

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

LOK SABHA
UNSTARRED QUESTION No. 1460
TO BE ANSWERED ON 7TH DECEMBER, 2021

LOANS TO KCC HOLDERS

1460. SHRI D. M. KATHIR ANAND;
DR T. SUMANTHY (A) THAMIZHACHI THANGAPANDIAN:

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

- the details of the loans given to the Kisan Credit Card (KCC) holders in Tamil Nadu during the last five years;
- whether the quantum of allotment of loans increased for KCC holders to meet the increasing expenses incurred for farming activities from sowing the seeds to harvest;
- if so, the details thereof and if not, the reasons therefor;
- whether the Government has taken serious note of farmers being harassed by the public Sector Bank officials as well as private Banks and money lenders for not being able to pay their interests and loan capital; and
- If so, the steps taken by the Government to solve this grave problem?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): The detail of loans given to the Kisan Credit Card (KCC) holders in Tamil Nadu during the last five years is as under:

S.No.	Financial Year	Loan Amount (in Crore)
1	2016-17	15,442.54
2	2017-18	17,012.91
3	2018-19	18,658.46
4	2019-20	19,657.64
5	2020-21	19,474.90

(b) & (c): As per the KCC Master Circular of RBI, the credit limit under KCC is decided as per following method:

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 Personal Accidental Insurance Scheme (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, i.e., five years. Hence, the maximum limit for KCC loan is not fixed.

(d) & (e): The Government of India implements the Interest Subvention Scheme with a view to provide short term Agri-loans to the farmers at concessional rate of interest. Under the scheme, short term crop loan upto Rs. 3.00 lakh is available to farmers engaged in Agriculture and other allied activities at benchmark rate of 9%. Government of India provides 2% Interest Subvention on the benchmark rate. Additional 3% subvention is also given to the farmers for prompt and timely repayment of loans; thus the effective rate of interest comes down to 4% per annum. With the objective of providing easy access to credit to the farmers, the effective rate of interest has thus been kept low to facilitate timely repayment of KCC loan by the farmers.
