

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:746
ANSWERED ON:15.03.2002
KISAN CREDIT CARDS
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Will the Minister of FINANCE be pleased to state:

- (a) the State-wise number of farmers provided with credit cards during each of the last three years ;
- (b) the major advantages of Kisan Credit Cards ;
- (c) whether it is a fact that several farmers are using Kisan Credit Card and Kisan Gold Card Scheme for purchase of goods such as TVs and refrigerators rather than farm inputs ;
- (d) if so, the facts thereof ;
- (e) whether the Government propose to restrict uses of these cards for purchase of farm inputs only ;and
- (f) if so, the details thereof ?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI YASHWANT SINHA)

(a) The State-wise details of the number of farmers provided with Kisan Credit Cards (KCCs) during the last three years are given in enclosed statement.

(b) The major advantages of the Kisan Credit Card are as follows :

All eligible farmers could make use of KCC ;

Full year`s credit requirement of the borrower taken care of ;

Minimum paper work and simplification of documentation for drawal of funds from the bank ;

Flexibility to draw cash and buy inputs from any source of choice ;

Assured availability of credit at any time resulting in reduced interest burden on the farmer ;

Sanction of the facility for 3 years subject to annual review and satisfactory operations and provision for enhancement; and

Flexibility of drawing cash from a branch other than the issuing branch at the discretion of the bank.

(c) and (d) The KCC Scheme aims at providing adequate and timely credit support from bankingsystem to the farmers for their cultivation needs on a flexible and cost effective manner. The Kisan Gold Card (KGC) Scheme introduced by State Bank of India is an agricultural term loan scheme in addition to the KCC Scheme and provides for meeting the farmers` agricultural termloan requirements in a flexible manner. Purchase goods such as television and refrigerator are not permitted under these schemes. National Bank for Agriculture and Rural Development

(NABARD) and State Bank of India (SBI) have reported that no instance of farmers using KCCs/KGCs for purchase of such goods have come to their notice.

(e) and (f) As per the objectives of the Scheme, KCC can be used by farmers for their cultivation needs including purchased of inputs such as seeds, fertilizers, pesticides, etc. and draw cash for their production needs. Similarly, KGC can be used for purchase of agricultural implements, land development, purchase of bullocks, carts, etc. Therefore, there is no proposal to restrict uses of these cards.