

Government of India  
Ministry of Finance  
Department of Financial Services

LOK SABHA  
Unstarred Question No. †123  
Answered on Monday, July 18, 2022/Ashadha 27, 1944 (Saka)

KCC HOLDERS IN RAJASTHAN

†123. SHRI SUMEDHANAND SARASWATI:

Will the Minister of FINANCE be pleased to state:

- the details of loans given to Kisan Credit Card (KCC) holders in Rajasthan during each of the last three years;
- whether the loan amount for KCC holders has been increased in view of the rise in expenditure of farmers;
- if so, the details thereof;
- whether the farmers can also deposit only interest incurred on loan against his KCC in the bank every year;
- if not, whether the Government proposes to make such arrangement and if so, the details thereof; and
- whether the Government believes that this arrangement is likely to enable farmers to pay back the loans against their KCCs in the bank on time and also be free from the clutches of money lenders and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(DR. BHAGWAT KARAD)

(a): As per the information furnished by Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD), details of number of operative KCCs and amount outstanding for the State of Rajasthan during the last three financial years is as below:

Year	No. of operative KCCs	Amount Outstanding in Rs. Crores
2019-20	57,27,000	81,231
2020-21	66,15,000	84,637
2021-22	62,15,979	94,693

(b) & (c): The credit limit/ loan amount under KCCs is fixed by Banks as per guidelines prescribed in the Master Circular dated July 4, 2018 issued by RBI. The short term credit limit under KCC for the first year is determined based on 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. The limit for second and subsequent years (3rd, 4th and 5th year) is arrived based on first year limit for crop cultivation purpose plus 10% of the limit towards cost escalation / increase in scale of finance and estimated term loan component for the tenure of KCC, i.e., five years.

The short term loan limit arrived for the 5th year plus the estimated long term loan requirement will be the Maximum Permissible Limit (MPL) and is to be treated as the Kisan Credit Card limit.

(d) to (f): The issue of renewal of KCC on the basis of interest payment only has been reviewed by RBI and they have apprised that payment of both interest and principal is required for such renewals. As per extant instructions issued by D/o Agriculture & Farmers Welfare for continuation of Modified Interest Subvention Scheme, short term crop loan upto Rs. 3 lakh is provided to farmers at 7% per annum. Also, additional interest subvention of 3% per annum is provided to farmers making timely repayment, thereby, reducing effective rate of interest to 4% per annum. This facility is also available to farmers engaged in Animal Husbandry & Fisheries farmers for working capital loan upto Rs. 2 lakh.