

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:533

ANSWERED ON:25.11.2005

KISAN CREDIT CARD

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**Will the Minister of FINANCE be pleased to state:**

- (a) the criteria followed for issuing Kisan Credit Card to the farmers ;
- (b) the number of Kisan Credit Cards issued to the farmers in each State/U.T. alongwith target set during each of the last three years,
- (c) whether the Government has recently made any assessment of the scheme; and
- (d) if so, the outcome thereof ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a),(c)&(d) : The scheme was primarily intended to cater to the short-term credit requirements of the farmers and the banks issued the Kisan Credit Card(KCC) to farmers: who were eligible for sanction of production credit for cultivation purposes.A National Impact Assessment Survey of KCC Scheme was commissioned by the RBI through National Council of Applied Economic Research. Some of the positive features of the scheme brought out by the study are as under:-

Reduction in cost of borrowing.

Significant reduction in time for processing the loan applications.

Decline in borrowings from informal sources (money lenders, etc.)

Decrease in operational expenses of Banks, etc.

The study also identified some weaknesses in the scheme such as :-

Non provision of cheque book withdrawal facility to KCC holders.

Inability of formers to use the KCC outside the normal limited area of operation.

Restriction on number of transactions.

Variations in service as well as inspection charges levied by banks.

The scope of the scheme has since been widened to cover other related purposes like term loan/working capital for agriculture and allied activities and a component for consumption. Moreover, all the new eligible borrowers including tenant farmers, oral lessees, share croppers and defaulters can be covered under KCC.

(b): The information is being collected and will be laid on the Table of the House.