

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 2371

ANSWERED ON MONDAY, 15 DECEMBER, 2025/ 24 AGRAHAYANA, 1947 (SAKA)

NABARD Funds in Karnataka

2371. SHRI KOTA SRINIVASA POOJARY:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that there are complaints of less funds being released through the NABARD Scheme in the State of Karnataka, if so, the details thereof;
- (b) the criteria /guidelines for NABARD Scheme;
- (c) the types of projects which are eligible for NABARD loan facility;
- (d) the details of loans released by NABARD to the State of Karnataka during the last three years for promoting sustainable and equitable agriculture and rural development;
- (e) the details of Schemes launched by NABARD for skill development; and
- (f) the steps taken by NABARD to increase the amount of fund allocated for skill development training?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): In order to ensure adequate flow of credit from the banking system to the sectors of the economy which are crucial for socio-economic development, Priority Sector Lending (PSL) targets are allotted to banks by the Reserve Bank of India (RBI). In the event of any shortfall in achievement of PSL targets by the banks, funds are then allocated to financial institutions for financing critical sectors. National Bank for Agriculture and Rural Development (NABARD) receives annual allocations from the PSL shortfall corpus from which it releases funds to states.

In recent years, due to the improved performance of banks in meeting the target for Priority Sector Lending, the PSL shortfall corpus has been decreasing.

In view of the reduced PSL shortfall, the allocation under various funds out of PSL was rationalized, keeping in view the demand of institutions, priorities of the Government and utilization of funds during previous years. As a result of reduction in allocation to Short Term Seasonal Agricultural Operations (ST (SAO)) funds, there was reduced fund allocation to Karnataka by NABARD.

NABARD implements various schemes for agricultural and rural development in the country, which *inter-alia* include refinance for rural financial institutions (both Short term and Long term), Direct Refinance Assistance for Cooperative Banks, NABARD Infrastructure Development Assistance (NIDA) for infrastructure financing, Rural Infrastructure Development Fund (RIDF), Food Processing Fund (FPF), Warehouse Infrastructure Fund (WIF), Tribal Development Fund (TDF), etc. The eligibility criteria are decided as per the scheme guidelines.

The details of loans sanctioned to the Govt. of Karnataka by NABARD for the past three years are given at **Annexure I**.

(e) to (f): NABARD supports skill development and entrepreneurship among rural youth and women through various skill development programmes, such as Skill Development and Entrepreneurship among Rural Youth (SDERY), Micro Enterprise Development Programme (MEDP) for Women Self Help Group (SHG) members and Livelihood and Enterprise Development Programme (LEDP) for Women SHG Members. NABARD does not maintain any fixed allocation exclusively for skill development training programmes. However, in case of higher requirement, proposals are considered subject to eligibility, relevance and demand for those schemes.

Statement referred to in part (a) to (d) of Lok Sabha Sabha Un-Starred Question No. 2371 on “NABARD funds in Karnataka” due for answer on 15.12.2025

Details of loans sanctioned by NABARD in the State of Karnataka during past three years

(Amount in ₹ crore)

Product/Scheme	2022-23	2023-24	2024-25
Total Long Term Refinance	9378.1	11479.6	7128.37
Total Short Term Refinance	14726	14726	14313.6
Direct Refinance Assistance (DRA) (Cooperative Banks)	532	892.09	1430.71
NABARD Infrastructure Development Assistance (NIDA)	97.39	1362.27	1020.30
Rural Infrastructure Development Fund (RIDF)	1367.76	1727.50	2408.11
Micro Irrigation Fund (MIF)	-	110.23	49.63
Warehouse Infrastructure Fund (WIF)	46.07	-	-