

राष्ट्रीय कृषि और ग्रामीण विकास बैंक
उत्पादन ऋण विभाग

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Circular No.NB.228 /PCD 25 /2012

13 September 2012

1. The Chairman
All Regional Rural Banks
2. Managing Director,
All State Cooperative Banks / District Central Cooperative Banks

Dear Sir,

Kisan Credit Card Scheme - Revised Scheme

Please refer to our circular No. NB 71/PCD – 04 / 2011-12 dated 29 March 2012 on the captioned subject. It has been decided to make certain changes in the revised KCC Scheme as indicated in the Annexure. All State Cooperative Banks / District Central Cooperative Banks and Regional Rural Banks are advised to take note and implement the revised Kisan Credit Card (KCC) , as it stands modified, with immediate effect.

Yours faithfully

Sd/-

(M.I.Ganagi)
Chief General Manager

Encl: As above

Changes made in the revised KCC Scheme

Particulars	Instructions as per Circular No NB 71/PCD-04/2011-12 dated 29 March 2012	Modified Instructions
Para 6 Disbursement :	<p>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. However, each installment of the drawable limit drawn in a particular year will have to be repaid within 12 months. The drawing limit for the current season/year could be allowed to be drawn using any of the following delivery channels.</p> <p>a. Operations through branch b. Operations using Cheque facility c. Withdrawal through ATM / Debit cards d. Operations through Business Correspondents and ultra thin branches 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.</p> <p>Note : (e), (f) & (g) to be introduced as early as possible so as to reduce transaction costs of both the bank as well as the farmer.</p>	<p>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.</p> <p>a. Operations through branch b. Operations using Cheque facility c. Withdrawal through ATM / Debit cards d. Operations through Business Correspondents and ultra thin branches 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.</p> <p>Note : (e), (f) & (g) to be introduced as early as possible so as to reduce transaction costs of both the bank as well as the farmer</p>
Para 8 Validity/ Renewal	8(i) The Kisan Credit Card should be valid for 5 years subject to an annual review.	8(i) Banks may determine the validity period of KCC and its periodic review.

<p>Para 10 Repayment Period:</p>	<p>10.1. Each withdrawal under the short term sub-limit as estimated under (a) to (e) of para 3 above, be allowed to be liquidated in 12 months without the need to bring the debit balance in the account to zero at any point of time. No withdrawal in the account should remain outstanding for more than 12 months.</p>	<p>10.1. The repayment period may be fixed by banks as per the anticipated harvesting and marketing period for the crops for which a loan has been granted.</p>
<p>Para 11 Margin</p>	<p>For crop loans, no separate margin need be insisted as the Margin is in-built while fixing the Scales of Finance. For term loan component, it will be in conformity with the guidelines of RBI from time to time.</p>	<p>Margin may be decided by banks.</p>
<p>Para 13 Other features</p>	<p>13(ii) The KCC holder should have the option to take benefit of Crop Insurance, Assets Insurance, Personal Accident Insurance Scheme (PAIS), and Health Insurance (wherever product is available and have premium paid through his KCC account). Necessary premium will have to be paid on the basis of agreed ratio between bank and farmer to the insurance companies from KCC accounts. Farmer beneficiaries should be made aware of the insurance cover available and their consent is to be obtained, at the application stage itself.</p> <p>13(iv) No Processing fee should be charged up to a card limit of Rs.3.00 lakh.</p>	<p>13(ii) Besides the mandatory crop insurance, the KCC holder should have the option to take benefit of Assets Insurance, Personal Accident Insurance Scheme (PAIS), and Health Insurance (wherever product is available) and have premium paid through his KCC account. Necessary premium will have to be paid on the basis of agreed ratio between bank and farmer to the insurance companies from KCC accounts. Farmer beneficiaries should be made aware of the insurance cover available and their consent (except in case of crop insurance, it being mandatory) is to be obtained, at the application stage itself.</p> <p>13(iv) Processing fee may be decided by banks.</p>

<p>Para 14 Classification of account as NPA</p>	<p>14.1. With a view to simplifying asset-classification, the Committee has recommended that an account could be treated as "standard", when the balance outstanding is less than or equal to drawing limit [short term (crop) loan] at any point of time during the preceding one year. In other words, it is suggested that the short term loan (with major component of crop loan) sanctioned on the KCC can be given the same treatment as a "cash credit" account for the purpose of applying prudential norms and should not be treated as "out of order" if the balance outstanding is less than or equal to the drawing limit and each drawl is repaid within a period of 12 months. Term loan under KCC has fixed repayment schedule and is to be governed by extant prudential norms.</p>	<p>14.1. The extant prudential norms for income recognition, asset-classification and provisioning will continue to apply for loans granted under revised KCC Scheme.</p>
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