

SCHEME FOR FINANCING UNDER PNB KISAN CREDIT CARD (KCC)

➤ **ELIGIBILITY:** All Farmers – Individuals / Joint borrowers who are owner cultivators, Tenant Farmers, Oral Lessees & Share Croppers, SHGs or Joint Liability Groups of Farmers including tenant farmers, share croppers, etc.,

➤ **PURPOSE OF THE LIMIT :** Kisan Credit Card Scheme aims at providing adequate and timely credit support from the banking system under a single window to the farmers for their cultivation & other needs as indicated below:

- a. To meet the short term credit requirements for cultivation of crops
- b. Post-harvest expenses
- c. Produce Marketing loan
- d. Consumption requirements of farmer household
- e. Working capital for maintenance of farm assets and activities allied to agriculture, like dairy animals, inland fishery etc.
- f. Investment credit requirement for agriculture and allied activities like pumpsets, sprayers, dairy animals etc.

➤ **EXTENT OF LIMIT:** Maximum Rs.10.00 Crore.

➤ **FIXATION OF LIMIT:** The credit limit under the **Kisan Credit Card** may be fixed as under:

- a. **All farmers other than marginal farmers:** The short term limit to be arrived for the first year: Scale of finance for the crop (s) (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest/household/ consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/or accident insurance including PAIS, health insurance & asset insurance.

For subsequent years, first year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year) and estimated term loan component for the tenure of Kisan Credit Card, i.e. five years.

NOTE: It is assumed that the farmer adopts the same cropping pattern for the succeeding four years. In case the cropping pattern adopted by the farmer is changed in the subsequent year, the limit may be reworked.

The short term loan limit arrived for the 5th year plus the estimated long term loan requirement will be the Maximum Permissible Limit (MPL) and is to be treated as the Kisan Credit Card limit.

- b. **For Marginal Farmers:** A flexible limit of Rs. 10,000 to Rs. 50,000 may be provided (as Flexi KCC) based on the land holding and crops grown including post-harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investment(s) like purchase of farm equipment(s), establishing mini dairy/backyard poultry as per assessment of the Branch Head without relating it to the value of land.

Wherever higher limit is required due to change in cropping pattern and / or scale of finance, the limit may be fixed as per above mentioned fixation of limit for all farmers other than marginal farmers.

➤ **DISBURSEMENT:** The short term component of the KCC limit is in the nature of revolving cash credit facility. There should be no restriction in number of debits and credits. The farmers could draw the funds using any of the following delivery channels:

- a. Operations through branch
- b. Operations using Cheque facility
- c. Withdrawal through ATM / Debit cards.

- d. Operations through Business Correspondents and banking outlets /part time banking outlets.
- e. Operation through PoS available in Sugar Mills/ Contract farming companies, etc., especially for tie-up advances
- f. Operations through PoS available with input dealers
- g. Mobile based transfer transactions at agricultural input dealers and mandies.

➤ **MARGIN:**

a. **Production credit:** Nil

b. **Term Loan:**

Amount of loan	Margin
Upto Rs. 1,60,000/- (both for short term and medium term)	Nil
Above Rs.1,60,000/- to Rs. 10 lakh	10%
Above Rs. 10 lakh to Rs. 25 lakh	15%
Above Rs. 25 lakh	25%

➤ **SECURITY:**

- a. For sanction limit upto Rs.1, 60,000/-
Hypothecation of crops/assets created out of bank loan.
- b. For sanction limit above Rs.1, 60,000/-
Hypothecation of crops and/ or assets created out of bank loan

AND

Charge on land as per Agricultural Credit Operations and Miscellaneous Provisions Act of the State concerned/ Mortgage of agricultural land/ **SARFAESI compliant immovable property** valued at **75%** of loan amount for other farmers and **50%** of the loan amount for small and marginal farmers.

OR

Alternate security viz. charge/ lien over liquid securities such as term deposits/ NSC/ KVP, etc. which may be considered adequate

OR

Suitable third party guarantee

➤ **Note:** If the Primary Security is in the shape of Land & Building, Residual Value over and above 100% of the loan amount shall be treated as collateral security.

➤ **VALIDITY OF THE CARD:** The card is valid for a period of 5 years, subject to an annual review.

➤ **COVERAGE UNDER PRADHAN MANTRI SURAKSHA BIMA YOJANA:** This Policy covers the KCC holders aged between 18 years (completed) and 70 years (age nearer birthday) who give their consent to join / enable auto-debit, as per the above modality, will be enrolled into the scheme.

a. **RISK COVERAGE: The risk coverage is as under:**

Particulars	Sum Insured
Death	Rs. 2 lakh
Total and irrecoverable loss of both eyes or loss of use of both hands or feet or loss of sight of one eye and loss of use of hand or foot	Rs. 2 lakh
Total and irrecoverable loss of sight of one eye or loss of use of one hand or foot	Rs. 1 lakh

b. **PREMIUM:** Rs.12/- per annum per member. The premium will be deducted from the account holder's KCC account through 'auto debit' facility in one installment on or before 1st June of each annual coverage period under the scheme. However, in cases where auto debit takes

place after 1st June, the cover shall commence from the first day of the month following the auto debit.

- **NOTE: The eligibility criteria of acceptable CIBIL score of 650 and above or equivalent will not be applicable to KCC loans upto Rs. 3 lakh provided there is no record of default in the applicant's CIC report.**

KISAN CREDIT CARD (KCC) SCHEME: WORKING CAPITAL FOR ANIMAL HUSBANDRY AND FISHERIES

- **PURPOSE:** The KCC facility will meet the short term credit requirements of rearing of animals, birds, fish, shrimp, other aquatic organisms, capture of fish etc.
- **ELIGIBILITY:**
 - a. **Fishery**
 - Inland Fisheries and Aquaculture
 - Fishers, Fish Farmers (individual & groups/ partners/ share croppers/ tenant farmers), Self Help Groups, Joint Liability Groups and women groups.
 - The beneficiaries must own or lease any of the fisheries related activities such as pond, tank, open water bodies, raceway, hatchery, rearing unit, possess necessary license for fish farming and fishing related activities, and any other State specific fisheries and allied activities.
 - b. **Marine Fisheries**
 - Fishers, Fish Farmers (individual & groups/ partners/ share croppers/ tenant farmers), Self Help Groups, Joint Liability Groups and women groups.
 - Beneficiaries listed at above, who own or lease registered fishing vessel/boat, possess necessary fishing license/permission for fishing in estuary and sea, fish farming/mariculture activities in estuaries and open sea and any other State specific fisheries and allied activities.
 - c. **Poultry and small ruminant:** Farmers, poultry farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmer of sheep/goats/pigs/poultry/birds/rabbit and having owned/rented/leased sheds.
 - d. **Dairy:** Farmers and Dairy farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmers having owned /rented/leased sheds.
- **Extent of Loan:** Need -based loan should be provided on the basis of Scale of Finance as fixed by DLTC (District Level Technical Committee)
- **Repayment:** The loan will be in the nature of a revolving cash credit limit. Repayment will be fixed as per the cash flow/income generation pattern of the activity undertaken by the borrower.
- **Interest Subvention:** Department of Financial Services, Ministry of Finance, Government of India has conveyed approval of the Government to extend the benefits of Interest Subvention (IS) at 2% and Prompt Repayment (PRI) at 3% to fisheries and animal husbandry farmers to meet their working capital needs under the KCC Scheme. Accordingly, farmers already availing KCC and involved in activities related to fisheries and animal husbandry can avail an additional sublimit within the overall limit of Rs. 3 lakh with benefits of Interest Subvention (IS) and Prompt Repayment Incentive (PRI).

So far as, new KCC holder farmers of animal husbandry and fisheries are concerned, the benefits of IS and PRI will be allowed up to the credit limit of Rs. 2 Lakh per annum.