

Scheme For Financing Under PNB Krishi Card (Kisan Credit Card)

PURPOSE: Kisan Credit Card Scheme aims at providing adequate and timely credit support from the banking system under a single window to the farmers for their cultivation & other needs as indicated below:

- a. To meet the short term credit requirements for cultivation of crops
- b. Post harvest expenses
- c. Produce Marketing loan
- d. Consumption requirements of farmer household
- e. Working capital for maintenance of farm assets and activities allied to agriculture, like dairy animals, inland fishery etc.
- f. Investment credit requirement for agriculture and allied activities like pumpsets, sprayers, dairy animals etc.

Note: The aggregate of components **a. to e.** above will form the short term credit limit portion and the aggregate of components under **f** will form the long term credit limit portion.

ELIGIBILITY: Progressive literate and illiterate farmers who are owner cultivators, tenants, lessee or allottee farmers with recorded occupancy rights or farmers with ancestral/perpetual rights of cultivation/Joint Liability Groups(JLGs). Oral tenants can be eligible for loan only if land owners agree to become co-borrowers. In the accounts which are secured by liquid securities like FDR,NSC/KVP etc., the cards to oral tenants can be issued without stipulating the condition of land owners to be made co-borrowers. Landlesslabourers, share croppers, tenant farmers and oral lessees can be issued PNB Krishi Card upto limit of Rs 50,000 on the basis of affidavit.

EXTENT OF LOAN: Maximum Rs. 50 lakh

The credit limit under the **Kisan Credit Card** may be fixed **as under:**

The short term limit to be arrived for the first year: Scale of finance for the crops (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest / household / consumption requirements (the premium for health insurance cover may also be covered with a maximum coverage of upto Rs. 3 lakh) + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance, PAIS & asset insurance.

Limit for second & subsequent year :First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd , 3rd, 4th and 5th year) and estimated Term loan component **for investments** towards land development, minor irrigation, purchase of farm equipments and allied agricultural activities for five years.

Maximum Permissible Limit: The short term loan limit arrived for the 5th year plus the estimated long term loan requirement will be the **Maximum Permissible Limit (MPL)** and treated as the **Kisan Credit Card Limit**.