

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3688

ANSWERED ON:11.12.2009

REVALIDATION OF KCC

Chauhan Shri Sanjay Singh;Choudhry Smt. Shruti;Ramkishun Shri

Will the Minister of FINANCE be pleased to state:

- (a) whether the farmers have to go through the new process again for getting the revalidation of their Kisan Credit Card (KCC) after its expiry;
- (b) if so, the reasons therefor;
- (c) whether the Government is contemplating to simplify the process of issuing KCC for the convenience of the farmers;
- (d) if so, the time by which this process is likely to be simplified;
- (e) whether the cases of misuse of KCC have come to the notice of the Government;
- (f) if so, the details thereof; and
- (g) the corrective measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) to (d): The Kisan Credit Card (KCC) Scheme was introduced in August 1998 with major share of crop loans being routed through it. Banks were advised by Reserve Bank of India that the credit card should normally be valid for 3 years subject to an annual review.

The scheme was revised in October 2004. The revised scheme aims at providing adequate and timely credit for the comprehensive credit requirements of farmers under single window, with flexible and simplified procedure, adopting whole farm approach, including the short-term credit needs and a reasonable component for consumption needs, through Kisan Credit Card.

Banks were advised that coinciding with the introduction of term loan facility under KCC, the validity of the KCC can be extended from 3 years to 5 years.

(e) to (g): Cases of complaints related to misuse of KCC are received by NABARD and RBI. These cases are taken up with the concerned financing banks for redressal by NABARD/ RBI.