

KCC Scheme - Sanctions with credit limit of Rs 1.35 lakh crore achieved

By TIOL News Service

NEW DELHI, OCT 20, 2020: As

part of the Atmanirbhar Bharat Package, the Government has announced to cover 2.5 crore farmers under the Kisan Credit Card (KCC) scheme with a credit boost of Rs. 2 lakh crore through a special saturation drive. As a result of concerted and sustained efforts by the banks and other stakeholders in the direction of providing access to concessional credit by the farmers, including Fishermen and Dairy farmers, a major milestone target of covering more than 1.5 crore farmers under KCC, with sanctioned credit limit of Rs.1.35 lakh crore has been achieved.

The KCC Scheme was introduced in the year 1998 with the objectives of providing adequate and timely credit to the farmers for their agricultural operation. The Government of India provides interest subvention of 2% and Prompt Repayment Incentive of 3% to the farmers, thus making the credit available at a very subsidized rate of 4% per annum. Government has taken a major farmer friendly steps by extending the benefits of KCC with interest subvention in 2019 to Animal Husbandry including Dairy and Fisheries farmers for their working capital requirement and raising the existing limit of collateral free agriculture loan from Rs. 1 lakh to Rs.1.60 lakh.

While ensuring convenient and cost-effective credit delivery to farmers, the ongoing campaign will also be instrumental in driving the rural economy and further accelerating agricultural production and allied activities, besides enhancing the income level of farmers. This will also go a long way in fulfilling the objective of food security for our country.