

Draft Guideline for Animal Husbandry and Fisheries Kisan Credit Card -Applicant

S. No.	Title	Criteria
1	Purpose	KCC facility to meet the Short Term credit requirements of rearing of animals, birds, fish, shrimp, other aquatic organisms, capture of fish.
2	Eligibility	
	Fishery	<p>1. Inland Fisheries and Aquaculture: Fishers, Fish Farmers (individual & groups/ partners/ share croppers/ tenant farmers), Self Help Groups, Joint Liability Groups and women groups.</p> <p>The beneficiaries must own or lease any of the fisheries related activities such as pond, tank, open water bodies, raceway, hatchery, rearing unit, possess necessary license for fish farming and fishing related activities, and any other State specific fisheries and allied activities.</p> <p>2 Marine Fisheries: Beneficiaries listed above, who own or lease registered fishing vessel/boat, possess necessary fishing license/permission for fishing in estuary and sea, fish farming/mariculture activities in estuaries and open sea and any other State specific fisheries and allied activities.</p>
	Poultry and small ruminant	Farmers, poultry farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmer of sheep/ goats/ pigs/ poultry birds/rabbit and having owned/rented/leased sheds.
	Dairy	Farmers and Dairy farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmers having owned /rented/leased sheds.
3	Scale of Finance	<p>The scale of finance will be fixed by the District Level Technical Committee (DLTC)/State Level Technical Committee (SLTC) based on local cost worked out on the basis of per per unit/ per animal/per bird etc. The maximum period for assessment of working capital requirement may be based on the cash flow statement or completion of one production cycle.</p> <p>Fisheries and Animal Husbandry experts of the Govt. may be made members of the DLTC for giving technical inputs for assessing the cash credit requirement.</p>

	Fishery	The working capital components in fisheries, under the scale of finance, may include recurring cost towards seed, feed, organic and inorganic fertilisers, lime/other soil conditioners, harvesting and marketing charges, fuel/electricity charges, labour, lease rent (if leased water area) etc. For capture fisheries, working capital may include the cost of fuel, ice, labouring charges, mooring/landing charges etc. may form part of the scale of finance.
	Animal Husbandry	The working capital components in Animal Husbandry, under the scale of finance, may include recurring cost towards feeding, veterinary aid, insurance of the milch animals, labour, water and electricity supply.
4	Drawing power	The drawing power will be worked on the basis of the latest Valuation of stocks, receivables and/or cash flows as per terms of sanction.
5	Repayment	The loan will be in the nature of a revolving cash credit limit. Repayment will be fixed as per the cash flow/income generation pattern of the activity undertaken by the borrower.
6	Rate of interest	The rate of interest will be as stipulated by RBI guidelines issued from time to time.
7	Interest subvention	<p>Government of India has issued the operational guidelines of the Interest Subvention Scheme for Kisan Credit Card facility to fisheries and animal husbandry farmers for a period of two years i.e. 2018- 19 and 2019-20 with the following stipulations :</p> <p>(i) In order to provide short-term loans upto Rs. 2 lakh to farmers involved in activities related to Animal Husbandry and Fisheries, through a separate KCC for these activities, apart from the existing KCC for crop loan, at a concessional interest rate of 7o/ per annum during the years 2018-19 and 2019-20, it has been decided to provide interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Commercial Banks (in respect of loans given by their rural and semi-urban branches only) on use of their own resources. This interest subvention of 2% will be calculated on the loan amount from the date of its disbursement / drawal upto the date of actual repayment of the loan by the farmer or up to the due date of the loan fixed by the banks, whichever is earlier, subject to a maximum period of one year. In case of farmers possessing KCC for raising crops and involved in activities related to animal husbandry and/or fisheries, the KCC for animal husbandry/fisheries shall be within the overall limit of Rs. 3 lakh.</p> <p>(ii)To provide an additional interest subvention of 3% per annum to such of those farmers repaying in time i.e. from the date of disbursement of the working capital loan upto the actual date of repayment by farmers or upto the due date fixed by the banks for repayment of loan, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers repaying promptly as above would get short term</p>

		<p>loans @ 4% per annum during the years 2018-19 and 2019-20. This benefit would accrue to only those farmers who repay their both short term crop loan and working capital loan for animal husbandry/fisheries activities in time.</p> <p>Interest subvention is to be provided on a maximum limit of Rs. 2 lakh short term loan to farmers involved in animal husbandry and fisheries. The farmers already possessing KCC (crop loan) and involved in animal husbandry & fisheries activities, can avail a sub-limit for such activities. However, the interest subvention and prompt repayment incentive benefit on short term loan (i.e. crop loan+ working capital loan for animal husbandry and fisheries) will be available only on an overall limit of Rs. 3 lakh per annum and subject to a maximum limit of Rs. 2 lakh per farmer involved in activities only related to animal husbandry and / or fisheries. The limit for crop loan component will take priority for interest subvention and prompt repayment incentive benefits and the residual amount will be considered towards animal husbandry and / or fisheries subject to cap as mentioned above.</p>
8	Collateral	<p>No collateral required up to Rs. 1.6 lakh.</p> <p>In the case of farmers whose milk is procured by Milk Unions falls under tie up arrangements between the producers and processing units without any intermediaries by crediting the payment directly to their bank account and hence the credit limits without Collateral can be upto Rs.3 lakh. In this case undertaking is required from milk union.</p> <p>Milk Union can enter into general Tri partite agreement with Bank and farmer (if farmers are agreeable) and assure payment of KCC dues to the bank, in case of default. In such case Bank may make use of RBI guidelines to extend credit limit without collateral up to Rs.3 lakh as the farmer already has the tie up arrangement with processing cum marketing unit (Milk Union) without any intermediaries. Payment made by dairy union to the dairy farmers availing KCC should be through the designated KCC account only.</p> <p>The Milk Union can also enter into a no cost service arrangement with the bank to pay the bank dues timely so that the farmers can avail the additional interest subvention of 3% p.a. for prompt repayment and the enhanced collateral free credit limit.</p>
	Documents required (In General)	<p>1. Proof of identity: Self attested copy of Voter's ID Card / Driving Licence / PAN Card / Aadhar Card / Passport / Photo IDs issued by Govt. authority etc.</p> <p>Proof of Residence: Recent telephone bill / electricity bill / property tax receipt (not older than 2 months) / Voter's ID Card / Aadhar Card / Passport / Certificate issued by Govt. Authority / Local Panchayat / Municipalities etc.</p> <p>Applicant's recent Photograph (2 copies) not older than 6months.</p> <p>Land record - only if applicable.</p>

9	For Dairy/Animal Husbandry Activities	<p>No. of milch animals/animals held by the applicant and undertaking from the farmer that the animals will not be disposed off and in case there is need animal will be replaced with other animal.</p> <p>Detail of space/shed available for keeping the animals/ running the activity (including whether owned or rented/ leased)- sufficient space/shed should be available for keeping the animals as per NABARD guideline.</p>
	For poultry Activities	<p>i. No. of birds held by the applicant for Broiler/ Layer and undertaking from the farmer that the birds will not be disposed off and in case there is need birds will be replaced with other birds/ new flock.</p> <p>ii. Detail of space/shed available for keeping the birds/ running the activity (including whether owned or rented/ leased)- sufficient space/shed should be available for keeping the birds.</p> <p>iii. Insurance of Birds must / to be obtained by the applicant and if required can be considered for financing. (Waiver of bird insurance with the condition that the borrower undertakes to create one time risk fund @ Rs 5.00 per bird per year. The corpus will be linked to full (Maximum number of layer) capacity of the bird in the poultry farm.)</p>
	For fisheries Activities	<p>i. In case of Inland and Brackish Water Fisheries</p> <p>Area of pond/ Tank held by the applicant/ detail of lakes, reservoirs where activity is undertaken.</p> <p>Detail of area in case brackish water (saline water) fish and prawn farming applicable for coastal areas</p> <p>Details of source for availability fingerlings/seeds</p> <p>Detail of license/permission for fishing from competent authority.</p> <p>ii. Marine Fisheries: By way of</p> <p>Traditional fishing through country boats.</p> <p>Coastal mechanized fishing through mechanized motorboats.</p> <p>Deep sea fishing through fishing trawlers/vessels.</p> <p>Detail of license/permission for fishing from competent authority.</p>
10	How to apply	<p>Applicant can submit the application in physical mode by filling application form or through online mode to any bank branch in their operational area.</p> <p>Simplified pro-forma devised by IBA to be used for submitting the application</p>

Draft SOP for Animal Husbandry and Fisheries Kisan Credit Card for Banks.

S No.	Title	Criteria
1	Purpose	KCC facility to meet the Short Term credit requirements of rearing of animals, birds, fish, shrimp, other aquatic organisms, capture of fish.
2	Eligibility	<p>Fishery</p> <p>1. Inland Fisheries and Aquaculture:</p> <p>Fishers, Fish Farmers (individual & groups/ partners/ share croppers/ tenant farmers), Self Help Groups, Joint Liability Groups and women groups.</p> <p>The beneficiaries must own or lease any of the fisheries related activities such as pond, tank, open water bodies, raceway, hatchery, rearing unit, possess necessary license for fish farming and fishing related activities, and any other State specific fisheries and allied activities.</p> <p>2 Marine Fisheries:</p> <p>Beneficiaries listed above, who own or lease registered fishing vessel/boat, possess necessary fishing license/permission for fishing in estuary and sea, fish farming/mariculture activities in estuaries and open sea and any other State specific fisheries and allied activities.</p> <p>Poultry and small ruminant</p> <p>Farmers, poultry farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmer of sheep/ goats/ pigs/ poultry birds/rabbit and having owned/rented/leased sheds.</p> <p>Dairy</p> <p>Farmers and Dairy farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmers having owned/rented/leased sheds.</p>
3	Scale of Finance	<p>The scale of finance will be fixed by the District Level Technical Committee (DLTC) /State Level Technical Committee (SLTC) based on local cost worked out on the basis of per acre/per unit/ per animal/per bird etc. The maximum period for assessment of working capital requirement may be based on the cash flow statement or completion of one production cycle.</p> <p>Fisheries and Animal Husbandry experts of the Govt. may be made members of the DLTC for giving technical inputs for assessing the cash credit requirement.</p>

	Fisheries	The working capital components in fisheries, under the scale of finance, may include recurring cost towards seed, feed, organic and inorganic fertilisers, lime/other soil conditioners, harvesting and marketing charges, fuel/electricity charges, labour, lease rent (if leased water area) etc. For capture fisheries, working capital may include the cost of fuel, ice, labouring charges, mooring/landing charges etc. may form part of the scale of finance.
	Animal Husbandry	The working capital components in Animal Husbandry, under the scale of finance, may include recurring cost towards feeding, Insurance of the Milch animals, veterinary aid, labour, water and electricity supply.
4	Drawing power	The drawing power will be worked on the basis of the latest valuation of stocks, receivables and/or cash flows as per terms of sanction.
5	Repayment	The loan will be in the nature of a revolving cash credit limit. Repayment will be fixed as per the cash flow/income generation pattern of the activity undertaken by the borrower.
6	Monitoring of end use	The account/smart card for the loan issued under the scheme is to be maintained / issued separately from the existing KCC loan to monitor the utilization limit. The monitoring of end use of funds will be in line with other loans (KCC on crop loans included) viz., field visits to the site of unit/project to be carried out by the branch officials for checking the progress of the unit. Banks will periodically review the facility and continue/withdraw/scale down the facility based on the performance of the borrower.
7	Prudential norms	The extant prudential norms on income recognition, asset classification and provisioning on allied activities will apply.
8	Rate of interest	The rate of interest will be as stipulated by RBI guidelines issued from time to time.
9	Interest subvention	<p>Government of India has issued the operational guidelines of the Interest Subvention Scheme for Kisan Credit Card facility to fisheries and animal husbandry farmers for a period of two years i.e. 2018- 19 and 2019-20 with the following stipulations:</p> <p>In order to provide short-term loans upto Rs.2 lakh to farmers involved in activities related to Animal Husbandry and Fisheries, through a separate KCC for these activities, apart from the existing KCC for crop loan, at a concessional interest rate of 7% per annum during the years 2018-19 and 2019-20, it has been decided to provide interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Commercial Banks (in respect of loans given by their rural and semi-urban branches only) on use of their own resources. This interest subvention of 2% will be calculated on the loan</p>

		<p>amount from the date of its disbursement / drawal upto the date of actual repayment of the loan by the farmer or up to the due date of the loan fixed by the banks, whichever is earlier, subject to a maximum period of one year. In case of farmers possessing KCC for raising crops and involved in activities related to animal husbandry and/or fisheries, the KCC for animal husbandry/fisheries shall be within the overall limit of 13lakh.</p> <p>To provide an additional interest subvention of 3% per annum to such of those farmers repaying in time i.e. from the date of disbursement of the working capital loan upto the actual date of repayment by farmers or upto the due date fixed by the banks for repayment of loan, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers repaying promptly as above would get short term loans @ 4% per annum during the years 2018-19 and 2019-20. This benefit would accrue to only those farmers who repay their both short term crop loan and working capital loan for animal husbandry/fisheries activities in time.</p> <p>Interest subvention is to be provided on a maximum limit of Rs.2 lakh short term loan to farmers involved in animal husbandry and fisheries. The farmers already possessing KCC (crop loan) and involved in animal husbandry & fisheries activities, can avail a sub-limit for such activities. However, the interest subvention and prompt repayment incentive benefit on short term loan (i.e. crop loan+ working capital loan for animal husbandry and fisheries) will be available only on an overall limit of 13 lakh per annum and subject to a maximum limit of Rs. 2 lakh per farmer involved in activities only related to animal husbandry and / or fisheries. The limit for crop loan component will take priority for interest subvention and prompt repayment incentive benefits and the residual amount will be considered towards animal husbandry and / or fisheries subject to cap as mentioned above.</p>
10	Collateral	<p>No collateral required up to Rs. 1.6 lakh</p> <p>In the case of farmers whose milk is procured by Milk Unions falls under tie up arrangements between the producers and processing units without any intermediaries by crediting the payment directly to their bank account and hence the credit limits without Collateral can be upto Rs.3 lakh. In this case undertaking is required from milk union.</p> <p>Milk Union can enter into general Tri partite agreement with Bank and farmer (if farmers are agreeable) and assure payment of KCC dues to the bank, in case of default. In such case Bank may make use of use of RBI guidelines to extend credit limit without collateral up to Rs.3 lakh as the farmer already has the tie up arrangement with processing cum marketing unit (Milk Union) without any intermediaries. Payment made by dairy union to the dairy farmers availing KCC should be through the designated KCC account only.</p>

		The Milk Union can also enter into a no cost service arrangement with the bank to pay the bank dues timely so that the farmers can avail the additional interest subvention of 3% p.a. for prompt repayment as well as the enhanced collateral free credit limit.
11	Documents required (In General)	Proof of identity: Self attested copy of Voter's ID Card / Driving Licence / PAN Card / Aadhar Card / Passport / Photo IDs issued by Govt. authority etc. Proof of Residence: Recent telephone bill / electricity bill / property tax receipt (not older than 2 months) / Voter's ID Card / Aadhar Card / Passport / Certificate issued by Govt. Authority / Local Panchayat / Municipalities etc. Applicant's recent Photograph (2 copies) not older than 6months. Land record - only if applicable.
	For Dairy/Animal Husbandry Activities	No. of milch animals/animals held by the applicant and undertaking from the farmer that the animals will not be disposed off and in case there is need animal will be replaced with other animal. Detail of space/shed available for keeping the animals/ running the activity (including whether owned or rented/ leased)- sufficient space/shed should be available for keeping the animals as per NABARD guideline.
	For poultry Activities	No. of birds held by the applicant for Broiler/Layer and undertaking from the farmer that the birds will not be disposed off and in case there is need birds will be replaced with other birds/ new flock. Detail of space/shed available for keeping the birds/ running the activity (including whether owned or rented/ leased)- sufficient space/shed should be available for keeping the birds. iii. Insurance of Birds must / to be obtained by the applicant and if required can be considered for financing. (Waiver of bird insurance with the condition that the borrower undertakes to create one time risk fund @ Rs 5.00 per bird per year. The corpus will be linked to full (Maximum number of layer) capacity of the bird in the poultry farm.)
	For fisheries	In case of Inland and Brackish Water Fisheries Area of pond/ Tank held by the applicant/ detail of lakes, reservoirs where activity is undertaken. Detail of area in case brackish water (saline water) fish and prawn farming applicable for coastal areas Details of source for availability fingerlings/seeds Detail of license/permission for fishing from competent authority.

	Activities	<p>Marine Fisheries: by way of Traditional fishing through country boats. Coastal mechanized fishing through mechanized motorboats. Deep sea fishing through fishing trawlers/vessels.</p> <p>Detail of license/permission for fishing from competent authority.</p>
12	Application Mode	<p>Applicant can submit the application in physical mode by filling application form or through online mode to any bank branch in their operational area.</p>
13	General Advisory to Banks	<p>i. The application form should be uploaded on the websites of all banks and widely disseminated in local language</p> <p>ii. 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 Animal Husbandry and Fishery farmers.</p> <p>iii. While filling of the application form, the applicant will be encouraged to give consent for coverage under PMSBY and PMJJBY, as this would provide the much needed social security cover to the farmers, besides the facility of KCC.</p> <p>iv. Application received by the banks from eligible animal Husbandry, dairy and fishery activities should be processed expeditiously within a maximum period of two weeks from date of <i>submission of complete application form</i>) as per the extant guidelines for issue of fresh KCC or, enhancement of the existing KCC limit or, activation of inoperative KCC account after due process and verification as per Bank Policy and regulatory guidelines.</p> <p>v. Reason for rejection if any should be clearly communicated to the applicant.</p> <p>vi. Banks should report online the progress of KCC sanctioned to Animal Husbandry, dairy and Fishery farmers to D/o Financial Services regularly</p> <p>vii. 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 that hardship and financial distress of landless, small and marginal farmers. These directions may be followed while processing the application for issue of KCC.</p> <p><i>*eligible beneficiaries of PM_KISAN and farmers engaged in dairy, poultry and fisheries are issued KCC within the shortest possible time, within a maximum period of two weeks from submission of the completed application forms, after due process and verification as per Bank policy and regulatory guidelines.</i></p>