

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1457

ANSWERED ON:04.08.2006

KISAN CREDIT CARD

Barad Shri Jashubhai Dhanabhai; Owaisi Shri Asaduddin; Patle Shri Shishupal Natthu; Rana Shri Kashi Ram; Rawat Shri Ashok Kumar; Shiwankar Shri Maha Deo Rao; Singh Shri Rajiv Ranjan (Lalan); Suman Shri Ramji Lal; Thummar Shri Virjibhai; Yadav Shri Kailash Nath Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has chalked out any strategy for providing Kisan Credit Cards to all farmers in the Country ;
- (b) if so, the details thereof ;
- (c) the rate of interest charged by banks from the farmers ;
- (d) the guidelines issued by the Government to bankers to further improve the coverage of Kisan Credit Card ;
- (e) whether the Government has received any complaints from farmers for non-issue of Kisan Credit Card by bankers; and
- (f) if so, the details thereof and the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) As on 31 March 2006, a total of 590.93 lakh Kisan Credit Cards (KCCs) were issued by Cooperative Banks, Regional Rural Banks (RRBs) and Commercial Bank in the country. With a view to enhancing coverage under the KCC Scheme, Banks have been advised to make efforts to bring into KCC fold the farmers including defaulters, oral lessees, tenant farmers etc. who may be outside the fold of the KCC scheme, for any reasons, as also new farmers. The scope of the scheme has also been enlarged to cover term loans/working capital loans for agriculture and allied activities, including a reasonable component of consumption needs of the farmers. Banks have been further advised that the crop loans are routed only through KCC.

As regards interest rate, RBI has stipulated that interest rate on loans by Commercial Banks upto Rs. 2.00 lakhs should not exceed the Benchmark Prime Lending Rate (BPLR). The interest rate of Cooperative Banks and RRBs have been completely deregulated. Further, the guidelines have been issued to provide Short Term Production Credit @ 7% per annum upto a principal of Rs. 3 lakhs during 2006-07. It has been decided to provide interest subvention of 2% to public sector banks and regional rural banks and concessional refinance by NABARD to RRBs and Cooperative Banks for this purpose.

(e) and (f) As and when such complaints are received, they are forwarded to the banks for necessary action.