

Institutional Finance to the Fisheries Sector

Posted On: 09 FEB 2026 9:11AM by PIB Delhi

The Indian fisheries sector is recognized as the “Sunrise Sector” has evolved from a primarily subsistence-driven activity into a dynamic engine of economic growth. With a contribution of 1.12% to India’s Gross Value Added (GVA), the sector plays a pivotal role in delivering nutritional security, providing affordable protein, and sustaining the livelihoods of nearly 30 million people. With the Blue Transformation India today stands as the world’s second largest fish producer and largest aquaculture producer, accounting for approximately 8% of global fish production.

Leveraging a vast coastline of over 11,099 km coastline and one of the country’s richest networks of rivers, reservoirs, floodplains, and wetlands, fisheries support three crore livelihoods, while contributing significantly to foreign exchange earnings. Over the past decade, the sector has achieved remarkable expansion fish production reached an all-time high of 197 lakh tonnes in FY 2024–25, nearly doubling from 95.79 lakh tonnes in 2013–14. This growth has been structurally reshaped by the rising dominance of inland fisheries, contributing over 75% of total production. The sector’s gradual transition from capture-based fisheries to culture-based aquaculture has further strengthened production stability.

Economically, fisheries have emerged as a major foreign exchange earner. In FY 2024–25, exports touched ₹62,408 crore (USD 7.45 billion), with frozen shrimp as the major commodity and the United States and China as key markets. The sector contributes 7.26% to agricultural GVA, and policy measures such as the GST reduction on key fish products from 12% to 5% have improved both domestic consumption and international competitiveness. This momentum has been powered by sustained public investment and forward-looking policy frameworks.

The Department of Fisheries, Government of India for catalysing modernization focuses on infrastructure development, market access, technology adoption, traceability, and climate-resilient fisheries systems. Major interventions include modernized landing and post-harvest infrastructure, river ranching and promotion of cold-water fisheries in Himalayan and Northeastern states through trout farming and hatchery networks. The government has set an ambitious target to increase national fish production to 220 lakh tonnes by FY 2025-26, supported by deep-sea fishing, cold chain integration, processing infrastructure, ice plants, cold storage, and value-added product units.

The key pillar enabling this transformation has been digital integration. Given the sector’s fragmented and highly diversified stakeholder base, seamless access to institutional finance and welfare support required a unified digital ecosystem. This led to the launch of the National Fisheries Digital Platform (NFDP) a single-window digital architecture now registering about 30 Lakh stakeholders, enabling access to credit, insurance, cooperative services, markets, and performance-linked incentives.

The sector remains capital-constrained at the grassroots level despite rapid growth, where investment requirements vary widely. Micro-scale fisheries and small enterprises typically require credit support ranging from ₹50,000 to ₹30 lakh, while large capital-intensive infrastructure and processing projects may

require funding up to ₹10 crore or more. Recognizing this financing heterogeneity, the Department has systematically collaborated with banks to design customized, activity-linked lending products, enabling stakeholders to access structured institutional credit for both working capital and asset creation.

The Kisan Credit Card (KCC) for Fisheries, introduced in 2018–19, has emerged as the most accessible instrument for meeting short-term operational needs. As of June 2025, 4.76 lakh KCCs have been issued, with ₹3,214.32 crore disbursed. Loans carry an interest rate of 7%, further reduced to 4% upon timely repayment, ensuring affordability for small borrowers. Complementing this, the Fisheries and Aquaculture Infrastructure Development Fund (FIDF) with a corpus of ₹7,522.48 crore and validity extended till March 2026 supports long-term infrastructure financing with 3% interest subvention, ensuring an effective lending rate of at least 5%. Under FIDF, 178 proposals worth ₹6,369+ crore have been approved (as of July 2025).

To further de-risk sectoral lending and improve credit flow, a ₹750 crore dedicated Credit Guarantee Fund, managed by NABSanrakshan, provides collateral-free risk coverage for loans up to ₹12.5 crore, incentivizing banks to scale exposure in fisheries financing.

Under PM-MKSSY Component 1A, a one-time post-disbursement incentive of up to ₹5,000 is also provided to borrowers as a “success fee” to offset documentation and processing expenses. The loan process has been fully digitized through NFDP, where 12 nationalized banks are now onboarded, enabling applicants to submit loan requests remotely via mobile or computer, select activity type, tenure, and loan purpose, and track status in real time. The platform has already processed thousands of loan applications, with disbursements ranging from ₹20,000 to ₹5 crore, and approvals for loans as large as ₹10 crore under aquaculture and processing activities.

The journey of credit flow to the sector has been digitized with real time tracking of loan request. All the 12 nationalized banks have been on boarded on the NFDP for easy and direct loan request to banks. The nationalized banks have been very supportive of the scheme and doing fabulous job in processing the loan requests.

Now, sitting at home, the stakeholders can submit their loan request to the bank under NFDP Credit Module. More than 19 thousand beneficiaries have submitted loan requests on NFDP and the banks are processing the applications keeping the eligibility and compliance of the Banking Rules and Regulations. So far 350 loan requests on NFDP have been approved and Loan value ranging from Rs.15,000/- to Rs. 5 Crore has been sanctioned and disbursed by banks.

Small aquaculture farmers, fishers, entrepreneurs, women entrepreneurs, start-ups all are availing loan by raising their loan query directly to the bank near to their work place or home. Through NFDP on one hand a small farmer is getting KCC-Fisheries of credit limit 15000/- which will meet his working capital requirements, on the other hand, a farmer got KCC-Fisheries of value 15 Lacs signifies the inclusiveness of the scheme.

At the same time, the banks are strengthening financial literacy and sectoral understanding through credit camps, melas, and beneficiary outreach programs in coordination with the Department and State Fisheries Departments. To build banker’s capacity, structured training programs are being delivered in partnership with BIRD, NABARD, and MANAGE, and banks are being encouraged to integrate fisheries financing modules into internal learning and development programs.

This synchronized strategy enabling stakeholder access to institutional finance while sensitizing banks to prioritize fisheries lending is progressively enhancing credit penetration across the sector. While credit adoption is expanding through incremental steps, it represents a decisive shift toward financial formalization, sustainable scaling, and long-term sectoral resilience.

With strengthened digital financing rails, de-risked lending instruments, and customized institutional partnerships now in place, India's fisheries sector is progressing toward financial formalization and sustainable expansion. Technology-enablement through NFDP, collateral-free credit guarantees, interest-subsvented loans, and performance-linked incentives has created a more inclusive and bankable credit ecosystem. This approach broadens access to affordable capital for fishers, farmers, cooperatives, and enterprises, while improving lender confidence to increase sectoral exposure. As India continues to enhance value-chain efficiency, product quality, safety standards, and climate resilience, institutional finance will remain a critical lever for long-term global competitiveness. This transition from subsidy-led support to credit-driven growth will lead to India progression towards a resilient and sustainable Blue Economy, where prosperity is equitable, market-aligned, and environmentally responsible.

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(Release ID: 2225246) Visitor Counter : 585

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