

F.No. 25-I (07)/2018-AHD (Coord)  
Government of India  
Ministry of Agriculture & Farmers Welfare  
Department of Animal Husbandry, Dairying & Fisheries  
Plan Coordination Unit

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Krishi Bhawan, New Delhi

Dated. 11.02.2019

Office Memorandum

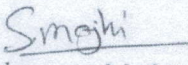
**Subject: Extension of Kisan Credit Card facility to Fisheries and Animal Husbandry farmers with benefits of Interest Subvention (IS) and Prompt Repayment Incentive (PRI) during the period 2018-19 and 2019-20 -regarding.**

The undersigned is directed to refer to the Budget Announcement 2018-19 regarding extension of the Kisan Credit Card facility to the Animal Husbandry and Fisheries farmers to help them meet their working capital requirements. In pursuance to the said Budget Announcement, after consultation with various stakeholders, Department of Financial Services has advised Reserve Bank of India to issue necessary instructions to the Banks for implementation of the KCC facility for Animal Husbandry & Fisheries farmers. Reserve Bank of India vide Circular No. FIDD.CO.FSD.BC. 12/05.05.010/2018-19 dated 4<sup>th</sup> February, 2019 has issued the detailed guidelines regarding extension of KCC facility to Animal Husbandry & Fisheries farmers. A copy of the same is enclosed herewith for ready reference.

2. Further, as conveyed by Department of Agriculture, Cooperation & Farmers Welfare, vide O.M. No. 1-10/2018-Credit-I dated 11<sup>th</sup> February, 2019, with the approval of the competent authority, it has also been decided to extend the KCC facilities to Animal Husbandry & Fisheries farmers with benefits of interest Subvention (2%) to Banks and Prompt Repayment Incentive (@3%) to such of the farmers to meet their working capital needs under Kisan Credit Card Scheme. Accordingly, the farmers already possessing KCC and involved in activities related to animal husbandry and fisheries can avail an additional sub limit within an overall limit of Rs. 3 lakh with benefit of interest subvention and prompt repayment incentive. Insofar as new KCC holder farmers of animal husbandry and fisheries are concerned, the benefit of interest subvention and prompt repayment incentive will be allowed up to the credit limit of Rs. 2 lakh per annum.

3. In view of the above, Department of Financial Services is requested to advise the RBI and NABARD to issue suitable instructions to the Banks regarding extension of KCC facility to Animal Husbandry & Fisheries farmers with benefits of interest subvention @ 2% to Banks and Prompt Repayment Incentive @ 3% to such farmers up to the credit limit of Rs. 2 lakh per annum. A copy of the guidelines for implementation

of the KCC facility for Animal Husbandry and Fisheries farmers is annexed for ready reference.

  
(Sarbeswar Majhi)  
Deputy Secretary

\* **Distribution:**

Secretary, Department of Financial Services, Jeevan Deep Building, Connaught Place, New Delhi.

**Copy to:-**

1. Deputy Governor, Reserve Bank of India, HO, Mumbai.
2. Joint Secretary, Credit Division, DoAC & FW, Krishi Bhawan, New Delhi.
3. Chairman, NABARD, HO, Mumbai.
4. The Chief General Manager, FIDD, Reserve Bank of India, Central Office Building, 10<sup>th</sup> Floor, Shahid Bhagat Singh Road, Mumbai-400 001
5. The Chief General Manager, CPD, NABARD, 2<sup>nd</sup> Floor, C Wing, C-24, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
6. The Vice President (Agriculture), Indian Banks' Association (IBA), Mumbai.

Guidelines for implementation of the KCC facility for Animal Husbandry and Fisheries farmers

**Applicability of the Scheme:** The KCC scheme for Fisheries and Animal Husbandry farmers is to be implemented by Commercial Banks, Regional Rural Banks (RRBs), and Cooperatives.

**Objective/Purpose :** The Kisan Credit Card scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the animal husbandry and fisheries farmers for their working capital requirements towards the following activities:-

- a. **Fisheries** - fresh water fish/prawn culture (including cold water), brackish water shrimp/fish/crab culture, fish /shrimp/prawn/crab seed rearing, capture fisheries in fresh water, brackish water and marine, any other state specific fisheries activities may be considered in addition to these activities.
- b. **Animal Husbandry** -Milch animal rearing, poultry layer farming, poultry broiler farming, sheep rearing, goat rearing, pig farming, rabbit rearing for wool, and work animals. Any other state specific livestock rearing may be considered.

**Eligibility:**

**A. Fishery**

- a. **Inland Fisheries and Aquaculture** - i) Fishers, Fish Farmers (individual & groups/ partners/ share croppers/ tenant farmers), Self Help Groups, Joint Liability Groups and women groups. ii) 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.
  - b. **Marine Fisheries-** Beneficiaries listed at 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.
- B. 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.
- C. 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.

**Credit limit for interest subvention and prompt repayment incentive:**

For the existing KCC holders the benefits of interest subvention and prompt repayment incentive will be admissible up to the credit limit of Rs. 3 lakh including animal husbandry & fisheries activities whereas the new card holders will have credit limit of Rs. 2 lakh to meet their working capital requirements for animal husbandry and fisheries activities. Interest subvention will be available for animal husbandry and fisheries farmers as per the existing guidelines, i.e. @ 2% per annum at the time of disbursal of loan and another @ 3 % per annum in case of prompt repayment as prompt repayment incentive.

**Scale of finance:**

- a) The scale of finance for KCC including AH and Fisheries will be fixed by the District Level Technical Committee (DLTC) based on local cost. The scale of finance may be worked out on per acre/per unit / per animal / per bird etc basis.
- b) Fisheries - Recurring costs towards seed, feed, organic and inorganic fertilizers, lime/other soil conditioners, harvesting and marketing charges, fuel/electricity charges, insurance, labour, lease rent (if leased water area) etc. For capture fisheries, working capital would include the cost of fuel, ice, labour charges, mooring/landing charges etc. will form part of the scale of finance
- c) Animal Husbandry - Recurring cost towards feeding, veterinary aid, insurance, water and electricity supply, labour will form part of the scale of finance
- d) Purchase of capital items of non-recurring nature will not form part of working capital credit.
- e) The maximum period to be considered for assessment of working capital requirement will be based on the cash flow statement or completion of one production cycle.

**Disbursement:**

The short term component of the KCC limit is in the nature of revolving cash credit facility. There should be no restriction in number of debits and credits.

**Security:**

Security will be applicable as per RBI guidelines prescribed from time to time.

**Other features:** Other general principles of KCC as prescribed in the RBI master circular dated 4.07.2018 such as Rate of Interest, Margin, validity and renewal etc. will also apply for KCC to Animal Husbandry and Fisheries Framers.