

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

**LOK SABHA**  
**UNSTARRED QUESTION No. 361**  
TO BE ANSWERED ON THE 04<sup>TH</sup> FEBRUARY, 2025

**KISAN CREDIT CARD LOAN**

361. SHRI RAMASHANKAR RAJBHAR:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether KCC loans are provided for the welfare of farmers;
- (b) if so, the details thereof;
- (c) whether there is any scheme to waive off the loans of farmers whose land and houses have got submerged in river or whose crops have got damaged due to natural calamities;
- (d) if not, the reasons therefor;
- (e) whether the Government is likely to formulate any scheme to waive off the KCC loans of such farmers; and
- (f) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) & (b): Kisan Credit Cards (KCC) are provided to farmers to avail agriculture credit to meet their operational requirements. Loans under KCC are provided at affordable interest rate of 7% per annum and for this financial institutions are provided upfront Interest Subvention (IS) of 1.5 % through Modified Interest Subvention Scheme (MISS). Besides, an additional 3% Prompt Repayment Incentive (PRI) is also given to the farmers for prompt and timely repayment of loans; thus, reducing the effective interest rate to 4% per annum. IS and PRI benefit is available for a loan limit of Rs. 3 lakhs only. In case of short term loan is availed for allied activities only (other than crop husbandry), the loan amount is limited Rs. 2.00 lakh only.

(c) & (d): There is no loan waiver scheme being implemented by Department of Agriculture & Farmers Welfare. Reserve Bank has issued Master Direction – Relief Measures by banks in areas affected by Natural Calamities 2018 dated October 17, 2018 separately to Scheduled Commercial Banks (excluding RRBs) and to RRBs. As per the Master Directions, in the event of natural calamities declared by the State/Central Government all short-term KCC loans, except those which are overdue at the time of occurrence of natural calamity, shall be eligible for restructuring. Fresh loans can also be sanctioned by banks to affected borrowers. Agricultural term loan installments shall also be rescheduled keeping in view the repaying capacity of the borrower and the nature of natural calamity. Also depending on the severity of a natural calamity, SLBC/DCC shall take a view as to whether a general rescheduling of all other loans (i.e. besides the agriculture loans) such as loans granted for allied activities, loans to rural artisans, traders, micro/small industrial units or in case of extreme situations, medium enterprises are required.

Additionally, this Department is implementing the Pradhan Mantri Fasal Bima Yojana(PMFBY) since 2016 across the country. The scheme is voluntary for farmers and States. As per provision of the scheme, admissible claims in r/o widespread calamities like drought, flood etc. are worked out and paid directly to the insured farmers' accounts by the insurance companies based on yield data per unit area, furnished to insurance company by the State Govt. concerned and claim calculation formula envisaged in operational guidelines of the scheme. However, losses due to localized risks of hailstorm, landslide, inundation, cloud burst, natural fire and post harvest losses due to cyclone, cyclonic/unseasonal rains and hailstorms are circulated on individual farm basis. Here farmers are required to intimate the event of loss to insurance company/State Govt./concerned financial institution/portal/app within 72 hours of the loss. These claims are assessed by a joint committee comprising representations of State Govt. and concerned Insurance Company.

(e) & (f): There is no such proposal.

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