

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4390
ANSWERED ON:19.12.2014
FUNDS TO NABARD
Lokhande Shri Sadashiv Kisan

Will the Minister of FINANCE be pleased to state:

- (a) the amount of funds that have been provided to National Bank for Agriculture and Rural Development (NABARD) by the Government during the last three years and the current year, State-wise;
- (b) the rate of interest at which loan has been distributed by the NABARD to the farmers, year-wise and State-wise during the said period ;
- (c) whether NABARD has distributed loan to farmers as per the targets during the said period;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

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

(a): Details of various funds that have been provided to National Bank for Agriculture and Rural Development (NABARD) during the last three years and the current year are given in Annexure-I. These funds are allocated to NABARD either through budgetary support or out of the shortfall in priority sector lending targets by scheduled commercial banks. The funds are allocated to NABARD as a whole, and not State-wise.

(b): NABARD does not lend directly to farmers/individual borrowers. However, NABARD is providing refinance to banks against their short term and long term lendings to farmers. Rate of Interest at which Short Term Refinance for Crop Loans is provided to State Cooperative Banks (StCBs) and Regional Rural Banks (RRBs) is given as under:

Year	Rate of Interest (Percentage Per annum)
2011-12	4.50
2012-13	4.50
2013-14	4.50
2014-15	4.50

Source : NABARD

Under Long Term Rural Credit Fund (LTRCF) set up with NABARD, refinance is provided by NABARD at the interest rate of 7.85% p.a. to Cooperative Banks and RRBs.

The rate of interest charged on loans under RIDF/ WIF to State Government is linked to Bank Rate (Bank Rate on the date of disbursement, minus 1.5%). The loans to State/Central Govt. Owned/Assisted Entities (without Government guarantee)/ Cooperatives, Federations of Coops., Farmers Producers Organizations (FPOs), Federations of Farmers' Collectives/ Special Purpose Vehicles (SPVs) set up under Public Private Partnership (PPP) mode, Private Companies/ Corporates/ Individual Entrepreneurs etc are given at Prime Lending Rate of NABARD + Risk Premium (as applicable) under Warehouse Infrastructure Fund. The details of rate of interest charged to State Governments by NABARD, under RIDF, tranche-wise are given in Annexure-II.

(c) to (e): NABARD does not lend directly to farmers/individual borrowers.