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Title: Need to take steps to extend zero percent rate of interest on agricultural loan to small and marginal farmers under the Kisan Credit Card Scheme.

SHRI C. MAHENDRAN (POLLACHI): Hon. Speaker Madam, I am thanking the hon. Chief Minister of Tamil Nadu, our God Puratchi Thalaivi Amma for having given the opportunity to express my views regarding the extension of zero per cent rate of interest on agricultural loan to small and marginal farmers under the Kisan Credit Card Scheme by all the banks running under the control of Reserve Bank of India as that of Primary Agricultural Co-operative Societies in Tamil Nadu.

I would like to invite your kind attention to the fact that now all the banks running under the control of Reserve Bank of India extend agricultural loans to small and medium farmers up to Rs.3 lakh with the interest of seven per cent under the Kisan Credit Card Scheme with the condition that if the loan is refunded within a period of one year, the amount equivalent to three per cent of the loan amount will be credited to their account as subvention of interest.

HON. SPEAKER: It is enough.

SHRI C. MAHENDRAN: It is a very important issue.

HON. SPEAKER: I know it.

SHRI C. MAHENDRAN: It is very painful to note that NABARD is instructing all the marginal farmers by mentioning the norms in the guidelines of 2014-15, that is, through circulars, that they should extend agricultural loans to small farmers and the limit is Rs.3 lakh with seven per cent interest rate.

Obviously, zero per cent rate of interest on agricultural loan provided by the Primary Agricultural Co-operative Societies might be the valid reason that the loans pending with the banks are on higher side. The loan amount required by big farmers should be increased from Rs.3 lakh to Rs.10 lakh for meeting out the essential and urgent expenditures on their lands, according to their landholdings on proposing some conditions at the nominal rate of interest on agricultural loans.

Hence I request the hon. Minister for Finance to take immediate action and issue necessary orders for extending the facility of zero per cent rate of interest to small and marginal farmers under the Kisan Credit Card Scheme to all the banks running under the control of the Reserve Bank of India as that of the one that the hon. Chief Minister of Tamil Nadu Puratchi Thalaivi Amma implemented in Tamil Nadu permanently. The big farmers will have a sigh of relief if the quantum of amount is increased on agricultural loan. With this, I conclude. Thank you Madam.