

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1611
ANSWERED ON:23.03.2012
QUESTION KCC
Meghwal Shri Arjun Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made any provision for the evaluation of 'Kisan Credit Card' scheme;
- (b) if so, the details thereof ;
- (c) whether the Government proposes to make any changes in the parameters fixed to provide loan under KCC Scheme;
- (d) if so, the details of the changes likely to be made;
- (e) whether the Government proposes to facilitate the renewal process of Kisan Credit Card;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor?

Answer

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

(a) to (g): A working group constituted by the Government to review the Kisan Credit Card (KCC), has made the following main suggestions:

The tenure of Card is proposed to be for 5 years and the calculation of drawal limit is proposed to be reviewed annually based on cropping pattern.

All farmers whether individuals/joint borrowers who are owner cultivators, tenant farmers, oral lessesses and Share Croppers and Joint Liability Groups (JLGs) would be eligible.

The KCC should have provision for crop insurance, asset insurance, personal accident insurance scheme and health insurance.

Each withdrawal under KCC can be allowed to be liquefied in 12 months without the need to bring the debit balance in the account to zero at any point of time. No withdrawal in the account should remain outstanding for more than 12 months.

One time documentation is proposed at the time of first availment and thereafter simple declaration (about crops raised/proposed) by farmer from the second year onwards, could be the basis of revision of cash credit limit.

A system could be developed wherein Banks can have access to on-line Land records of the State Government and upload the KCC loan limit details against the revenue records of the concerned farmers. This will simplify the system and enable Banks to avoid dual financing.