

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5888
ANSWERED ON:11.05.2012
KISAN CREDIT CARDS
Begum Tabassum ;Thomas Shri P. T.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has issued any guidelines to banks regarding recovery of interest on Kisan Credit Cards (KCC);
- (b) if so, the details thereof;
- (c) the details of loans given under KCC scheme by various banks, State-wise and bank-wise;
- (d) whether some banks are reportedly reluctant to grant loans under KCC scheme and are charging higher interest rate from farmers;
- (e) if so, the details thereof, bank and State -wise; and
- (f) the action taken/proposed to be taken against the banks which are found flouting RBI guidelines?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a) & (b): Interest on loans under Kisan Credit Card is governed by the policy of RBI and bank concerned.
- (c): The State-wise and Agency-wise details of KCC issued and amount sanctioned there against as on 29 February 2012 (cumulative) is given in Annex:
- (d) to (f): The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans upto Rs 3 lakh for a period of one year available to farmers at the interest rate of 7 per cent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payee farmers. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12. Further, Interest Subvention Scheme 2011-12 also provides benefit to small and marginal farmers having Kisan Credit Card for a further period of up to six months post harvest on the same rate as available to crop loans against negotiable warehouse receipt for keeping their produce in warehouses.