

BHARAT SCHOOL OF BANKING

Kisan Credit Card - KCC

Kisan Credit Card (KCC)

KCC is a **Credit Card** (exclusively) for the **farmers** of **India**. It allows **farmers** to have **cash credit (CC) facility** without visiting **bank** repeatedly to ask for **bank loans** for agricultural activities.

KCC scheme was announced in **Budget** speech of **Mr. Yashwant Sinha** (FM in 1998-99) and **introduced** in **1998** by Government of India, RBI and NABARD. It is to be **implemented** by **Commercial banks, RRBs** and **Co-operatives**.

Key Benefits -

- It made the **credit facility process** much **simpler** for the **farmers**, who are generally illiterate or poorly educated.
- Earlier **farmers** needed to apply for **loan facility** every **year**, but **KCC** removed the **redundant** process, by providing **hassle-free** and **on-time credit** facility.
- **Repayment** is allowed after the **harvest period**. This made it easier for the farmers, because they got the time to **sell** their **produce** to the market, and then **repay** the **debt** of the bank.
- As **KCC** is a **credit card**, **withdrawal** of **funds** became much easier (e.g., from **ATMs**)

Eligibility -

- **Farmers** (Individuals / Joint borrowers), who are **owner cultivators**
- Tenant Farmers, Oral Lessees, Share Croppers
- **Self Help Groups (SHG)**, **Joint Liability Groups (JLG)**, etc.

Activities covered under KCC -

- to meet the **short-term** requirements for **cultivation of crops**
- **post harvest** expenses
- produce **marketing loan**
- **consumption** requirements of farmer **households**
- working capital for maintenance of **farm assets** and **agriculture-allied activities**, like dairy animals, inland fishery, etc.

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- **investment credit** requirement for agriculture and allied activities, like pump sets, sprayers, dairy animals, etc.