



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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RBI/2012-13/162

RPCD.FSD.BC.No. 23 /05.05.09/2012-13

August 7, 2012

The Chairman and Managing Director/CEOs  
All Scheduled Commercial Banks  
(Excluding RRBs)

Madam/Dear Sir,

**Revised Kisan Credit Card (KCC) Scheme**

Please refer to our [circular RPCD.FSD.BC.No. 77/05.05.09/2011-12 dated May 11, 2012](#) on the above subject.

2. It has been decided to make certain changes in the revised KCC Scheme as indicated in the Annex. All banks are advised to take note and implement the revised Kisan Credit Card (KCC) Scheme, as it stands modified, with immediate effect.

Yours faithfully

(C.D. Srinivasan)  
Chief General Manager

Encl.: as above

## Annex

Particulars	Instructions as per Circular RPCD.FSD.BC.No. 77/05.05.09/2011-12 dated May 11, 2012	Modified Instructions
<b>Para 6 Disbursement</b>	<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. <b>However, each installment of the drawable limit drawn in a particular year will have to be repaid within 12 months.</b> 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><b>Note:</b> (e), (f) &amp; (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 on the 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><b>Note:</b> (e), (f) &amp; (g) to be introduced as early as possible so as to reduce transaction costs of both the bank as well as the farmer.</p>
<b>Para 10 Repayment Period</b>	<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><b>Para 13</b> <b>Other Features</b></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.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><b>Para 14</b> <b>Classification of Account as NPA</b></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>