

केंद्रीय लोक सूचना अधिकारी का कार्यालय,  
केंद्रीय कार्यालय, मुंबई

यूनियन बैंक ऑफ इंडिया Union Bank of India



संदर्भ/Ref:SAMV:LSD:RTI:SM: 0649 :2022

दिनांक/ Date: 10.08.2022

स्पीड पोस्ट / रैजिस्टर्ड पोस्ट / ऑनलाइन

प्रति /To,

MR. KIRAN KUMAR NAIK,  
LAMBADURA, LAIMURA,  
DEOGARH DISTRICT, ODISHA. PIN- 768108

Dear Sir/ Madam,

विषय : सूचना का अधिकार अधिनियम, 2005 के अंतर्गत द्वितीय अपील क्रमांक CIC/UBIND/A/2020/683935 में मान्यवर सूचना कमिशनर द्वारा पारित आदेश दिनांक 01.08.2022 का अनुपालन ।

Sub: Compliance of order dated 01/08/2022 in the Second Appeal file No. CIC/UBIND/A/2020/683935 under the Right to Information Act, 2005.

We refer to the order dated 01.08.2022 of the Hon'ble Information Commissioner, CIC, passed in the captioned second appeal under the Right to Information Act, 2005, wherein the CPIO has been directed *inter-alia* to re-visit your application and make available certified copies of circulars.

In compliance of the said order passed by the Ld. Information Commissioner, we hereby forward you the desired information/ documents as under:

1. Copy of Circular No. 148 dated 31.07.2017 on the Master Circular- Kisan Credit Card Scheme.
2. Copy of Reserve Bank of India Master Circular- Kisan Credit Card (KCC) Scheme vide No. FIDD.CO.FSD.BC.No.7/05.05.010/2017-18 dated 03.07.2017.

भवदीय /Yours Sincerely,

(जयदीप वी. / Jayadeesh V.)  
केंद्रीय लोक सूचना अधिकारी /  
Central Public Information Officer



सं: यथोक्त ।

सीसी: The Deputy Registrar,  
Central Information Commission,  
CIC Bhavan, Baba Gangnath Marg,  
Munirka, New Delhi- 110067

यूनियन बैंक भवन  
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**ANDHRA BANK**  
(A Govt. of India Undertaking)  
Head Office: Hyderabad  
Department: Priority Sector -RP &D



Circular No. 148  
Ref.No.19/14

Date: 31.07.2017

**Reg: Master Circular – Kisan Credit Card (KCC) Scheme.**

- Ref: 1.** HO Cir.No. 209/19/29 dt: 17.08.2013 – Revised KCC scheme guidelines  
**2.** RBI/2017-18/4 FIDD.CO.FSD.BC.No 7/05.05.010/2017-18 dt: 03.07.2017 -  
RBI Master Circular on KCC scheme.

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Our Bank has implemented Kisan Credit Card scheme under the brand name of "Pattabhi Agri Card Cash Credit" Scheme (PAGCC) in the year 1998. The comprehensive guidelines were issued in the form of Master Circular vide 488/19/40 dt: 04.02.2004.

Reserve Bank of India has revisited the scheme in the year 2012 and revised the guidelines on KCC. Hence, Bank has communicated revised KCC guidelines through Cir No: 159/19/20 dated: 19.07.2012. Subsequently, many modifications and clarifications on KCC are received from RBI. Our Bank has issued Revised Kisan Credit Card scheme guidelines vide Cir No: 209/19/29 dt: 17.08.2013 duly incorporating all the changes.

Reserve Bank of India is following a tradition of issuing Master circulars every year duly incorporating all the changes / modifications in the scheme guidelines from time to time. Now, Kisan Credit Card Scheme is also included in the Master circular list. RBI, Vide Cir NO: RBI/2017-18/4 FIDD. CO. FSD. BC. No: 7/05.05.010 /2017-18 dt: 03.07.2017 issued Master Circular on KCC scheme.

A copy of the Master Circular is enclosed for ready reference. The Master Circular is also available on the RBI website: [www.rbi.org.in](http://www.rbi.org.in).

We furnish hereunder clarifications/existing guidelines in our bank to the RBI Master guidelines on KCC scheme.

SNo	Particulars as per RBI Master Circulars	Existing bank guidelines / Clarifications
1	<b>8. Validity / Renewal:</b> Banks may determine the validity period of KCC and its periodic review.	The Kisan Credit Card limit is valid for 5 years subject to annual review.
2	<b>9. Rate of Interest (ROI):</b> The rate of interest will be as stipulated in DBR Master Directions on Interest Rate on Advances.	Short term loans: Interest subvention @ 7% is applicable for limits up to Rs.3.00 lakhs. For limits above Rs.3.00 lakhs and for accounts where the interest subvention is not applicable: 1Yr MCLR+1.80 = 10.45% at present (HO circular 05 - 19/1 dated 01.4.2016). Term loans: As applicable to the purpose of advance (HO circular 05 - 19/1 dated 01.4.2016).

THIS DOCUMENT PROVIDED  
UNDER RTI ACT, 2005.



3	<b>10.Repayment Period :</b> (10.1): The repayment period may be fixed by banks as per the anticipated harvesting and marketing period for the crops for which the loan has been granted.	The repayment period will be one year from the date of first drawal of the limit either for Kharif or Rabi, without the need to bring the debit balance in the account to zero at any point of time. The account is said to have been repaid if the credits are equal to the original principal amount debits and debits pertaining to interest and other charges during the season, with in a period of one year from the date of first drawal of limit in Kharif or Rabi.
4	<b>10.2:</b> Financing banks may, at their discretion, provide longer repayment period for term loan depending on the type of investment.	Longer repayment period may be provided for term loan depending on the type of investment duly following Cir No: 326/19/40 dt: 05.11.2013.
5	<b>11.Margin:</b> To be decided by banks.	KCC: No separate margin need be insisted as the margin is inbuilt while fixing the scale of finance.  Term loan: as per scheme guidelines
6	<b>12.Security:</b> Security will be applicable as per RBI guidelines prescribed from time to time.	Guidelines on the collateral norms for Agricultural advances issued as per Cir No: 207/19/22 dt:18.08.2016 are to be followed.
7	<b>13.Other features :</b> (13.3) A one-time documentation at the first time of availment of KCC loan and thereafter simple declaration (about crops grown/proposed) by farmer from the second year onwards.	Utilise Standard Common application forms and process notes communicated As per Cir No: 319/19/34 dt: 17.11.2016.  All Applications and loan documents are combined and printed in booklet form. Branches can indent from our Stationery Dept.
8	Processing fee, inspection charges and other charges may be decided by banks.	No processing charges up to KCC limit of Rs.3.00 lakhs for short term production credit. (Ref: 209/19/29 dt: 17.08.2013).  Processing charges for KCC limit above Rs 3.00 lacs, upfront fee for term loans, inspection charges and other charges to be levied as per Cir No: (Ref: 419/19/44 dt: 18.02.2016).
9	16.1: In case the farmer applies for loan against the warehouse receipt of his produce, the banks would consider such	RBI guidelines are to be followed.

requests as per the established procedure and guidelines. However, when such loans are sanctioned, these should be linked with the crop loan account, if any, and the crop loan outstanding in the account could be settled at the stage of disbursal of the pledge loan, if the farmer so desires.
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In addition to above, Circle/Zonal offices/Branches are advised to follow all the guidelines issued by Reserve Bank of India in the form of Master Circular on KCC scheme vide, RBI/2017-18/4 FIDD.CO.FSD.BC.No 7/05.05.010/2017-18 dt: 03.07.2017.

With the request of PSP Dept, DIT has undertaken customisation for not allowing the branch to close any KCC account before 5 years and not to open second KCC account in the same borrower name. However, relaxations can be permitted by zonal office with genuine reasons. A copy of the letter issued by Head office on this subject Vide Lr No: 666/19/118 dt: 16.06.2016 is enclosed.

Branches / Zonal offices / Circle offices are advised to follow the guidelines accordingly.

  
(M. Satyanarayana Reddy)  
General Manager



## आन्धा बैंक

(भारत सरकार का उपक्रम)

प्रधान कार्यालय: हैदराबाद

विभाग: प्राथमिकता प्राप्त क्षेत्र -आरपी एवं डी



परिपत्र सं. 148

संदर्भ सं. 19/14

दिनांक: 31.07.2017

### विषय: मास्टर परिपत्र - किसान क्रेडिट कार्ड (केसीसी) योजना

- संदर्भ: 1. प्र.का. परि.सं. 209/19/29 दि. 17.08.2013 - परिशोधित केसीसी योजना दिशा-निर्देश  
2. भारिबैंक/2017-18/4 एफआईडीडी. सीओ. एफएसडी. बीसी. नं. 7/05.05.010/2017-18 दि.03.07.2017 - केसीसी योजना पर भारिबैंक मास्टर परिपत्र

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हमारे बैंक ने वर्ष 1998 में "पद्माभि कृषि कार्ड नकद ऋण" योजना (पीएजीसीसी) के ब्रांड नाम से किसान क्रेडिट कार्ड योजना लागू की है। व्यापक दिशा-निर्देश मास्टर परिपत्र सं 488/19/40 दि. 04.02.2004 द्वारा जारी किए गए थे।

भारतीय रिजर्व बैंक ने वर्ष 2012 में योजना की पुनः समीक्षा की तथा केसीसी पर दिशा-निर्देशों में संशोधन किया। अतएव, बैंक ने परि.सं. 159/19/20 दि. 19.07.2012 के माध्यम से परिशोधित दिशा-निर्देश सूचित किए। बाद में, केसीसी पर कई संशोधन तथा स्पष्टिकरण भारिबैंक से प्राप्त हुए। हमारे बैंक ने सभी परिवर्तनों को विधिवत कार्यान्वित करते हुए परि. सं. 209/19/29 दि. 17.08.2013 द्वारा संशोधित किसान क्रेडिट कार्ड योजना दिशा-निर्देश जारी किए।

भारतीय रिजर्व बैंक परंपरा अनुसार समय-समय पर योजना दिशा-निर्देश में हुए सभी परिवर्तनों/संशोधनों को विधिवत सम्मिलित करते हुए प्रत्येक वर्ष मास्टर परिपत्र जारी करता है। अब, किसान क्रेडिट कार्ड योजना भी मास्टर परिपत्र की सूची में सम्मिलित है। भारिबैंक ने परिपत्र सं. भारिबैंक/2017-18/4 एफआईडीडी. सीओ. एफएसडी. बीसी. नं. 7/05.05.010/2017-18 दि. 03.07.2017 के रूप में केसीसी योजना पर मास्टर परिपत्र जारी किया है।

मास्टर परिपत्र की प्रति सुलभ संदर्भ हेतु संलग्न है। मास्टर परिपत्र भारिबैंक वेबसाइट: [www.rbi.org.in](http://www.rbi.org.in) पर भी उपलब्ध है।

हम केसीसी योजना पर भारतीय रिजर्व बैंक मास्टर दिशा-निर्देश के अनुसरण में स्पष्टिकरण/वर्तमान दिशा-निर्देश नीचे प्रस्तुत करते हैं :

क्र.सं.	भारिबैंक मास्टर परिपत्रों के अनुसार विवरण	वर्तमान बैंक दिशा-निर्देश/स्पष्टिकरण
1	8. वैधता/नवीकरण: बैंक केसीसी की वैधता अवधि का निर्धारण तथा उसकी आवधिक समीक्षा कर सकता है।	किसान क्रेडिट कार्ड सीमा वार्षिक समीक्षा की शर्त पर 5 वर्ष हेतु वैध है।
2	9. ब्याज-दर (आरओआई): ब्याज-दर अग्रिमों पर ब्याज-दर पर डीबीआर मास्टर दिशा-निर्देशों में निर्धारित अनुसार होगा।	लघु अवधि ऋण: @7% ब्याज सबवैशन रु.3.00 लाख तक की सीमा हेतु लागू है। रु.3.00 लाख से अधिक सीमा तथा खाता, जहाँ

		ब्याज सबवैशन लागू नहीं है, हेतु : 1 वर्ष एमसीएलआर+1.80 = 10.45% वर्तमान में (प्र.का. परि.सं. 05 - 19/1 दि. 01.4.2016). मीयादी ऋण अग्रिम के उद्देश्य के लिए लागू अनुसार (प्र.का. परि.सं. 05 - 19/1 दि. 01.4.2016).
3	10. चुकौती अवधि : (10.1): चुकौती अवधि स्वीकृत फसल हेतु प्रत्याशित फसल वर्ष तथा विपणन अवधि के अनुसार बैंकों द्वारा निर्धारित की जा सकती है।	चुकौती अवधि किसी भी समय में खाता में नामे शेष को शून्य पर लाने की आवश्यकता के बिना, खरीफ अथवा रबी हेतु सीमा के प्रथम आहरण तिथि से एक वर्ष होगी। खाता चुकौती किया गया माना जाएगा, यदि खरीफ अथवा रबी में सीमा के प्रथम आहरण की तिथि से एक वर्ष के अंदर, मौसम के दौरान जमाए वास्तविक मूलधन राशि नामे तथा ब्याज से संबंधित नामे तथा अन्य प्रभार के बराबर हो।
4	10.2: वित्तपोषण कर रहे बैंक, अपने विवेकाधिकार पर, निवेश के प्रकार के आधार पर मीयादी ऋण हेतु दीर्घ चुकौती अवधि प्रदान कर सकते हैं।	परि. सं. 326/19/40 दि. 05.11.2013 का विधिवत पालन करते हुए निवेश के प्रकार के आधार पर मीयादी ऋण हेतु दीर्घ चुकौती अवधि प्रदान की जा सकती है।
5	11. मार्जिन : बैंक द्वारा निर्धारित	केसीसी: पृथक रूप से मार्जिन की आवश्यकता नहीं है चूंकि वित्तपोषण के स्केल निर्धारण के समय मार्जिन अंतर्निहित होता है। मीयादी ऋण : योजना दिशा-निर्देश के अनुसार
6	12. प्रतिभूति : समय-समय पर निर्धारित भारिबैंक दिशा-निर्देश के अनुसार लागू प्रतिभूति	परि.सं. 207/19/22 दि. 18.08.2016 के अनुसार कृषि अग्रिमों हेतु संपार्श्विक मानदंड पर दिशा-निर्देश का पालन करें।
7	13. अन्य विशेषताएं : (13.3) केसीसी ऋण का लाभ लेते समय प्रथम बार एक-बारगी प्रलेखीकरण तथा बाद में द्वितीय वर्ष के बाद से कृषक द्वारा साधारण घोषणा (उगाई गई/प्रस्तावित फसल के बारे में)।	परि.सं. 319/ 19/34 दि. 17.11.2016 के अनुसार सूचित मानक साधारण आवेदन फॉर्म तथा प्रोसेस नोट का उपयोग करें। सभी आवेदनों तथा ऋण प्रलेखों को संकलित तथा पुस्तिका के रूप में प्रिंट किया गया है। शाखाएं हमारे लेखन-सामग्री विभाग से मांग सकती हैं।
8	बैंक द्वारा निर्धारित प्रसंस्करण शुल्क, निरीक्षण प्रभार तथा अन्य प्रभार।	अल्पकालिक उत्पादन ऋण हेतु रु. 3.00 लाख तक की केसीसी सीमा हेतु प्रोसेसिंग प्रभार

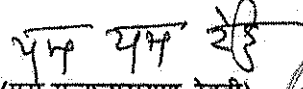


		नहीं। (संदर्भ: 209/19/29 दि. 17.08.2013). रु. 3.00 लाख से अधिक केसीसी सीमा हेतु प्रोसेसिंग प्रभार, मीयादी ऋण हेतु अपफ्रंट शुल्क, निरीक्षण प्रभार तथा अन्य प्रभार परि. सं. (संदर्भ: 419/19/44 दि. 18.02.2016) के अनुसार वसूलें।
9	16.1: यदि कृषक अपने उत्पाद के माल-गोदाम रसीद के विरुद्ध ऋण हेतु आवेदन करता है, तो बैंक स्थापित प्रक्रिया तथा दिशा-निर्देशों के अनुरूप ऐसे अनुरोधों पर विचार करेगा। तथापि, ऐसे ऋण की स्वीकृति पर, इसे फसल ऋण खाता के साथ संबद्ध करें, यदि कोई हो, तथा खाता में बकाया फसल ऋण, कृषक की इच्छा पर, गिरवी ऋण के संवितरण के स्तर पर निपटाएं।	भारतीय रिजर्व बैंक दिशा-निर्देश का पालन करें।

उपर्युक्त के अतिरिक्त, सर्कल/आंचलिक कार्यालय/शाखाओं को सलाह है कि वे भारिबैंक/2017-18/4 एफआईडीडी. सीओ. एफएसडी. बीसी. नं. 7/05.05.010/2017-18 दि. 03.07.2017 द्वारा केसीसी योजना पर मास्टर परिपत्र के रूप में भारतीय रिजर्व बैंक द्वारा जारी सभी दिशा-निर्देशों का पालन करें।

पीएसपी विभाग के अनुरोध के आलोक में, डीआईटी ने 5 वर्ष के पहले किसी केसीसी खाता को बंद करने तथा उसी उधारकर्ता के नाम में दूसरा केसीसी खाता खोलने के लिए शाखाओं को अनुमति नहीं देने हेतु अनुकूलन किया है। तथापि, प्रमाणिक कारणों के साथ आंचलिक कार्यालय द्वारा रियायत की अनुमति दी जा सकती है। इस विषय पर प्रधान कार्यालय द्वारा जारी पत्र सं. 666/19/118 दि. 16.06.2016 की प्रति संलग्न है।

शाखाओं/आंचलिक कार्यालयों/ सर्कल कार्यालयों को सलाह है कि वे तदनुसार दिशा-निर्देशों का पालन करें।

  
(एम.सत्यनारायण रेड्डी)  
महा प्रबंधक







भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2017-18/4  
FIDD.CO.FSD.BC.No.7/05.05.010/2017-18

July 3, 2017

The Chairman / Managing Director /Chief Executive Officer  
All Scheduled Commercial Banks (including Small Finance Banks and excluding RRBs)

Madam/Sir,

**Master Circular - Kisan Credit Card (KCC) Scheme**

The Reserve Bank of India has issued guidelines on Kisan Credit Card (KCC) scheme from time to time. This Master Circular consolidates the relevant guidelines issued by the Bank on Kisan Credit Card scheme upto June 30, 2017 as listed in the Appendix.

2. The Master Circular has been placed on the RBI website <http://www.rbi.org.in>.

Yours faithfully

(Ajay Kumar Misra)  
Chief General Manager

Encl: As above

## Master circular on the Kisan Credit Card (KCC) Scheme

### 1 Introduction

The Kisan Credit Card (KCC) scheme was introduced in 1998 for issue of Kisan Credit Cards to farmers on the basis of their holdings for uniform adoption by the banks so that farmers may use them to readily purchase agriculture inputs such as seeds, fertilizers, pesticides etc. and draw cash for their production needs. The scheme was further extended for the investment credit requirement of farmers viz. allied and non-farm activities in the year 2004. The scheme was further revisited in 2012 by a working Group under the Chairmanship of Shri T. M. Bhasin, CMD, Indian Bank with a view to simplify the scheme and facilitate issue of Electronic Kisan Credit Cards. The scheme provides broad guidelines to banks for operationalizing the KCC scheme. Implementing banks will have the discretion to adopt the same to suit institution/location specific requirements.

### 2 Applicability of the Scheme

The Kisan Credit Card Scheme detailed in the ensuing paragraphs is to be implemented by Commercial Banks, RRBs, Small Finance Banks and Cooperatives.

### 3 Objective / Purpose

The Kisan Credit Card scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers for their cultivation and 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;
- f. Investment credit requirement for agriculture and allied activities.

**Note:** The aggregate of components 'a' to 'e' above will form the short term credit limit portion and the aggregate of components under 'f' will form the long term credit limit portion.

### 4 Eligibility

- i. Farmers - individual/joint borrowers who are owner cultivators;
- ii. Tenant farmers, oral lessees & share croppers;
- iii. Self Help Groups (SHGs) or Joint Liability Groups (JLGs) of farmers including tenant farmers, share croppers etc.

## 5 Fixation of credit limit / Loan amount

The credit limit under the Kisan Credit Card may be fixed as under :

### 5.1 All farmers other than marginal farmers<sup>1</sup> :

#### 5.1.1 *The short term limit to be arrived for the first year (For cultivating single crop in a year):*

Scale of finance for the crop (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.

#### 5.1.2 *Limit for second & subsequent year*

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. **(Illustration I)**

#### 5.1.3 *For cultivating more than one crop in a year*

The limit is to be fixed as above depending upon the crops cultivated as per proposed cropping pattern for the first year plus an additional 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year). 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. **(Illustration I)**

#### 5.1.4 *Term loan for investment*

The term loan for investment is to be made towards land development, minor irrigation, purchase of farm equipment and allied agricultural activities. The banks may fix the quantum of credit for term and working capital limit for agricultural and allied activities, etc., based on the unit cost of the asset/s proposed to be acquired by the farmer, the allied activities already being undertaken on the farm, the bank's judgment on repayment capacity vis-a-vis total loan burden devolving on the farmer, including existing loan obligations.

The long term loan limit should be based on the proposed investment(s) during the five year period and the bank's perception on the repaying capacity of the farmer.

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<sup>1</sup> Farmers with landholding of up to 1 hectare (Marginal Farmers). Farmers with a landholding of more than 1 hectare and up to 2 hectares (Small Farmers).

### 5.1.5 *Maximum Permissible Limit*

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.

### 5.1.6 *Fixation of Sub-limits*

i. Short term loans and term loans are governed by different interest rates. At present, short term crop loans upto ₹ 3 lakh are covered under Interest Subvention Scheme/Prompt Repayment Incentive scheme of the Government of India<sup>2</sup>. Further, repayment schedule and norms are different for short term and term loans. Hence, in order to have operational and accounting convenience, the card limit is to be bifurcated into separate sub-limits for *short term cash credit limit cum savings account* and *term loans*.

ii. **Drawing limit** for short term cash credit should be fixed based on the cropping pattern. The amount(s) for crop production, repair and maintenance of farm assets and consumption may be allowed to be drawn as per the convenience of the farmer. In case the revision of scale of finance for any year by the district level technical committee exceeds the notional hike of 10% contemplated while fixing the five year limit, a revised drawable limit may be fixed in consultation with the farmer. In case such revisions require the card limit itself to be enhanced (4th or 5th year), the same may be done and the farmer be so advised.

iii. For term loans, installments may be allowed to be withdrawn based on the nature of investment and repayment schedule drawn as per the economic life of the proposed investments. It is to be ensured that at any point of time the total liability should be **within the drawing limit of the concerned year**.

iv. Wherever the card limit / liability so arrived warrants additional security, the banks may take suitable collateral as per their policy.

## 5.2 **For Marginal Farmers**

A flexible limit of ₹ 10, 000 to ₹ 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 Manager without relating it to the value of land. The composite KCC limit is to be fixed for a period of five years on this basis.

Wherever higher limit is required due to change in cropping pattern and / or scale of finance, the limit may be arrived at as per the estimation indicated at para 4.1 (**Illustration II**)

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<sup>2</sup> Please refer to guidelines on Interest Subvention Scheme on crop loans as announced by Gol and issued by RBI from time to time.

## 6 Disbursement

6.1 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 drawing limit for the current season/year could be allowed to be drawn using any of the following delivery channels.

- i. operation through branch;
- ii. operation using cheque facility;
- iii. withdrawal through ATM /debit cards
- iv. operation through Business Correspondents and 'banking outlet/part-time banking outlet'<sup>3</sup>
- v. operation through PoS available in Sugar Mills/Contract farming companies, etc., especially for tie-up advances;
- vi. operations through PoS available with input dealers;
- vii. Mobile based transfer transactions at agricultural input dealers and mandies.

**Note :** (v), (vi) & (vii) to be introduced as early as possible so as to reduce transaction costs of both the bank as well as the farmer.

6.2 The long term loan for investment purposes may be drawn as per installment fixed.

## 7 Issue of Electronic Kisan Credit Cards

All new KCC must be issued as smart card cum debit card as laid down in Part II of the Annex. Further, at the time of renewal of existing KCC; farmers must be issued smart card cum debit card.

The short term credit limit and the term loan limit are two distinct components of the aggregate KCC limit bearing different rates of interest and repayment periods. Until a composite card could be issued with appropriate software to separately account transactions in the sub limits, two separate electronic cards may be issued for all new/renewed cards.

## 8 Validity/Renewal

- i. Banks may determine the validity period of KCC and its periodic review.
- ii. The review may result in continuation of the facility, enhancement of limit or cancellation of the limit/withdrawal of the facility depending upon increase in cropping area/pattern and performance of the borrower.
- iii. When the bank has granted extension and/or re-schedule the period of repayment on account of natural calamities affecting the farmer, the period for reckoning the status of operations as satisfactory or otherwise would get extended together with the extended amount of limit. When the proposed extension is beyond one crop season, the aggregate of debits for which extension is granted is to be transferred to a separate term loan account with stipulation for repayment in installments.

<sup>3</sup> DBR's Circular on Rationalisation of Branch Authorisation Policy- Revision of Guidelines

## 9 Rate of Interest (ROI) :

The rate of interest will be as stipulated in DBR Master Directions on Interest Rate on Advances.

## 10 Repayment Period :

- 10.1 The repayment period may be fixed by banks as per the anticipated harvesting and marketing period for the crops for which the loan has been granted.
- 10.2 The term loan component will be normally repayable within a period of 5 years depending on the type of activity/investment as per the existing guidelines applicable for investment credit.
- 10.3 Financing banks may, at their discretion, provide longer repayment period for term loan depending on the type of investment.

## 11 Margin

To be decided by banks.

## 12 Security

- 12.1 Security will be applicable as per RBI guidelines prescribed from time to time.
- 12.2 Security requirement may be as under :
  - i. *Hypothecation of crops:* For KCC limit upto ₹ 1.00 lakh banks are to waive margin/security requirements.
  - ii. *With tie-up for recovery:* Banks may consider sanctioning loans on hypothecation of crops up to card limit of ₹ 3.00 lakh without insisting on collateral security.
  - iii. *Collateral security:* Collateral security may be obtained at the discretion of Bank for loan limits above ₹ 1.00 lakh in case of non-tie-up and above ₹ 3.00 lakh in case of tie-up advances.
  - iv. In states where banks have the facility of on-line creation of charge on the land records, the same shall be ensured.

## 13. Other features

Uniformity to be adopted in respect of following:

- 13.1 The applicable interest subvention /incentive for prompt repayment<sup>4</sup> as advised by Government of India and/or State Governments. The bankers will give adequate publicity of the facility so that maximum farmers may benefit from the scheme.
- 13.2 Besides the mandatory crop insurance, the KCC holder should have the option to avail the benefit of any type of asset insurance, accident insurance (including PAIS), health insurance (wherever product is available) and have premium paid through his/her KCC account. Premium has to be borne by the farmer/bank according to the terms of the scheme. Farmer beneficiaries should be made aware of the insurance cover available

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<sup>4</sup> Currently not applicable to Small Finance Banks/urban & metro branches of Private Sector Banks.

and their consent (except in case of crop insurance, it being mandatory) is to be obtained, at the application stage itself.

- 13.3 A one-time documentation<sup>5</sup> at the first time of availment of KCC loan and thereafter simple declaration (about crops grown/proposed) by farmer from the second year onwards.

**14 Classification of account as NPA :**

14.1 The extant prudential norms on income recognition, asset-classification and provisioning<sup>6</sup> will apply for loans granted under the KCC Scheme.

14.2 Charging of interest is to be done uniformly as is applicable to agricultural advances.

- 15 Processing fee, inspection charges and other charges may be decided by banks.

- 16 Other conditions while implementing the revised guidelines of KCC Scheme :

16.1 In case the farmer applies for loan against the warehouse receipt of his produce, the banks would consider such requests as per the established procedure and guidelines. However, when such loans are sanctioned, these should be linked with the crop loan account, if any, and the crop loan outstanding in the account could be settled at the stage of disbursement of the pledge loan, if the farmer so desires.

16.2 The National Payments Corporation of India (NPCI) will design the KCC card to be adopted by all the banks with their branding.

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<sup>5</sup> Documentation as per banks internal guidelines

<sup>6</sup> DBR's Master Directions on income Recognition, Asset Classification and Provisioning Norms

## Illustration I

### A. Small farmer cultivating multiple crops in a year

#### 1. Assumptions

A. Land holding : 2 acres

B. Cropping Pattern

Paddy - 1 acre (Scale of finance plus crop insurance per acre : ₹.11000)

Sugarcane - 1 acre (Scale of finance plus crop insurance per acre : ₹.22,000)

C. Investment / Allied Activities

i Establishment of 1+1 Dairy Unit in 1st Year (Unit Cost : ₹ 20,000 per animal)

ii Replacement of Pump set in 3rd year (Unit Cost : ₹.30,000)

#### 2. (i) Crop loan Component

Cost of cultivation of 1 acre of Paddy and 1 acre of Sugarcane (11,000+22,000) : ₹.33,000

Add : 10% towards post-harvest / household expense / consumption : ₹. 3,300

Add : 20% towards farm maintenance : ₹. 6,600

**Total Crop Loan limit for 1st year : ₹. 42,900**

#### **Loan Limit for 2nd year**

Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 42900 i.e 4300) : ₹. 4,300

**₹. 47,200**

#### **Loan Limit for 3rd year**

Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 47,200 i.e., 4,700) : ₹. 4,700

**₹. 51,900**

#### **Loan Limit for 4th year**

Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 51,900 i.e 5,200) : ₹. 5,200

**₹. 57,100**

#### **Loan Limit for 5th year**

Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 57100 i.e 5700) : ₹. 5,700

**₹. 62,800**

**Say ....(A) : ₹. 63,000**

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(ii) **Term loan component :**

1st Year : Cost of 1+1 Dairy Unit	:	₹. 40,000
3rd Year : Replacement of Pumpset :	:	₹. 30,000
<b>Total term loan amount</b>	<b>....(B) :</b>	<b>₹. 70,000</b>
<b>Maximum Permissible Limit /</b>	:	<b>₹. 1,33,000</b>
<b>Kisan Credit Card Limit (A) +(B)</b>	:	<b>Rs. 1.33 lakh</b>

**Note:** Drawing Limit will be reduced every year based on repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

**B Other farmer cultivating multiple crops in a year**

1. Assumptions :

2. Land Holding : 10 acres

3. Cropping Pattern :

Paddy - 5 acres (Scale of finance plus crop insurance per acre ₹.11,000) Followed by

Groundnut - 5 acres (Scale of finance plus crop insurance per acre ₹.10,000)

Sugarcane - 5 acres (Scale of finance plus crop insurance per acre ₹.22,000)

4. Investment / Allied Activities :

i. Establishment 1+1 Dairy Unit in 1st Year (Unit cost : ₹.50,000)

ii. Purchase of Tractor in 1st Year (Unit Cost : ₹.6,00,000)

2. **Assessment of Card Limit**

(i) **Crop loan Component**

Cost of cultivation of 5 acres of Paddy, 5 Acres of Groundnut and 5 acres of Sugarcane	:	₹ 2,15,000
Add : 10% towards post-harvest / household expense / consumption	:	₹ 21,500
Add : 20% towards farm maintenance	:	₹ 43,000
<b>Total Crop Loan limit for 1st year</b>	:	<b>₹ 2,79,500</b>
<b>Loan Limit for 2nd year</b>	:	
Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 2,79,500 i.e., 27,950)	:	₹ 27,950
	:	<b>₹ 3,07,450</b>

**Loan Limit for 3rd year**

Add : 10% of the limit towards cost escalation / increase : ₹ 30,750  
in scale of finance (10% of 3,07,450 i.e., 30,750) : ₹ 3,38,200

**Loan Limit for 4th year**

Add : 10% of the limit towards cost escalation / increase : ₹ 33,800  
in scale of finance (10% of 338200 i.e., 33,800) : ₹ 3,72,000

**Loan Limit for 5th year**

Add : 10% of the limit towards cost escalation / increase : ₹ 37,200  
in scale of finance (10% of 3,72,000 i.e., 37,200) : ₹ 4,09,200  
Say.... : ₹ 4,09,000

(A)

(ii) **Term loan component :**

1st Year : Cost of 1 +1 Dairy Unit : ₹ 1,00,000  
: Purchase of Tractor : ₹ 6,00,000  
**Total term loan amount ....(B) ₹ 7,00,000**

**Maximum Permissible Limit /**

**Kisan Credit Card Limit (A) +(B) : ₹ 11,09,000**

Drawing Limit will be reduced every year based on repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

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## Illustration II

### Assessment of KCC LIMIT

#### 1. Marginal farmer cultivating single crop in a year

##### 1. Assumptions :

1. Land holding : 1 acre
2. Crops grown : Paddy (Scale of finance plus crop insurance per acre : ₹ 11,000)
3. There is no change in Cropping Pattern for 5 years
4. Allied Activities to be financed - One Non-Descript Milch Animal ( Unit Cost Rs : 15,000)

##### 2. Assessment of Card Limit :

###### (i) Crop loan Component

(Cost of cultivation for 1 acre of Paddy)	:	₹ 11,000
Add : 10% towards post-harvest / household expense / consumption	:	₹ 1,100
Add : 20% towards farm maintenance	:	₹ 2,200

**Total Crop Loan limit for 1st year** ....(A1) : **₹ 14,300**

###### (ii) Term Loan Component

Cost of One Milch Animal	....(B)	:	₹ 15,000
<b>1st Year Composite KCC Limit :</b>	<b>(A1) + (B)</b>	:	<b>₹ 29,300</b>

**2nd Year :**

###### Crop loan component :

A1 plus 10% of crop loan limit (A1) towards cost escalation / increase in scale of finance [14,300+(10% of 14300 = 1430)]	....(A2)	:	₹ 15,730
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**2nd Year Composite KCC Limit : A2+B (15730 + 15000)** : **₹ 30,730**

**3rd Year :**

###### Crop loan component :

A2 plus 10% of crop loan limit (A2) towards cost escalation / increase in scale of finance [15,730+(10% of 15730 = 1570)]	....(A3)	:	₹ 17,300
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**3rd Year Composite KCC Limit : A3+B (17,300 + 15,000)** : **₹ 32,300**

**4th Year :**

###### Crop loan component :

A3 plus 10% of crop loan limit (A3) towards cost escalation / increase in scale of finance [17,300+(10%	:	₹ 19,030
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of 17300 = 1730)]	....(A4)	
<b>4th Year Composite KCC Limit : A4+B (19,030 + 15,000)</b>		<b>₹ 34,030</b>
<b>5th Year :</b>		
<b>Crop loan component :</b>		
A4 plus 10% of crop loan limit (A4) towards cost	:	₹ 20,930
escalation / increase in scale of finance [19,030+(10% of 19,030 = 1,900)]	....(A5)	
<b>5th Year Composite KCC Limit : A5+B (20,930 + 15,000)</b>		<b>₹35,930</b>

**Maximum Permissible Limit /**

**Composite KCC Limit : Rs.36,000**  
**Say**

**Note:** All the above costs estimated are illustrative in nature. The recommended scale of finance / unit costs may be taken into account while finalising the credit limit.

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## **Delivery Channels - Technical features**

### **1 Issue of cards**

The beneficiaries under the scheme will be issued with a Smart card / Debit card (Biometric smart card compatible for use in the ATMs / Hand held Swipe Machines and capable of storing adequate information on farmers identity, assets, land holdings and credit profile etc). All KCC holders should be provided with any one or a combination of the following types of cards :

### **2 Type of Card :**

A magnetic stripe card with PIN (Personal Identification Number) with an ISO IIN (International Standards Organization International Identification Number) to enable access to all banks ATMs and micro ATMs

In cases where the Banks would want to utilize the centralized biometric authentication infrastructure of the UIDAI (Aadhaar authentication), debit cards with magnetic stripe and PIN with ISO IIN with biometric authentication of UIDAI can be provided.

Debit Cards with magnetic stripe and only biometric authentication can also be provided depending on customer base of the bank. Till such time, UIDAI becomes widespread, if the banks want to get started without inter-operability using their existing centralized bio metric infrastructure, banks may do so.

Banks may choose to issue EMV (Europay, MasterCard and VISA, a global standard for interoperation of integrated circuit cards) and RUPAY compliant chip cards with magnetic stripe and pin with ISO IIN.

Further, the biometric authentication and smart cards may follow the common open standards prescribed by IDRBT and IBA. This will enable them to transact seamlessly with input dealers as also enable them to have the sales proceeds credited to their accounts when they sell their output at mandies, procurement centers, etc.

### **3 Delivery Channels :**

The following delivery channels shall be put in place to start with so that the Kisan Credit Card is used by the farmers to effectively transact their operations in their KCC account.

1. Withdrawal through ATMs / Micro ATM
2. Withdrawal through BCs using smart cards.
3. PoS machine through input dealers
4. Mobile Banking with IMPS capabilities / IVR
5. Aadhaar enabled Cards.

### **4. Mobile Banking / Other Channels :**

Provide Mobile banking functionality for KCC Cards / Accounts as well along with Interbank Mobile Payment Service (IMPS of NPCI) capability to allow customers to use this inter-operable IMPS for funds transfer between banks and also to do merchant payment transactions as additional capability for purchases of agricultural inputs.

This mobile banking should ideally be on Unstructured Supplementary Data (USSD) platform for wider and safer acceptance. However, the banks can also offer this on other fully encrypted modes (application based or SMS based) to make use of the recent relaxation on transaction limits. Banks can also offer unencrypted mobile banking subject to RBI

regulations on transaction limits.

It is necessary that Mobile based transaction platforms enabling transactions in the KCC use easy to use SMS based solution with authentication thru' MPIN. Such solutions also need to be enabled on IVR in local language to ensure transparency and security. Such mobile based payment systems should be encouraged by all the banks by creating awareness and by doing proper customer education.

With the existing infrastructure available with banks, all KCC holders should be provided with any one or a combination of the following types of cards :

- \* Debit cards (magnetic stripe card with PIN) enabling farmers to operate the limit through all banks ATMs / Micro ATMs
- \* Debit Cards with magnetic stripe and biometric authentication.
- \* Smart cards for doing transactions through PoS machines held by Business Correspondents, input dealers, traders and Mandies.
- \* EMV compliant chip cards with magnetic stripe and pin with ISO IIN.

In addition, the banks having a call centre / Inter active Voice Response (IVR), may provide SMS based mobile banking with a call back facility from bank for mobile PIN (MPIN) verification through IVR, thus making a secured SMS based mobile banking facility available to card holders.

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**APPENDIX****List of Circulars consolidated in the  
Master Circular on 'Kisan Credit Card'**

<b>SL</b>	<b>Circular No.</b>	<b>Date</b>	<b>Subject</b>
1	RPCD.No.PLFS.BC.20/05.05.09/98-99	05.08.1998	Kisan Credit Card
2	RPCD.PLNFS.No.BC.99/05.05.09/99-2000	06.06.2000	Kisan Credit Card Scheme - Modification
3	RPCD.No.PLFS.BC./63/05.05.09/2000-01	03.03.2001	Kisan Credit Cards
4	<u>RPCD.PLFS.BC.No./64/05.05.09/2001-12</u>	28.02.2002	Kisan Credit Card
5	<u>RPCD.Plan.BC.No 87/04.09.01/2003-04</u>	18.05.2004	Credit Flow to Agriculture – Agricultural Loans - Waiver of Margin / Security Requirements
6	<u>RPCD.PLFS.BC.No.38/05.05.09/2004-05</u>	04.10.2004	Scheme to cover term loans for agriculture & llied activities under KCC
7	<u>RPCD.PLFS.BC.No. 85/05.04.02/2009-10</u>	18.06.2010	Credit Flow to Agriculture – Agricultural Loans - Waiver of Margin / Security Requirements
8	<u>RPCD.FSD.BC.No. 77/05.05.09/2011-12</u>	11.05.2012	Revised Kisan Credit Card Scheme
9	<u>RPCD. FSD.BC.No.23/05.05.09/2012-13</u>	07.08.2012	Revised Kisan Credit Card Scheme
10	<u>FIDD.FSD.BC.No.18/05.05.010/2016-17</u>	13.10.2016	Revised Kisan Credit Card Scheme

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