

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5349
ANSWERED ON:28.04.2000
KISAN CREDIT CARDS
CHHATRAPAL SINGH

Will the Minister of FINANCE be pleased to state:

- (a) the procedure adopted by the Union Government to issue Kisan Credit Cards to the farmers;
- (b) the number of Kisan Credit Cards to be issued by a bank branch;
- (c) whether complaints have been received with regard to non issuing of Credit Cards to the farmers by the branches of Punjab National Bank and Hindan Rural Bank Particularly in Buland Shahar district; and
- (d) if so, the action taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR! V. DHANANJAYA KUMAR) :

(a) As announced by the Finance Minister in his Budget Speech for 1998-99, Reserve Bank of India had advised all scheduled commercial banks to formulate suitable Kisan Credit Card Scheme on the lines of the Model Scheme formulated by NABARD. The salient features of the Scheme is given below:-

- i. Scheme is to be implemented by commercial banks, regional rural banks and co-operative banks who have the discretion to adopt the same to suit location specific requirements;
- ii. The Scheme aims at adequate and timely support for the farmers for the cultivation needs including purchase of all inputs in a flexible and cost effective manner;
- iii. Under the Scheme banks would provide Kisan Credit Cards to farmers who are eligible for sanction of production credit of Rs. 5,000/- and above;
- iv. Beneficiaries are to be issued with a credit card and pass book or a credit card-cum-pass book with particulars of land holding, borrowing limit, validity period, etc. to facilitate recording of transactions on an ongoing basis; The Kisan Credit Cards normally valid for a period of 3 years subject to an annual review;
- vi. Rates of interest are to be charged as applicable to crop loans;
- vii. Security/margin norms should be in conformity with RBI/NABARD instructions from time to time.

(b) RBI has fixed bank-wise targets of Kisan Credit cards to be issued, it is left for the respective banks to advise their branches in this regard.

(c) and (d) RBI has reported that no such specific complaints have been received.