

Government of India  
Ministry of Finance  
Department of Financial Services

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. # 3444**  
ANSWERED ON TUESDAY, 1 APRIL, 2025/ 11 CHAITRA, 1947 (SAKA)

**Interest rate on Kisan Credit Card**

3444 # **Shri Digvijaya Singh:**

Will the Minister of *Finance* be pleased to state:

- (a) the prescribed interest rates on loans taken by farmers using the Kisan Credit Card and whether farmers are being charged different interest rates by different banks;
- (b) if so, whether there is any proposal to have a uniform rate of interest on Kisan Credit Cards; and
- (c) whether Government is considering offering interest-free loans to farmers on Kisan Credit Card, if so, by when it will be implemented?

**ANSWER**

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

(a) to (c): Kisan Credit Card (KCC) provides farmers with timely and affordable credit for purchasing agricultural inputs such as seeds, fertilizers, and pesticides, as well as for meeting cash requirements related to crop production and allied activities. In 2019, the KCC scheme was extended to cover the working capital requirements of allied activities, viz. Animal Husbandry, Dairy and Fisheries.

Government of India under Modified Interest Subvention Scheme (MISS) provides Interest Subvention of 1.5% to banks for providing short-term working capital loans upto Rs. 3 lakh at 7% p.a. Further, a Prompt Repayment Incentive of 3% is also provided to farmers on timely repayment of loans. Therefore, effective interest rate for farmers is 4%.

In the Union Budget 2025-26, the Government has announced to enhance loan limit under the MISS from Rs. 3 lakh to Rs. 5 lakh for loans taken through the KCC.

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