

F.No.3/12/2020-AC
Government of India
Ministry of Finance
Department of Financial Services

3rd floor, Jeevan Deep Building
Sansad Marg, New Delhi - 110001
Dated: 29 May 2020

To,

1. Chairman SBI/MDs & CEOs of all Public Sector Banks (PSBs) and Private Sector Banks.
2. Chairman NABARD

Subject: Issue of Kisan Credit Cards to Farmers for agriculture and allied activities-reg

Sir,

As you are aware, the Government of India had launched a special drive starting from 08.02.2020 for covering all PM Kisan beneficiaries under the KCC scheme. The drive which started on 10th of February and continued till end of April 2020 created a positive impact, resulting in receipt of approx total 75 lakh KCC application of which about 36 lakh KCC have been issued with a total KCC limit of 30,000 crore. The sanction and issue of KCC to all remaining eligible PM KISAN beneficiaries who had applied for KCC during this special drive is being closely monitored with the banks.

2. Meanwhile, as part of the Prime Minister's package for farmers, Hon'ble Finance Minister has announced to cover 2.5 crore farmers under the KCC scheme in a mission mode to facilitate credit to the farm sector of the economy.

3. In this regard Department of Agriculture Cooperation and Farmers Welfare (DAC&FW), GoI vide their letter dated 21.05.2020 have requested the State/UT administrations to take necessary measures for sanction and issue of KCC to all eligible PM KISAN beneficiaries. A copy of the said communication is enclosed for reference.

4. To address the credit needs of farmers engaged in activities related to Animal Husbandry and Fisheries, the Government decided to extend KCC facility to these farmers for their working capital requirement and detailed guidelines in this regard were issued by RBI vide their circular dated 04.02.2019. At a time when the country is striving to cope with the COVID-19 pandemic, timely access to financing by farmers engaged in the Fisheries, Dairy and Poultry related activities for their working capital requirement through KCC will go a long way in facilitating a meaningful recovery of the rural economy. With this objective, the D/o Animal Husbandry and Dairying (DAHD), GoI has also decided to simultaneously launch a special drive effective from 1st of June 2020 to provide KCC to 1.5 crore dairy farmers belonging to Milk Unions and Milk Producing Companies. The detailed advisory guidelines along with a revised application form for issue of KCC to dairy farmers including those affiliated to Milk Unions has since

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been issued vide DAHD letter dated 28th May 2020, a copy of which is enclosed at Annexure II for ready reference.

5. During the special campaign, banks are advised to make all efforts to ensure the following:

a) Saturation of all the PM-KISAN beneficiaries under KCC: It may be ensured that to the extent possible, all eligible beneficiaries of PM-KISAN are covered under the KCC scheme by issue of fresh KCC or, enhancement of the existing KCC limit or, activation of inoperative KCC account. A
B

b) Issue of KCC to dairy farmers: Applications received by banks in the revised format for issue of KCC to the eligible dairy farmers should be processed expeditiously as per the extant guidelines for issue of fresh KCC or, enhancement of the existing KCC limit or, activation of inoperative KCC account. A
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c) Further, in order to provide the farmers with the much needed social security, eligible farmers may also be enrolled for the following schemes through auto debit facility:

- (i) Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- (ii) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

6. Keeping in view the importance of the above mentioned campaign, the following may please be ensured:

a) State Level Bankers Committee (SLBC) Conveners and Lead District Managers of banks should actively associate with the State/ District administration and coordinate with various Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs) and Cooperative Banks to expedite processing and sanction of applications received by the banks. DAC&FW and DAHD will ensure sourcing of the applications along with all relevant documents including land records etc. from eligible PM-KISAN beneficiaries and Dairy farmers respectively through the local administration and their field functionaries. 3
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b) To facilitate sanction and issue of KCC to dairy farmers a revised KCC application form vetted by the IBA has been circulated by DAHD and the same has also been uploaded on their website. This application form should be uploaded on the websites of all banks and widely disseminated in local language. 4


c) To ensure prompt processing and approvals, dedicated desks may be set up in the branches, wherever feasible, for receiving forms and providing appropriate guidance to the farmers. 5

d) The Indian Banks Association, vide letter no SB/Cir/KCC/2018-19/6778 dated 04.02.2019, had issued an advisory guideline to all the banks to waive the

processing, documentation, inspection, ledger folio charges and all other service charges for KCC/ crop loans upto Rs.3 lakh, keeping in view the hardship and financial distress of small and marginal farmers. These directions may be followed while processing the applications for issue of KCC.

- e) While filling of the application form, the applicants will be encouraged to give consent for coverage under the PMSBY and PMJJBY, as this would provide the much needed social security cover to the farmers, besides the facility of KCC.
- f) It needs to be ensured that eligible beneficiaries of PM-KISAN and farmers engaged in dairy, poultry & fisheries are issued KCC within the shortest possible time and in any case within a maximum period of two weeks from the date of submission of the completed application forms, after due process and verification as per Bank policy and regulatory guidelines.
- g) Bank should nominate a nodal officer for coordinating on matters relating to this campaign. The nodal officer will be responsible for reporting the progress of coverage at such intervals and in such format for reporting, as would be required by DAC&FW and DAHD. The current practice of online reporting of data by the SLBCs on the PMFBY portal of DAC&FW will continue.
7. Suitable instructions may, therefore, be issued to all concerned including the sponsored RRBs to ensure the success of this campaign. Further, the timely issue of KCC as also the coverage of eligible farmers under PMSBY and PMJJBY in this drive may be closely monitored at the level of an Executive Director of the bank.

Yours Faithfully


(A K Das)

Deputy Secretary

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Encl: As above

Copy to:

1. Secretary, DAC&FW
2. Secretary, DAHD
3. JS (Credit), DAC&FW
4. JS(Dairy), DAHD
5. CEO, PM-KISAN and JS (FW), DAC&FW
6. SLBC conveners of all States
7. Chairman of RRBs