



राष्ट्रीय कृषि और ग्रामीण विकास बैंक  
NATIONAL BANK FOR AGRICULTURE  
AND RURAL DEVELOPMENT

NABARD

उत्पादन ऋण विभाग  
Production Credit Department

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13 September 2012

Circular No.NB. 228/PCD 25/2012

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

(M.I.Ganagi)

Chief General Manager

Encl: As above

<p><b>Para 10</b> <b>Repayment</b> <b>Period:</b></p>	<p><b>10.1.</b> 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><b>10.1.</b> 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><b>Para 11</b> <b>Margin</b></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><b>Para 13</b> <b>Other features</b></p>	<p><b>13(ii)</b> 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><b>13(ii)</b> 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><b>13(iv)</b> No Processing fee should be charged up to a card limit of Rs.3.00 lakh.</p>	<p><b>13(iv)</b> Processing fee may be decided by banks.</p>

**Para 14**  
**Classification of**  
**account as NPA**

**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.

**14.1.** The extant prudential norms for income recognition, asset-classification and provisioning will continue to apply for loans granted under revised KCC Scheme.

