

Annex - 2

(Cf. para 4.2.13)

Relevant extract of the list of direct agricultural advances, from the Master Circular on lending to priority sector - RPCD. No. Plan. BC. 2 /04.09.01/ 2009-10 dated July 1, 2009

DIRECT FINANCE	
1.1	Finance to individual farmers [including Self Help Groups (SHGs) or Joint Liability Groups (JLGs), i.e. groups of individual farmers, provided banks maintain disaggregated data on such finance] for Agriculture
1.1.1	Short-term loans for raising crops, i.e. for crop loans. This will include traditional / non-traditional plantations and horticulture.
1.1.2	Advances up to Rs. 10 lakh against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months, irrespective of whether the farmers were given crop loans for raising the produce or not.
1.1.3	Working capital and term loans for financing production and investment requirements for agriculture.
1.1.4	Loans to small and marginal farmers for purchase of land for agricultural purposes.
1.1.5	Loans to distressed farmers indebted to non-institutional lenders, against appropriate collateral or group security.
1.1.6	Loans granted for pre-harvest and post-harvest activities such as spraying, weeding, harvesting, grading, sorting, processing and transporting undertaken by individuals, SHGs and cooperatives in rural areas.
1.2	Finance to others [such as corporates, partnership firms and institutions] for Agriculture
1.2.1	Loans granted for pre-harvest and post harvest activities such as spraying, weeding, harvesting, grading, sorting and transporting.
1.2.2	Finance up to an aggregate amount of Rs. one crore per borrower for the purposes listed at 1.1.1, 1.1.2, 1.1.3 and 1.2.1 above.
1.2.3	One-third of loans in excess of Rs. one crore in aggregate per borrower for agriculture.