri Sunil Bose:

Will the Minister of FINANCE be pleased to state:

- (a) the details of funds allocated, sanctioned and released by the National Bank for Agriculture and Rural Development (NABARD) for different categories of infrastructure projects during the last three years in the country, State/UT-wise including Andhra Pradesh, Karnataka and Bihar;
- (b) whether there is year after year reduction in the allocation of funds and if so, the reasons therefor;
- (c) the way by which the quantum of NABARD assistance to Andhra Pradesh compares with other States during the said period;
- (d) whether any proposals from Andhra Pradesh are currently pending with the Government/NABARD for approval or fund release along with the steps taken by the Government in this regard;
- (e) whether NABARD's support has led to improvement in accessibility to credit by the farmers and reduce the dependency on informal lending and if so, the details thereof;
- (f) the steps taken/being taken by NABARD to ensure equitable and timely allocation of funds to the States for critical infrastructure development; and
- (g) whether any new initiative has been undertaken by the NABARD to strengthen farmer-producer organisations and if so, the details thereof?

ANSWER

THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (g): A statement is laid on the Table of the House.

Statement referred in reply to parts (a) to (g) of Lok Sabha Starred Question No. *202 to be answered on 04.08.2025 regarding Funds for Infrastructural Development Projects by NABARD by Shri Maddila Gurumoorthy and Shri Sunil Bose:

(a): NABARD extends loan assistance to State Governments for creation of rural infrastructure through various funds i.e. Rural Infrastructure Development Fund (RIDF), NABARD Infrastructure Development Assistance (NIDA), Rural Infrastructure Assistance to State Governments (RIAS), Long Term Irrigation Fund (LTIF), Micro Irrigation Fund (MIF), Food Processing Fund (FPF), Warehouse Infrastructure Fund (WIF) and Fisheries and Aquaculture Infrastructure Development Fund (FIDF). State/UT wise yearly allocation is made under RIDF on the basis of funds allocated by Reserve Bank of India (RBI) from Priority Sector Lending (PSL) Shortfall. Other than RIDF, the support through various funds is provided to States/UTs on the basis of proposals received from the respective State/UT Governments and no yearly allocation is made. The details of funds allocated, sanctioned and released under the RIDF by NABARD to States/UTs during the last three years is given at **Annexure I**. The details of amount sanctioned and disbursed to different States/UTs under funds other than RIDF is given at **Annexure II**.

(b): The reduction in the Priority Sector Lending (PSL) Shortfall fund in the financial year 2024-25 resulted in consequent reduction in RIDF fund allocation to the States/UTs.

(c) & (d): During the past three financial years, Andhra Pradesh has been allocated an average of appx. 5% from the RIDF corpus. As informed by NABARD, no proposal from Andhra Pradesh is currently pending for approval under the above funds.

(e): NABARD's funding support through the above-mentioned funds enhances rural infrastructure viz. roads, irrigation, and storage facilities, which lead to increased productivity and better market access in rural areas. This in turn improves the ability of rural borrowers to absorb and utilize credit effectively. NABARD also provides short-term & long-term refinance to Cooperative Banks and Regional Rural Banks (RRBs) for agricultural loans at concessional rates. As per the findings of NABARD All-India Rural Financial Inclusion Survey (NAFIS) 2021-22, the proportion of agricultural households availing credit from institutional sources increased from 60% in 2016-17 to 75% in 2021-22.

The Government has also taken various steps to promote accessibility of credit to farmers which *inter-alia* include, increase in limit of collateral free loans under the Kisan Credit Card (KCC) Scheme to ₹ 2 lakh from ₹ 1.6 lakh, inclusion of allied sectors such as animal husbandry and fisheries under KCC scheme, Interest Subvention (IS) and Prompt Repayment Incentive

(PRI) under the Modified Interest Subvention scheme (MISS) which ensure loans upto ₹ 3 lakh at an effective interest rate of 4 %, etc. In the Union Budget 2025-26, the Government has announced to enhance loan limit under the MISS from Rs. 3 lakh to Rs. 5 lakh for loans taken through the KCC.

(f): The State/UT wise allocation of RIDF by NABARD is based on various parameters viz. geographical area, rural population, composite infrastructure development index, inverse Credit Deposit (CD) ratio, rural credit, etc. to address regional disparities in infrastructure and enhance the credit absorption capacity in the rural areas. Further, the borrowing power of States/UTs and the level of utilization of previous RIDF sanctions are also taken into consideration to ensure equitable distribution and optimal utilization of the limited allocated corpus. The proposals received from the respective State/UT Governments are processed promptly by NABARD and funds are allocated in a timely manner.

(g): NABARD has promoted formation of 6215 Farmer Producer Organisations (FPOs) till date under various schemes. The major support provided to FPOs *inter-alia* includes formation of FPOs, capacity building, credit facilitation and market linkage support, financial literacy, etc. In addition, NABARD in partnership with Small Farmers' Agri-Business Consortium (SFAC) & Open Network for Digital Commerce (ONDC) has conducted FPO Melas ("TARANG-celebrating Collectivization") at 50 locations across 24 states/UTs to demonstrate the products of FPOs/OFPOs to enable the marketing & branding of FPO products.

Statement referred to in part (a) of Lok Sabha Starred Question No. 202 regarding “Funds for Infrastructural Development Projects by NABARD” due for answer on 04.08.2025

State/UT-wise details of Allocation, Sanction and Disbursement under RIDF during the past three years – FY 2022-23 to FY 2024-25 (₹ crore)

State/UT	Allocation	Sanction	Disbursement*
Andhra Pradesh	7,029	7,041	4,700
Arunachal Pradesh	1,341	1,370	1,349
Assam	9,161	9,261	7,676
Bihar	6,874	6,806	5,207
Chhattisgarh	4,884	4,914	3,658
Goa	1,734	1,735	1,368
Gujarat	10,742	10,782	9,875
Haryana	5,189	5,153	4,538
Himachal Pradesh	2,811	2,844	2,485
Jammu & Kashmir	3,695	3,785	2,343
Jharkhand	6,396	6,395	5,400
Karnataka	6,222	6,234	5,504
Kerala	2,175	2,186	1,775
Madhya Pradesh	11,016	11,004	9,966
Maharashtra	5,678	5,661	5,017
Manipur	400	409	400
Meghalaya	627	632	633
Mizoram	658	682	679
Nagaland	103	100	100
Odisha	10,537	10,564	10,746
Puducherry	398	364	243
Punjab	2,520	2,572	2,223
Rajasthan	7,529	7,603	6,760
Sikkim	350	345	200
Tamil Nadu	9,677	9,702	9,070
Telangana	2,790	2,789	2,974
Tripura	2,219	2,298	1,700
Uttar Pradesh	8,744	8,740	7,908
Uttarakhand	2,403	2,508	2,158
West Bengal	6,249	6,311	5,938
Total	1,40,153	1,40,789	1,22,595
*Disbursement in some States is higher than sanctioned amount as it also includes the projects sanctioned prior to FY 2022-23			

Statement referred to in part (a) of Lok Sabha Starred Question No. 202 regarding “Funds for Infrastructural Development Projects by NABARD” due for answer on 04.08.2025

State/UT-wise details of Sanction and Disbursement under funds other than RIDF during the past three years – FY 2022-23 to FY 2024-25 (₹ crore)

State/UT	Sanction	Disbursement
Andhra Pradesh	2,431.29	285.02
Assam	5,880.76	3,844.21
Chhattisgarh	2,152.03	2.02
Goa	161.06	164.76
Gujarat	4,815.98	2,175.31
Haryana	1,906.40	727.79
Himachal Pradesh	5.00	4.06
Jharkhand	502.34	502.34
Karnataka	1,786.03	4,181.59
Kerala	7,389.83	4,284.66
Madhya Pradesh	678.00	1,543.17
Maharashtra	5,706.56	7,449.09
Manipur*	0.00	6.00
Meghalaya*	0.00	4.30
Mizoram	68.92	60.26
Odisha*	0.00	1,524.46
Punjab	3,218.31	844.40
Rajasthan	7,689.93	1,939.55
Tamil Nadu	1,236.85	5,269.75
Telangana*	0.00	1,145.39
Uttar Pradesh*	0.00	4.15
Uttarakhand	1,300.59	4.06
West Bengal	687.75	473.00
Total	47,617.63	36,439.63

**Disbursement has been made in respect of amount sanctioned prior to FY 2022-23*
