

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:798

ANSWERED ON:24.07.2015

Loan to Agriculture and Animal Husbandry Sectors

Tripathi Shri Sharad

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

- (a) the details of the norms fixed by the Government for disbursement of loans to agricultural and animal husbandry sectors along with target fixed and the percentage of loans disbursed by the banks during the last three years and the current year, bank and State/UT-wise;
- (b) whether the banks are lagging behind in achieving their targets for agricultural and animal husbandry loans during the said period and if so, the details thereof;
- (c) whether any assessment/study has been made by the Government for the estimated credit flow to the agriculture and animal husbandry sector, if so, the details thereof;
- (d) whether the Government has received complaints against banks for not taking interest in granting loans under the schemes run by the Government for the above said loans; and
- (e) if so, the details thereof along with the steps taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance  
(Shri Jayant Sinha)

(a) & (b): As per Reserve Bank of India (RBI)'s extant guidelines on Priority Sector Lending (PSL), all Domestic Scheduled Commercial Banks and foreign banks with 20 and above branches have been mandated to earmark 18 percent of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposure (OBE), whichever is higher, as on the corresponding date of the previous year, for lending to Agriculture, which also, inter alia, includes Animal Husbandry. Within the 18 percent target for agriculture, a target of 8 percent of ANBC or Credit Equivalent Amount of OBE, whichever is higher is prescribed for Small and Marginal Farmers, to be achieved in a phased manner i.e., 7 per cent by March 2016 and 8 per cent by March 2017. Foreign banks with 20 branches and above have to achieve the Agriculture Target within a maximum period of five years starting from April 1, 2013 and ending on March 31, 2018 as per the action plans submitted by them and approved by RBI. The sub-target for Small and Marginal farmers would be made applicable for foreign banks with 20 branches and above post 2018 after a review in 2017.

Besides, Government of India has been setting an annual target for the flow of credit to the agriculture sector by banks. The details of target and achievement in respect of agricultural loans (including Animal Husbandry) during the last three years are as follows :-  
(Rs. in crore)

Year	Target	Achievement	% of achievement
2012-13	5,75,000	6,07,376	106%
2013-14	7,00,000	7,30,765.61*	104%
2014-15	8,00,000	8,45,328.23*	106%

\* Provisional (Source: NABARD/IBA/PSBs)

As may be seen from the above, banks have exceeded the target of agriculture credit over the years.

The agency-wise/State/UT-wise details of agricultural loans disbursed during the last three years, as reported by National Bank for Agriculture & Rural Development (NABARD), are enclosed in Annexure-I to III.

(c): The agriculture credit target for the plan period is guided by the estimation made by the Working Group on Institutional Finance on the ground level credit flow during XII Five Year Plan and considered by the Steering Committee of the Planning Commission as achievable. The Working Group on Institutional Finance had estimated that the ground level credit to agriculture during the XII plan period is likely to be in the range of Rs.33,89,261 crore to Rs.42,08,454 crore.

Besides, under the Lead Bank Scheme of RBI, banks prepare Annual Credit Plan (ACP) for each district in the country wherein the credit requirement for different sectors including Agriculture & Allied Activities are outlined. The ACP is based on Potential Linked Credit Plan (PLP) prepared by National Bank for Agriculture & Rural Development (NABARD) for each district mapping the potential under different priority sector activities including Agriculture & Allied Activities.

(d) and (e):- If any complaint against any bank is received, the matter is immediately taken up by Government/RBI with the concerned bank for remedial action.

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