



### KISAN CREDIT CARD – A BOON TO SMALL FARMERS IN INDIA

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#### ABSTRACT

Farming is the foundation of the Indian economy, with about 67 percent of the number of inhabitants in the nation proceeding to rely upon it either straightforwardly or by implication for their work. Thinking about the predominant job of the division and the significance of credit as an information, a multi-office approach has been received by the Reserve Bank of India (RBI) for guaranteeing credit stream to the segment both RBI and National Bank for Agriculture and Rural Development (NABARD) have taken a few activities for improvement of frameworks and systems and planning of imaginative credit conveyance items in administration of farming credit. Arrangement of opportune, satisfactory and bother free credit to ranchers keeps on being one of the real assignments for banks in India. The stream of credit through KCCs has been examined from three kinds of money related foundations, viz. helpful banks, territorial country banks and business banks as far as aggregate credit sum, enrolment of participation and sum per card. District savvy ponder has uncovered a wide uniqueness in the execution of these establishments. A few measures have likewise been proposed to pull in more agriculturists towards the plan.



**KEY WORDS:** Kisan Credit Card, KCC schemes, NABARD, RBI.

#### INTRODUCTION

India represents just about 2.4 % of the world's geological territory and 4 % of its water resources, yet needs to help around 17 % of the world's human populace and 15 % of the live stock. Horticulture is a critical segment of the Indian economy, representing 14% of the nation's GDP, about 11% of its fares, about half of the populace still depends on agriculture as its main wellspring of salary and it is a source of crude material for countless. Quickening the development of agribusiness production is in this way fundamental not exclusively to accomplish an overall GDP focus of 8 percent amid the 12th Plan and take care of the rising demand for nourishment, but also to build livelihoods of those ward on agriculture to guarantee inclusiveness. Given the hugeness of the credit prerequisites on the one hand and the fancies of nature on the other, financing for agriculture has dependably been a massive errand for banks. The money related changes likewise featured the need for innovative credit mediations from institutional agencies to bolster ranchers. Against this background, Kisan Credit Card (KCC) rose as an inventive credit delivery system to meet the generation credit requirements of the agriculturists in an auspicious and bother free way. The Kisan Credit Card (KCC) plot is a milestone in the historical backdrop of rustic credit in India. The instrument of Mastercards has been one of the key items created to grow the effort of banks and rearrange the credit conveyance framework. The declaration identifying with the presentation of Kisan Credit Card conspire was made by the Union Finance Minister amid the spending discourse for the year 1998-99. NABARD defined a Kisan Credit Card conspire for uniform reception by the banks so the ranchers may utilize the card to

promptly buy horticulture sources of info, for example, seeds, composts, pesticides and so on and draw money for their generation needs. The model plan was flowed to Commercial Banks, Co-agent Banks and Regional Rural Banks in August 1998. It is fitting to ponder the effect of this plan since it has finished over multi decade.

#### **OBJECTIVES OF THE PRESENT STUDY-**

1. To think about the highlights of Kisan Master card plot propelled by NABARD, business banks and co-agent banks.
2. To contemplate office insightful execution of Kisan Master cards.

#### **FEATURES OF THE KISAN CREDIT CARD (KCC) SCHEME**

Qualified ranchers are to be given a Kisan Credit Card and a pass book or card-cum-pass book. Spinning money credit office including any number of drawls and reimbursements inside the cutoff points. Limit to be settled based on operational land holding, trimming buddy tern and size of back. Whole generation credit requirements for entire year in addition to subordinate exercises identified with yield creation to be considered while settling limit. Sub-breaking points might be settled at the discretion of banks. Card legitimate for a long time subject to yearly audit. As motivating force for good execution, credit breaking points could be upgraded to deal with increment in costs, change in product ping design, and so on. Every drawl to be reimbursed inside a most extreme time of a year. Inversionre - schedulment of advances likewise admissible if there should arise an occurrence of harm to crops because of characteristic cataclysms. Security, edge, rate of intrigue, and so on according to RBI standards. Tasks might be through issuing branch (and furthermore PACS on account of Cooperative Banks) through other assigned branches at the carefulness of bank. Withdrawals through slips/checks joined via card and passbook.

#### **ADVANTAGES OF THE KISAN CREDIT CARD SCHEME TO THE FARMERS**

- Access to satisfactory and timely credit to agriculturists.
- Full year's credit prerequisite of the borrower dealt with.
- Minimum printed material and simplification of documentation for withdrawal of assets from the bank.
- Flexibility to draw money at whenever and purchase contributions according to the need of the agriculturist and furthermore to repay as and when surplus fund is accessible.
- Assured accessibility of credit at any time empowering reduced interest trouble for the rancher.
- Sanction of the office for 3 years subject to yearly survey and satisfactory activities and provision for upgrade.
- Flexibility of withdrawals from a branch other than the issuing branch at the caution of the bank.

#### **Eligibility**

- a. All Farmers – Individuals/Joint borrowers who are owner cultivators
- b. Sharecroppers, Oral Lessees & Share Croppers
- c. SHGs or Joint Liability Groups of Farmers including tenant farmers, tenant farmers and so on.

#### **Personal Accident Insurance Scheme**

KCC holders have been covered under Personal Accident Insurance Scheme against unintentional demise or permanent handicap, up to a maximum measure of Rs. 50,000/- .The top notch weight will be shared by the card issuing foundations and the borrower in the proportion of 2:1. Scheme spreads danger of KCC holders against death or permanent disability coming about because of accidents caused by outside, savage and visible means, as under:

- Death due to accident (within a year of the accident) caused by outward, violent and noticeable means - Rs.50,000/-
- Permanent aggregate incapacity - Rs.50,000/-

- Loss of two appendages or two eyes or one appendage and one eye - Rs.50,000/ -
- Loss of one appendage or one eye-Rs.25,000/ -
- Nominated office of insurance company to issue a Master Insurance Policy to each DCCB/ RRB covering all its KC Holders.
- Premium payable Rs.15/ - for a one year approach and Rs.45/ - for a 3-year arrangement.
- Designated protection company will name one office at district level to work as nodal office for coordinating implementation of personal accident protection plot for KCC holders in the area.
- Insurance inclusion available under Policy just from date of receipt of premium at insurance company.
- Banks to guarantee to incorporate name of Nominee in Kisan Credit Card-cum-Pass Book.
- Simplified case settlement procedure developed under Scheme whereby an Enquiry cum Verification Committee comprising Branch Manager of implementing bank, Lead Bank Officer and delegate of insurance organization to certify nature of mishap causing disability/demise and recommend settlement of protection claims.

### **BENEFITS OF SCHEME TO THE BANKS-**

Decrease in outstanding task at hand for branch staff feed evasion of rehash evaluation and preparing of advance papers under Kisan Credit Card Scheme. Least printed material and disentanglement of documentation for drawals of assets from the bank. Enhancement in reusing of assets and better recuperation of advances. Decrease in exchange cost to the banks. Better Banker - Client connections.

Since propelling in August 1998, around 10.09 crore Kisan Credit Cards have been issued up to 31 March 2011 by Cooperative Banks, Regional Rural Banks and Commercial Banks put together. Plan is executed in all States and Union Territories (except Chandigarh, Daman and Diu and Dadra and Nagar Haveli) with all Cooperative Banks, RRBs and Commercial Banks. The Kisan Credit Card has risen as an innovative credit delivery mechanism to meet the production credit necessities of the farmers in an opportune and better free manner. The plot is under implementation in the whole nation by the huge institutional credit frame work involving Commercial Banks, RRBs and Cooperatives and has received wide acceptability amongst financiers and agriculturists.

As could be seen in above table demonstrates that specific expresses countless have been issued while in a couple of others the number had been little. An examination of target versus accomplishment is beyond the realm of imagination, as the objectives for the business banks are not accessible state savvy. Notwithstanding, on a closer investigation of the quantity of cards issued, it tends to be deduced that in specific expresses, the quantity of cards issued is very huge (more than 5 lakh.) These states are Andhra Pradesh, Maharashtra, Rajasthan, Orissa, Karnataka, Gujarat and Uttar Pradesh. Without focus on, another measuring stick to think about the execution of banks in issuing kisan cards could be estimating the execution of banks by number of kisan cards issued. This might be finished by looking at the quantity of kisan card issued with the quantity of agriculturists getting from banks in each state. The quantity of ranchers acquiring from banks has been determined by accepting that half of the operational holding as getting agriculturists. Itemized state astute position of kisan cards issued alongside operational holding and percent of ranchers shrouded by kisan cards in every ha been appeared in the table. As can be seen from the table, just Andhra Pradesh has secured 2325 card issue its farmers. The execution of states like Gujarat, Haryana, Orissa, Maharashtra, Rajasthan and Punjab might be viewed as moderate. In the rest of the states, banks need to cover a great deal of ranchers under the plan. They may need to endeavor full scale endeavors to get more number of new ranchers up to this point not approaching banks, into the keeping money overlay utilizing kisan card. Different conditions of the nation have been clubbed into 5 topographical zones viz., Western Zone, South Zone, North Zone, North-Eastern Zone and Eastern Zone. As the end March 2013, there are 1, 29, 82,000 of the ranchers getting to bank credit have been secured under the kisan card plot. Advancement of North Zone is poor as Co-agent Banks' execution has not been upto check. Punjab State Co-agent Bank had postponed the usage of the kisan card inferable from specific reservations and anxieties.

## CONCLUSION

Kisan Credit Card has risen as an innovative and key credit conveyance instrument to meet the credit needs of ranchers in an opportune and hassle free way. Ideal from its beginning the ranchers are enjoying the implanted points of interest. Anyway some serious endeavors must be made to incorporate vulnerable groups who are as yet denied of such offices so as to make them fiscally comprehensive and accomplish Inclusive Growth.

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