

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

LOK SABHA
UNSTARRED QUESTION NO.1402
TO BE ANSWERED ON THE 11TH FEBRUARY, 2020

OUTSTANDING LOANS UNDER KCC SCHEME

1402. SHRIMATI MEENAKASHI LEKHI:

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

- (a) whether it has been found that loans provided under Kisan Credit Card (KCC) scheme are becoming a significant part of NPAs for banks, especially SBI and if so, the steps taken by the Ministry to understand the rise in such NPAs, the details thereof;
- (b) whether any study has been carried out to probe further the farmers' inability to repay loans and if so, the details thereof, if not, the reasons therefor;
- (c) the total amount of outstanding loans under KCC from 2016-19; and
- (d) the steps taken by the Ministry to address this issue and also to develop alternative models/schemes which addresses the problems of banking sector and also provide credit assistance to farmers and the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (d): As reported by RBI, the total outstanding Gross Non-Performing Assets (GNPAs) for Agriculture and allied activities in respect of scheduled commercial banks including SBI as on 31.03.2019 is Rs.1,11,851 crore.

Failure of crops due to natural Calamities like drought, flood, cyclone etc impair the farmer's capacity to repay loans. An Internal Working Group constituted by RBI had indicated an increase in NPA level for those States that announced farm loan waiver programmes in 2017-2018 and 2018-2019.

NABARD had conducted a study on KCC. The major findings of the study revealed that with the support of 2% Interest Subvention to banks and 3% incentive on prompt repayment, all the farmers in the districts taken up under the Study were able to generate some gain over non - KCC farmers. Amount of loan outstanding with respect to KCCs issued by all scheduled Commercial Banks, Cooperative Banks and RRBs in all the States/UTs for the years, 2016-17, 2017-18 and 2018-19 is as under:

(Rs. In Crore)

Financial year	Amount Outstanding
2016-17	6,49,621.93
2017-18	6,68,322.63
2018-19	7,09,586.87

The Government has taken many steps to alleviate the problems faced by farmers regarding issues of KCC. Processing fee, inspection, ledger folio charges and all other service charges for short term crop loans upto Rs.3.00 lakh have been waived off. Collateral fee loan limit for short term agri-credit has been raised from Rs.1.00 lakh to Rs.1.60 lakh. Government has introduced KCC scheme for Animal Husbandry and Fisheries farmers. Benefit of Interest Subvention Scheme has also been extended on KCC for animal husbandry and fisheries farmers' upto loan limit of Rs.2 lakh per farmer so as to reduce the burden of interest component on farmers and provide hassle free short term working capital loans to them. To bring the maximum number of farmers under KCC in order to provide loan to them at a cheaper rate under the Interest Subvention Scheme (ISS), Union Government has launched a campaign to saturate the farmers with KCC through financial institutions including Commercial Banks, Cooperative Banks and Regional Rural Banks in collaboration with the State Governments and State level Bankers Committees (SLBSs). Government had formulated a detailed strategy and shared it among the participating agencies to be adopted for making the campaign successful, which includes issue of simplified standard application form and KCC to be issued in a time-bound manner within 14 days from the state or receiving of completed form. The Government has also launched a special drive to bring all PM KISAN beneficiaries under the KCC scheme. All short term loans except those overdue at the time of natural calamity are eligible for restructuring and converted into term loans with repayment period upto 2 or 5 years depending on degree of crop loss. Also to provide relief to the farmers affected by severe natural calamities, the Government has decided that interest subvention of 2% per annum will be available for first three years/ entire period (subject to a maximum of five years) on the restructured loan amount, and in all such cases the benefit of prompt repayment incentive at 3% p.a. shall also be provided to the affected farmers.
