

Government of India  
Ministry of Finance  
Department of Financial Services

LOK SABHA  
Unstarred Question No. 3419  
To be answered on Aug 05, 2016/Shravana 14, 1938 (Saka)  
**Loans against KCC**

3419. SHRI SATAV RAJEEV:  
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:  
SHRI DHANANJAY MAHADIK:  
DR. J. JAYAVARDHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether there is any provision for recovery of four per cent interest on loans taken against Kisan Credit Card accounts and if so, the details thereof;

(b) whether the Government has received complaints that many public sector banks are recovering higher rates of interest on loans to farmers and if so, the details thereof, bank-wise;

(c) whether the Government has taken any action against the banks on receipt of such complaints; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

The Minister of State in the Ministry of Finance  
(Shri Santosh Kumar Gangwar)

(a): With a view to ensuring availability of short term agriculture credit at a reduced interest rate of 7% p.a. to farmers, the Government of India implements an interest subvention scheme for short term crop loans up to Rs. 3.00 lakh including the short term crop loans taken against Kisan Credit Card (KCC). Under the said scheme, additional subvention of 3% is given to those farmers who repay their short term crop loan in time, thereby reducing the effective rate of interest to 4% p.a. for such farmers.

(b) to (d): Reserve Bank of India (RBI) has informed that they receive complaints in regard to certain issues relating to agriculture credit. On receipt of such complaints, the matter is taken up at appropriate level for redressal thereof and as on date no complaint is pending with them.

Further, Government receives complaints/grievance through various modes of communication and from various sources. On receipt of complaints the matter is taken up at appropriate level for redressal thereof. However, separate data on specific nature of complaints, such as complaints regarding recovering higher rates of interest by banks on loans to the farmers, is not centrally maintained.



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