



Lead Bank/ SLBC (J&K)

Ref. No. LBD/SLBC/KCC/2012- 441

All member banks of
J&K State Level Bankers' Committee

C I R C U L A R

September 14, 2012

100% coverage of farmers under KCC Scheme

Dear Sir,

Pursuant to GoI, MoF directive for 100% coverage of eligible farmers under KCC as a timebound programme, J&K SLBC in its 83rd meeting held on 14th December 2011 advised the member banks and other concerned quarters to fully involve in this high priority initiative and also provided sufficient quantity of printed common application forms to facilitate and quicken the process of accomplishing the target.

On reviewing the progress in the 86th SLBC meeting held on 25th August 2012 it was observed that the pace and performance of issuing Kissan Credit Cards was not satisfactory for enabling to accomplish the target of 100% coverage of eligible farmers even by the extended date of 30th September, 2012. The poor performance was mainly attributed to lack of information and directions to the bank branches / operational levels flowing from their controlling offices with the objective of having desired clarity about what they actually need to do in this regard.

Accordingly, to thoroughly deliberate on the issues and workout solutions to remove the impediments so as to accelerate the pace of issuing KCCs and improve the performance, SLBC advised in its said meeting to urgently hold a meeting of the Steering Sub-Committee of J&K SLBC to monitor flow of credit to Agriculture on the same day and immediately thereafter.

As decided in the said meeting of the Steering Sub-Committee of SLBC held on the sidelines of 86th SLBC meeting on 25.8.2012 the following decisions as recorded in Minutes of the Meeting are reiterated for immediate necessary action by the concerned:

- Branch Managers will ensure that no completed application forms of eligible farmers in their Service Area duly authenticated by the concerned designatefunctionaries and delivered to the branches by the Agriculture Department is refused or returned to the farmers/ line departments without bringing the matter to the notice of their controlling offices;
- The eligibility criteria prescribed under the revised KCC Scheme issued by RBI & relative guidelines of NABARD shall be complied with in letter and spirit and no bank will refuse to issue KCC to any eligible beneficiary.
- Branch Managers will ensure that no processing fee is charged for issuance of KCC cards involving credit facilities upto Rs.3.00 lakh;
- Branch Managers will ensure that no stamp duty is charged on sanctioning of loan under KCC upto a limit of Rs.25,000/- in terms of the SRO 289 dated 3.6.1980;

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- No Collateral Security in terms of mortgage or 3rd party guarantees shall be insisted upon by the banks for issuance of KCCs upto a limit of Rs.1.00 Lacs;
- No KCC forms should be refused on account of distance of the eligible farmers in their Service Area from the branch.
- 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.
- No bank will prescribe any limit for the number of KCCs to be issued by its branch and the target of all Bank branches will be 100% coverage of eligible farmer families in their respective service areas.

The banks will ensure 100% coverage of eligible farmer families by their branches in the respective service area as per envisaged target.

The banks will ensure that these instructions and guidelines are percolated down to the operating levels and branches for observing compliance and also suitably sensitize the concerned officials handling the job to ensure timely achievement of the envisaged targets.

Yours faithfully,

(M. S. Wani)
Vice President
Lead Bank/ J&K SLBC