

Kisan Credit Cards

RPCD.PLFS.BC.NO./ 64 / 05.05.09 /2001-02

28 February 2002

The Chairman & Managing Director
All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir,

Kisan Credit Cards

As you are aware, the Union Finance Minister in his Budget Speech for the year 2002-2003 has stated that :

? Kisan Credit Cards introduced in 1998-99, have been a resounding success and have helped our farmers considerably in their access to agricultural credit. An additional 63 lakh KCCs have been issued upto December 31, 2001 taking the total to 2.07 crore. The personal insurance package linked to KCCs has also been operationalised.

2. During his Budget speech for the year 2001-2002 he had mentioned that banks were being asked to accelerate the programme and cover all eligible agricultural farmers within the next 3 years. In this connection we invite a reference to our circular RPCD.PLFS.BC NO. / 63 /05.05.09 / 2000-01 dated 3 March 2001 and advise that you may please make suitable plans for issuing KCCs so as to cover all eligible borrowers in agriculture sector under the Kisan Credit Card Scheme by March 2004.

3. Incidentally, subsequent to the Budget announcement for the year 2001-02, Government of India had fixed a target of 33 lakh KCCs to be issued by commercial banks during the year. Accordingly, we had vide our letter of even file dated 07.07.2001 (addressed to public sector banks) communicated the targets set for individual Public Sector Bank to be achieved during 2001-2002. It is observed from the monthly progress reports (upto October 2001) received from the banks that the progress has not been satisfactory inasmuch as only 15.88 lakh KCCs have been issued by PSBs. You may,

therefore, make all out efforts to reach the annual target, by March 2002 so as to attain the overall annual target of 33 lakh KCCs set by the Government for Commercial banks.

4. As for the Personal Insurance Package linked to KCCs, we invite a reference to our circular RPCD.PLFS.BC. NO./ 1 / 05.05.09 /2000-2001 dated 2 July 2001. Accordingly, you may please ensure that all existing and the prospective KCC holders are covered under the Personal Accident Insurance Policy.

5. Progress in this regard may please be reported to us on a monthly basis as advised earlier.

6. Please acknowledge receipt.

Yours faithfully,

(Vani J. Sharma)
Chief General Manager