

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA

Unstarred Question No. †1822

Answered on Monday, March 10, 2025/Phalgun 19, 1946 (Saka)

Time Limit for Renewal of Loan in Kisan Credit Card

†1822. Shri Harendra Singh Malik:

Will the Minister of FINANCE be pleased to state:

- (a) the time fixed for renewal of loan in Kisan Credit Card for farmers;
- (b) whether the Government proposes to increase it further and provide more convenience to farmers in the norms of credit limit in view of the problems being faced by farmers;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether there is any scheme to provide benefit of Kisan Credit Card to landless and tenant farmers; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (e): As per the Reserve Bank of India's Master Circular on Kisan Credit Card Scheme dated July 4, 2018, the credit limit is fixed for a tenure of 5 years for all activities including crop cultivation and investment purposes.

Further as per Kisan Credit Card Scheme Master Circular, tenant farmers, oral lessees and share croppers are eligible for availing credit under the Kisan Credit Card Scheme.

Government of India under Modified Interest Subvention Scheme (MISS) provides Interest Subvention of 1.5% 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.
