

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO. 232**  
TO BE ANSWERED ON THE 15<sup>TH</sup> SEPTEMBER, 2020

**LOANS UNDER KCC**

232. SHRI SUMEDHANAND SARASWATI:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the details of the loans given to the Kisan Credit Card (KCC) holders in Rajasthan during each of the last three years;
- (b) whether the amount of loan has been increased for KCC holders in view of the increase in the expenses of the farmers;
- (c) if so, the details thereof;
- (d) whether the farmers can pay only annual interest incurred on loan taken through their KCC in the banks;
- (e) if not, whether the Government proposes to make such an arrangement; and
- (f) whether the Government is of the view that by doing so, the farmers are likely to repay the loan on time and also be free from the harassment of the moneylenders?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): Details of the loans given by scheduled commercial banks, RRBs and Cooperatives to the Kisan Credit Card (KCC) holders in Rajasthan during each of the last three years are as under:

Years	Outstanding Loan (Rs. in crores)
2017-18	55772.77
2018-19	59412.75
2019-20	63062.56

(b) & (c): The amount of credit limit provided is as per Scale of finance for the crop (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest/household/ consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/or accident insurance including PAIS, health insurance & asset insurance.

For second & subsequent years the calculation is as follows:- First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year) and estimated term loan component for the tenure of Kisan Credit Card (KCC), i.e., five years.

(d): As per the RBI's Master Circular on KCC Scheme, there is no such provision for payment of only interest incurred on loan taken. As per the provisions of the Interest Subvention Scheme(ISS), KCC agri-loan(short term) upto Rs.3 lakh taken by the farmers is eligible for 2% Interest Subvention to banks and additional 3% directly to farmers on prompt repayment (PRI) of the loan. Thus farmers get the short term agri loans at an effective interest rate of 4% on timely repayment. Hence, the farmers become eligible for total 5% of Interest Subsidy only on repayment of principal amount alongwith the due interest.

(e) & (f): There is no such proposal. The Government of India, have inter-alia, taken the following major initiatives to reduce the debt burden of farmers and thus freeing them from the clutches of money lenders. These schemes/initiatives include KCC Saturation drive to ensure concessional institutional credit to all eligible farmers in the country, Pradhan Mantri Kisan SAMman Nidhi (PM-KISAN), Pradhan Mantri Fasal Bima Yojana (PMFBY), formation of Joint Liabilities Groups (JLG's), Rashtriya Krishi Vikas Yojana (RKVY),National Food Security Mission (NFSM), National Agriculture Market (e-NAM), National Mission For Sustainable Agriculture (NMSA), Pradhan Mantri Kisan Maan-Dhan Yojana (PM-KMY) etc.

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