CHAPTER – III
PROGRESS OF KISAN CREDIT CARDS

3.1 Study Area – A Profile
3.1.1 Location

Kanyakumari is the southern most district of Tamil Nadu. The district lies between 77° 15’ and 77° 36’ of the eastern longitudes and 8° 35’ of the northern Latitudes.

The District is bound by Tirunelevli district on the North and the east. The South Eastern boundary is the Gulf of Mannar. On the South and the South West, the boundaries are the Indian Ocean and the Arabian Sea. On the West and North West it is bound by Kerala.

3.1.2 Climate

The District has a favourable agro-climatic condition, which is suitable for growing a number of crops. The proximity of equator, its topography and other climatic factors favour the growth of various crops. The paddy varieties grown in the second crop season in Thovalai and Agasteeswaram taluks are grown during the first crop season in Kalkulam and Vilavancode taluks. This shows that there is distinct variation in the climatic conditions prevailing within the district. Unlike, other districts in Tamil Nadu, it has a rainfall both during the South West and the North East monsoons. The South west
monsoon period starts from the month of June and ends in September, while
the North East monsoon period starts from October and ends in the middle of
December.

3.1.3 People & Culture

The people are the human resource of the district. Their culture, religion, aptitude, habits, beliefs, talents and the like have a bearing on how
the district presents itself to others. Tamil and Malayalam are the main
languages of this district. Hindus and Christians form a sizeable percentage of
the population of the district and there are a number of Muslims dominated
belts in the district. The caste system in the society has weakened to a great
extent especially after independence because of growth of education and
improvements in transport and communication. Some of the communities in
the district are Nadars, Nanjil Nadu Vellalars, Paravas, Mukthavas, Vilakki
Thalanayar, Kamaalar or Asari, Chackarevars and Kerala Mudalis. Rice is the
staple food of the rich and the poor alike in the district. Some, among the
poorer section, also use tapioca. Beverages like tea and coffee are widely
spread even into the rural areas of the district.
Table No 3.1
Area and Population in Kanyakumari District

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Blocks / Municipalities</th>
<th>Area (sq.km)</th>
<th>Population (as per 1991 census report) Peoples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agastheswaram</td>
<td>143.35</td>
<td>115188</td>
</tr>
<tr>
<td>2.</td>
<td>Rajakkamangalam</td>
<td>135.49</td>
<td>127325</td>
</tr>
<tr>
<td>3.</td>
<td>Thovalai</td>
<td>360.91</td>
<td>97802</td>
</tr>
<tr>
<td>4.</td>
<td>Kurunthancode</td>
<td>109.54</td>
<td>168810</td>
</tr>
<tr>
<td>5.</td>
<td>Thuckalay</td>
<td>127.41</td>
<td>162019</td>
</tr>
<tr>
<td>6.</td>
<td>Thiruvattar</td>
<td>88.37</td>
<td>159182</td>
</tr>
<tr>
<td>7.</td>
<td>Killiyoor</td>
<td>138.86</td>
<td>151034</td>
</tr>
<tr>
<td>8.</td>
<td>Munchiri</td>
<td>71.45</td>
<td>175454</td>
</tr>
<tr>
<td>9.</td>
<td>Melpuram</td>
<td>27.57</td>
<td>173426</td>
</tr>
<tr>
<td>10.</td>
<td>Nagercoil Municipality</td>
<td>19.37</td>
<td>190084</td>
</tr>
<tr>
<td>11.</td>
<td>Padmanabapuram</td>
<td>6.47</td>
<td>19269</td>
</tr>
<tr>
<td>12.</td>
<td>Colachel</td>
<td>5.18</td>
<td>24305</td>
</tr>
</tbody>
</table>

Source: [www.kanyakumariditrict.com](http://www.kanyakumariditrict.com)

3.1.4 Roadways

The Chennai-Kanyakumari Highway joins the Kanyakumari - Trivandrum road near Aralvoimozhi and passes through Nagercoil touching other important places and terminates at Trivandrum in Kerala State covering a distance of 62.4 km. from Aralvoimozhi to Kerala border. The views on either side of the road, can never fail to attract the travellers.

Tracing the history of a regular system of road communication in the Kanakumari area, it dates back to 1860 and the credit goes to Sir Madhava Rao, the then Dewan of Travancore-Cochin State. The work part of it was executed by the Engineering Department which was set up during his period.
However, these roads were primarily intended for the movement of troops, but in the days to come it accommodated civilian traffic also. During the rule of Rama Varma (1758-98A.D.) a good road was laid between Kanyakumari - Kodungalur (Crangalur).

The road network in Kanyakumari district consists of National highways, State highways, District roads and rural roads. The trunk road from Chennai to Nagercoil joins the Kanyakumari - Trivandrum road near Aralvoimozhi and passes through important places over a distance of 62.4 km. and finally enters Kerala State. The road from Kanyakumari to Trivandrum is one of the busiest roads in the country.

The erstwhile state of Travancore - Cochin adopted a policy of nationalization of transport and as a result the Transport Department was formed in the State in 1938. Routes between Trivandrum and Kanyakumari (Via) Nagercoil and Colachel were the first to be taken up for nationalization. After the reorganization of States in 1956, the bus transport service in Kanyakumari district was taken over by the State Transport Department of the then Madras State.
3.1.5 Electricity

Kanyakumari district is under the control of Chief engineer (Distribution) stationed at Madurai. The Kanyakumari Electricity Distribution Circle is headed by a Superintending Engineer with headquarters at Nagercoil. He is assisted by Executive Engineer (General) in all technical and administrative matters. Further, he is helped by the Assistant Executive Engineers, (General), (Materials Management), Development, MRT, -cum-Special Maintenance and Civil Assistant Executive Engineer, (General) in all technical matters. He has a Personal Assistant to assist in all administrative matters.

In this district, there are three Operation and Maintenance (O & M) Divisions, each headed by an Executive Engineer with headquarters at Nagercoil, Thuckalay and Kuzhithurai. These Executive Engineers are responsible for the proper maintenance of power supply to the consumers in their respective areas. One construction - cum - commercial division headed by an Executive Engineer is also functioning, which looks after the construction works and extension of supply to new consumers in the district.

There are five revenue units, two at Nagercoil one at Thuckalay and two at Kuzhithurai which are responsible for collection and accounting of revenue. All the existing 5 towns, 66 Villages, 2490 hamlets and 371 Adi-dravider colonies in the district have already been electrified. Power to 2850
agricultural pump sets and 2932 huts have been extended in the district as on 31 March 1998

The number of connections with respect to service types, available as of now in the District are as follows:

Table 3.2
The number of Connections with respect to service types in Kanyakumari District

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Number of Connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>3,26,348</td>
</tr>
<tr>
<td>Huts</td>
<td>3144</td>
</tr>
<tr>
<td>Street Light</td>
<td>5230</td>
</tr>
<tr>
<td>Public Water Supply</td>
<td>1693</td>
</tr>
<tr>
<td>Educational institutions, Theatres, Studios</td>
<td>4969</td>
</tr>
<tr>
<td>Cottage Industries</td>
<td>63</td>
</tr>
<tr>
<td>Industrial Service</td>
<td>5439</td>
</tr>
<tr>
<td>Agricultural Service</td>
<td>5948</td>
</tr>
<tr>
<td>Commercial Purpose</td>
<td>48,980</td>
</tr>
</tbody>
</table>

Source: www.kanyakumariditrict.com

3.1.6 Education

The Christian Missionaries, as elsewhere in India, were the pioneers of English Education in the erstwhile Travancore State and more particularly in the then South - Travancore, the area that presently forms the Kanyakumari District. The Portuguese and the Dutch who came to the erstwhile Travancore
State even prior to the British, were the Roman Catholics and they did little towards the cause of Education. But, the Protestant Missionaries who arrived later were the first to introduce English Education in the District, which was part and parcel of the then Travancore State. The founder of the English School in the erstwhile Travancore State was Rev. William Tobias Ringle Taube, a native of Prussia and a man of great force and character. He came to the State in 1806 and then onwards, he devoted his whole energy to evangelistic work and wherever he went, he carried with him the mission of English education. He was incessantly preaching and teaching and he established many schools for poor children, Christians as well as for non-Christians.

The progress of education through his instrumentality may be inferred from his reply to a query from Col. Munro, the Dewan Resident of Travancore in 1813. He wrote: “There were six schools for the laity; the instructions that are given, consist in lessons of reading, writing, arithmetic and to Christian children the catechism and reading the New Testament or religious books. The natives were not disposed to send their children to school. Books were supplied presented from the Missionaries at Tranquebar but not in sufficient number”. Ringle Taube’s noble efforts in the spread of education was aided through the recommendation of the Resident Col. Munro, by a grant of land at a nominal rent made by Rani Laxmi Bai.
Rev. Ringle Taube bid farewell to the little church at Mylaudy of South Travancore in January 1816 and left this country. During the short period often years (1806 to 1816), he laid the foundation not only for the growth of the Christianity, but also for the popular education in the area.

As it has been mentioned earlier, till the Government of the then Travancore Native State took over the direction and control of the education system, private teachers called Asans (Mrhd;) conducted schools in villages and imparted such instruction required for day-to-day life of the ordinary people particularly rural folk. The Government in those days took no direct part in the field of education. The remuneration of teachers was not paid out of the State’s coffers, but, was contributed by the villagers themselves voluntarily. The system though devoid of State control worked satisfactorily and met the requirements of the people until individualistic tendencies has begun to manifest themselves and undermine corporate action on which ancient village organization was passed.

Such was the condition of the society and education in the native state of Travancore in the beginning of the 19th Century. Educational standard had deteriorated and was almost completely neglected in the northern parts of the State (Since in the southern part, the present district of Kanyakumari, the pioneer work in education was begun by the Christian Missionaries).
When the district of Kanyakumari was formed and added to the then Madras State in 1956, the Education Department of the State was headed by the Director of Public Instructions. He was assisted by subordinate officers and necessary complementary staff in his office at the state level. Besides, the posts of the Divisional inspectors at Divisional level, the District Educational Officers at the education district level and the Inspectresses of Girls School at the Circle level were created under the administrative and disciplinary control of the Director of Public Instruction. The entire State was divided into the two Divisions having head quarters at Madurai and Coimbatore. Each division was under the control of a Divisional Inspector. When Kanyakumari district was formed, it was included under the control of the Divisional Inspector, Madurai, who was having jurisdiction over the districts of Madras, Chengalpattu, South Arcot, Thanjavur, Madurai, Ramanathapuram and Tirunelveli. The entire Kanykumari District was formed as one education district and the post of District Educational Officer for the district was also created. Including the District Education Officers at Kanyakumari district, there were 15 District Educational Officers for the whole State. Consequent on the reorganisation of States, 13 senior posts were transferred from Travancore-Cochin State to Madras State, of which 4 posts came under Subordinate Educational Service.
For School Education at the district level, there is the Chief Educational Officer at Nagercoil. He is assisted by three District Educational officers at Nagercoil, Thuchalay and Kuzhithurai and the Inspectress of Girls schools at Nagercoil. The District Educational Officers and inspectress of Girls Schools have direct control over the High and higher Secondary Schools while for the Inspection of middle and primary schools there are Deputy Inspectors of Schools at Range level. In the district, there are nine such Ranges and each of them is having one Deputy inspector of Schools. The Range Deputy inspectors are having their headquarters at Nagercoil, Suchindrum, Rajakkamangalam, Thuckalai, Colachel, Thiruvattar, Kuzhithurai, Munchirai and Karungal.

### 3.1.7 Agriculture

Based on the agro-climatic and topographic conditions, the district can be divided into three regions, namely:

1. **The uplands**: Comprising of hills and hill bases, suitable for Growing crops like Rubber, Cloves, Nutmeg, Pepper, Pineapple and the like.
2. **The Middle**: Comprising of plains and valleys, fit for growing crops like Paddy, Tapioca, Banana, Coconut and the like.
3. **The low lands**: Comprising the coastal belt, ideal for growing Coconut, Cashew and the like.
3.1.8 Cropping Pattern

This district produces paddy, tapioca and oilseeds such as Groundnut and Coconut, besides commercial crops like Cashew, Rubber, Fruits and Spices. The important feature of this district is the production of off season Mangoes.

PADDY is the main crop of this district. It is grown in two seasons. First crop is sown in the month of April — June (Kanipoo) and second crop is raised in the month of September — October (Kumba poo).

TAPIOCA is raised as a subsidiary food crop in this district. The main planting season is April-May. In some pockets, September — October planting is also done as second season crop. It is purely raised as rainfed crop in Kalkulam and Vilvancode taluks and as irrigated crop in some areas of Agastheeswaram taluk of this district.

COCONUT is an important cash crop of this district. The main planting season is May to July.

PULSES are raised in rice-fallow and as intercrop in Tapioca. The important pulses are Blackgram, Grengram, Horsegram, Cowpea and Redgram. In the months of April - May and September - October pulses are
grown as intercrop with Tapioca. In the months of February - March pulses are raised as pure crop in rice - fallows.

VEGETABLES are cultivated during January - February and July August. Vegetable is also grown as 3rd crop after the harvest of 2nd crop paddy in some pockets of this district.

BANANA is cultivated mainly during March - April and October - November as rainfed crop in small extent. In addition, Pepper, Cloves, Areca nut, Betelvine, Cocoa, Gingelly, Ginger, Turmeric, Arrowroot and the like are also grown in this district.

Crop Sequences followed in Kanyakumari District

1. Paddy - Paddy - Fallow (One year rotation)

2. Paddy - Paddy - Pulses (One year rotation)

3. Paddy - Banana - Paddy (One year rotation)

4. Paddy - Banana - Tapioca (One year rotation)

5. Paddy - Banana - Banana (One year rotation)

3.1.9 Farms, Research Station Laboratories and Institutions:

1. Soil Testing Laboratory : To analyse the soil samples collected and sent by the farmers.

2. Mobile Soil Testing Laboratory : To visit the villages and collect samples, analyse and suggest suitable fertilizer recommendations to the farmers on the spot.
3. Fertiliser Control Laboratory: To ensure the quality of fertilizer distributed in Tamil Nadu through various outlets to the farmers as per the Fertilizer Control Order,

4. Bio-Control Centre
   (a) Parasite Breeding Centre: To produce the parasites Bethelid, Braconid and Eulophid, which parasite on Block Headed Catterpillar which infest coconut palms.
   (b) Green Muscardines Funi Production Centre: To produce Green muscardine fungus which parasite and kill the grub of Rhinocerous beetle which causes heavy damage to coconut palms.
   (c) Mushroom Spawn Production Centre: To produce pleurotus fungi’ spawn which is used for compositing coirpith and cultivation of edible Mushroom.
   (d) Government Horticultural Farm: To produce fruit and flower plants for distribution to the farming community.
   (e) Agricultural Research Station, Thirupathisaram: The object is: crop improvement; crop management; and releasing of location specific new varieties suited to Kanyakumari District.
   (f) Horticultural Research Station, Pechiparai: It undertakes Research in high rainfall zone, evaluation of suitable pineapple varieties, Jack, Bandra Vegetable, Tapioca and spices and
standardisation of management techniques for horticultural crops.

(g) Farmer Training Centre, Thirupathisaram: The Farmers Training Centre is located in Thirupathisaram village, 6Km. away from Nagercoil. It caters the needs of Kanyakumari District farmers by imparting village level training and demonstrations and improved farming technologies and innovations.

3.1.10 On Going Schemes

Centrally Sponsored Schemes:

Integrated Cereal Development programme

1. Certified Seed Distribution - @Rs. 4/Kg
2. Hybrid rice demonstration - @ Rs. 1000/Ac
3. Production Technology - @ Rs. 2500/Ha
4. I.P.M. demonstration - Rs. 6000/demn
5. Distribution of Bio-fertilizer - Rs.45/Ha.
   (50percent)
6. Distribution of M.N. Mixture - 50percent Cost
7. Distribution of Gypsum - Rs. 500 / Ha.
8. Training of Farmers - Rs. 5000 / Trg.
9. Publicity, Seminar and Workshop - Not Specified
National Pulses Development Scheme

1. Certified / Foundation Seed production - Rs. 5 / Kg.
2. R.C. Pockets distribution - Rs. 50 / Ha.
4. Plant Protection Equipments - Rs. 2000 / unit
5. Seed Treatment - Rs. 100 / Ha

Coconut Development

1. New area coverage - @Rs.8000 I Ha.
2. Small Coconut Nursery - @Rs.3/ lakhs
3. Demonstration Plot - @Rs.17500/plot
4. Organic Manure
   Production - @Rs.20000/unit
5. Cut or removal of disease
   affected farms - @Rs.250/ tree

3.1.11 Forest

1. The Forests in Kanyakumari district is verdant and virgin forests and said to be of 75 million years old. Of the total district area of 167130 hectares. Government Forests occupy an area of 50486 hectares, which comes to 30.2 percent of the total District geographical area.
2. The Forests of Kanyakumari District was transferred from Kerala to Tamil Nadu on 1st November 1956 as a result of the State reorganization. The Forests of Boothapandy, Mahendragiri R.F. Divisions were previously managed by the District Forest Officer, Tirunelveli South Division with Head quarters at Tirunelveli. Consequent on the formation of Kalakad and Mundathurari sanctuary, Kanyakumari Division was formed exclusively to manage the forests of Kanyakumari District with Head quarters at Nagercoil from 01.04.1977 as per G.O.Ms.No. 261 dated 26.03.1977.

3. Forest in Kanyakurnari Division: 14 types of forests from luxuriant tropical wet evergreen to tropical thorn forests occur in this District because of diverse locality factors. (according to Champion and Seths classification) Rainfall varies from 103 cm to 310 cm. Elevation ranges from sea level to 1829 m. The forest area is 30.2 percent of total district geographical area which is next to Nilgiris district with 59 percent and Dharmapuri District with 38 percent in the State. The District is having 52 percent of its forests as dense forests coming only second to Dharmapuri District with 58 percent.

4. The forests consist of soaring and lofty trees of Mesua ferrea, Bischotia Javanica, Vitex altissima to smaller trees of Dillini a species festooning climber, shrubs valuable herbs, variety of orchids, different types of canes, many indigenous palms and cycas. The important timbers are: Teak, Rosewood, Vengai and Aini and this District is worth mentioning here, for
the easy availability and quality timbers. Various types of forest produces like bamboos, reeds, canes, soft wood, tamarind, lemon grass, rubber, coconut, arecanut, kaducai, cinnamon bark, nelli, cardamom, mango, and many medicinal plants of high value, are harvested in this District. The Maruthuvalmalai located among green paddy fields and fluttering coconut plams is famous for valuable medicinal plants. This is the only district in Tamil Nadu, where rubber and clove plantations have been raised in Reserve Forests in an area of 4785.70 ha and 110 ha respectively. The district is rich in wildlife with at least 25 types of mammals, about 60 species of birds including 14 species of migratory birds and many species of fishes, reptiles and amphibians listed. In short, these forests are a veritable trove of biological diversion.

5. From Tourism angle, the forests are highly enchanting with pleasant shoals of hill top forests, beautiful grass lands, panoramic valleys, top hillocks, singing streams, vast stretches of rubber plantations, valuable teak plantations and excellent climate. No body should miss seeing Mahendragiri, Maramalai, Sea field and Balamore estate area, Ecology farm, Kalikesam, Pechiparai Dam, Perunchani Dam, Upper Kodayar, Maruthamparai and Mukkudal areas for their scenic beauty. All areas in the forests are worth seeing in Kanyakumari District only.
The following are the Reserve Forests in this Division.

**Table 3.3**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Reserve Forests</th>
<th>Area in Ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Therkumalai East and West</td>
<td>1741</td>
</tr>
<tr>
<td>2.</td>
<td>Thadagaimalai</td>
<td>797</td>
</tr>
<tr>
<td>3.</td>
<td>Poigaimalai</td>
<td>1243</td>
</tr>
<tr>
<td>4.</td>
<td>Mahendragiri</td>
<td>4360</td>
</tr>
<tr>
<td>5.</td>
<td>Veerapuli</td>
<td>28109</td>
</tr>
<tr>
<td>6.</td>
<td>Velimalai</td>
<td>1126</td>
</tr>
<tr>
<td>7.</td>
<td>Old Kulasekaram</td>
<td>694</td>
</tr>
<tr>
<td>8.</td>
<td>Kilamalai</td>
<td>8106</td>
</tr>
<tr>
<td>9.</td>
<td>Asambu</td>
<td>4310</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>50486</strong></td>
</tr>
</tbody>
</table>

Source: [www.kanyakumaridistrict.com](http://www.kanyakumaridistrict.com)

**Table 3.4**

<table>
<thead>
<tr>
<th></th>
<th>Areas leased for other Activities in Kanyakumari District</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Area leased to Arasu Rubber Corporation Ltd for raising Rubber</td>
</tr>
<tr>
<td>B</td>
<td>Area leased to Arasu Rubber Corporation Ltd for raising Clove</td>
</tr>
<tr>
<td>C</td>
<td>Area leased for Space Research work to I.S.R.O</td>
</tr>
<tr>
<td>D</td>
<td>Kodayar Hydro Electric Project T.N.E.B</td>
</tr>
</tbody>
</table>

Source: [www.kanyakumaridistrict.com](http://www.kanyakumaridistrict.com)
3.1.12 Medicinal plants

Medicinal Plants Conservation Area Scheme is being implemented in this Division with the assistance of Foundation for Revitalisation of local Health Traditions, Bangalore (FRLHT) from the year 1993 94 onwards.

3.1.13 Irrigation

Unlike other Districts in Tamil Nadu State, Kanyakumari is receiving a fairly good rainfall from both South-West and north-East monsoons. The period of South West Monsoon is from June to September, while that of North-East Monsoon is from October to December.

Table 3.5
Rivers in Kanyakumari District.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Thamiraparani</td>
</tr>
<tr>
<td>2.</td>
<td>Pazhayar</td>
</tr>
<tr>
<td>3.</td>
<td>Valliar</td>
</tr>
<tr>
<td>4.</td>
<td>Ponniavaikal</td>
</tr>
<tr>
<td>5.</td>
<td>Paraliyar</td>
</tr>
</tbody>
</table>

Source: [www.kanyakumaridistrict.com](http://www.kanyakumaridistrict.com)
Table 3.6
Dams in Kanyakumari District

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Pandiyan Dam</td>
</tr>
<tr>
<td>2.</td>
<td>Puthen Dam</td>
</tr>
<tr>
<td>3.</td>
<td>Pechipparai Dam</td>
</tr>
<tr>
<td>4.</td>
<td>Perunchani Dam</td>
</tr>
<tr>
<td>5.</td>
<td>Chittar Dam—I</td>
</tr>
<tr>
<td>6.</td>
<td>Chittar Dam—II</td>
</tr>
</tbody>
</table>

Source: www.kanyakumaridistrict.com

Table 3.7
Channels in Kanyakumari District

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Pandiyan Kal</td>
</tr>
<tr>
<td>2.</td>
<td>Thovalai Channel</td>
</tr>
<tr>
<td>3.</td>
<td>Regulatory Kal</td>
</tr>
<tr>
<td>4.</td>
<td>Anandananar Channel</td>
</tr>
<tr>
<td>5.</td>
<td>Nanchinad puthanar Channel</td>
</tr>
<tr>
<td>6.</td>
<td>Padmanabhapuram Puthanar Channel</td>
</tr>
<tr>
<td>7.</td>
<td>Chittar Pattanam Channel</td>
</tr>
</tbody>
</table>

Source: www.kanyakumaridistrict.com

The major river in the district is Thambaraparani locally known as Kuzhithuraiar. This river has got two major distributaries, namely, Kodayar and Paralayar. There are many distributaries for Kodayar river, of which Chittar I and Chittar II are major ones. The origin of Thambaraparani River is Western Ghats and the river confluences with Arabian sea near
Thengapattanam at a distance of about 56 Km. west of Cape Commorin, the southern most tip of India.

Valliar, another small river and its tributary Thoovalar, originate from Velimalai hills, collect the drainage from P.P. Channel and its branches, ayacuts and confluence with Arabian sea near Manavalakurichi.

Pazhayar another small river at Shorlacode, a place about 18 km north west of Nagercoil. This is mainly a drainage river mostly collecting the drainages of Thovalai, Ananthanar and N.P. Channels.

3.2 Progress of Kisan Credit Cards

Given the enormity of the credit requirements on the one hand and the vagaries of nature on the other, financing for agriculture has always been a gigantic task for banks. The access to institutional credit for a large number of farmers, particularly small/marginal farmers, continued to be a challenge to the banking industry. The process of financial reforms also highlighted the need for innovative credit interventions (ICIs) from institutional agencies to support farmers. Any credit facility to the farmers should not only be timely, but also be available in adequate quantum besides ensuring an inbuilt flexibility.

Against this backdrop, Kisan Credit Card (KCC) emerged as an innovative credit delivery mechanism (ICDM) to meet the production credit
requirements of the farmers in a timely and hassle free manner. Realizing its potential in terms of simplification of loan procedures and reducing the drudgery of cumbersome documentation, Hon’ble Union Finance Minister in his Union Budget Speech for the year 1998-99 announced that NABARD would formulate a model scheme for issue of Kisan Credit Cards to farmers on the basis of their holdings for uniform adoption by the banks so that the farmers may use it to readily purchase agricultural ‘inputs such as seeds, fertilizers, pesticides, etc., and draw cash for their production needs. As a sequel to this, NABARD, in consultation with RBI and major banks, formulated a model scheme for issue of Kisan Credit Card.

The credit card mechanism was not altogether new to the sphere of agricultural banking in India. In fact, some leading public sector banks as well as DCCBs in some States had introduced agricultural credit cards even earlier. However, such schemes were not much access to small and marginal farmers. Further, there was also no uniformity in respect of such schemes implemented by different banks. Similarly, several commercial banks and cooperative Banks have already been extending cash credit facilities to farmers with a view to improving their access to credit. The ensuing paragraphs provide a brief account of the review and progress of KCCs in the study area.
3.3 Progress of Kisan Credit Card Scheme in India

The Scheme was initiated in the year 1998-99. Only 0.78 million KCC could be issued in the initial year and it progressed consistently in subsequent years. Putting an emphasis on increasing credit flow to the agricultural sector, NABARD advised the banks to identify and cover all farmers including defaulters, oral lessees, tenant farmers and share croppers, who were left outside the hold of the KCC scheme for any reason so that all farmers are covered under the scheme by March 31, 2007. Further, banks were advised to issue KCCs in a hassle free manner, extend crop loans only through KCCs and renew them so as to ensure quality in operations. About 8.46 crore Kisan Credit Cards have been issued up to end of 2008-09 by the banks throughout the country. (Table 3.8).
Table 3.8
Agency-wise and Period-wise progress of KCC

(Rs. in crore)

<table>
<thead>
<tr>
<th>Year</th>
<th>Coop. Banks</th>
<th>Other Banks</th>
<th>Commercial Banks</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of KCC issued</td>
<td>Amount sanctioned</td>
<td>No. of KCC issued</td>
<td>Amount sanctioned</td>
</tr>
<tr>
<td>1998-99</td>
<td>1.55</td>
<td>826</td>
<td>0.06</td>
<td>11</td>
</tr>
<tr>
<td>1999-00</td>
<td>35.95</td>
<td>3606</td>
<td>1.73</td>
<td>405</td>
</tr>
<tr>
<td>2000-01</td>
<td>56.14</td>
<td>9412</td>
<td>6.48</td>
<td>1400</td>
</tr>
<tr>
<td>2001-02</td>
<td>54.36</td>
<td>15952</td>
<td>8.34</td>
<td>2382</td>
</tr>
<tr>
<td>2002-03</td>
<td>45.79</td>
<td>15841</td>
<td>9.64</td>
<td>2955</td>
</tr>
<tr>
<td>2003-04</td>
<td>48.78</td>
<td>9855</td>
<td>12.73</td>
<td>2599</td>
</tr>
<tr>
<td>2004-05</td>
<td>35.56</td>
<td>15597</td>
<td>17.29</td>
<td>3833</td>
</tr>
<tr>
<td>2005-06</td>
<td>25.98</td>
<td>20339</td>
<td>12.49</td>
<td>8483</td>
</tr>
<tr>
<td>2006-07</td>
<td>22.98</td>
<td>13141</td>
<td>14.06</td>
<td>7373</td>
</tr>
<tr>
<td>2007-08</td>
<td>20.91</td>
<td>20492</td>
<td>17.73</td>
<td>9074</td>
</tr>
<tr>
<td>2008-09</td>
<td>13.44</td>
<td>13172</td>
<td>14.14</td>
<td>7632</td>
</tr>
<tr>
<td>Cumulative</td>
<td>361.44</td>
<td>138233</td>
<td>114.69</td>
<td>46147</td>
</tr>
</tbody>
</table>

Source: NABARD BANK

The State-wise progress in implementation of KCC scheme revealed that Uttar Pradesh, accounted for 18 percent of the total cards issued followed by A.P. (17 percent), Maharashtra (10 percent), Tamil Nadu (10 percent), and Karnataka, Madhya Pradesh, Odisha and Rajasthan, (6 percent each.) The progress was, however, tardy in Goa, Himachal Pradesh, Jammu and
Kashmir, Sikkim and the States in North-Eastern Region. Against the above background the present study was conducted by NABARD.

Agency-wise break up of the total KCCs issued showed that commercial banks issued maximum number of KCCs at 43.2 percent of total followed by cooperative banks and Regional Rural Banks at 42.7 percent and 13.6 percent respectively (Table 3.9). In terms of total loan disbursed to cardholders, the share of commercial banks was 57.5 percent, followed by 29.5 percent for cooperative banks and 13 percent for other banks.

<table>
<thead>
<tr>
<th>Agency</th>
<th>No. of KCCs</th>
<th>Amount in KCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBs</td>
<td>43.7</td>
<td>57.5</td>
</tr>
<tr>
<td>Other Banks</td>
<td>42.7</td>
<td>29.5</td>
</tr>
<tr>
<td>Coops.</td>
<td>13.6</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Source: Primary Data

3.4 Coverage of Small/Marginal Farmers (SF/MFs)

The coverage of small and marginal farmers across the states revealed that Co-operative banks, Other Banks and Commercial Banks were out in the range of 63-68 percent, 58-61 percent and 59-64 percent respectively (Table 3.10).
Table 3.10
Coverage of Small / Marginal Farmers under KCCs

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Bank/Agency</th>
<th>percentage coverage of SF/MF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CBs</td>
<td>63-68</td>
</tr>
<tr>
<td>2.</td>
<td>Other Banks</td>
<td>58-61</td>
</tr>
<tr>
<td>3.</td>
<td>Coops.</td>
<td>59-64</td>
</tr>
</tbody>
</table>

Source: Primary Data

Out of 1876 sample farmers, small and marginal farmers accounted for 33 percent and 29 percent respectively. Share of tenant farmers was very negligible (<1 percent).

Table 3.11
Coverage of Farmers (in percentage)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Bank/Agency</th>
<th>percentage coverage of SF/MF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Small farmers</td>
<td>33</td>
</tr>
<tr>
<td>2.</td>
<td>Marginal farmers</td>
<td>29</td>
</tr>
<tr>
<td>3.</td>
<td>Tenant farmers</td>
<td>&lt;01</td>
</tr>
</tbody>
</table>

Source: Primary Data

It may therefore be concluded that the KCC has definitely made dent in the horizontal growth of credit i.e. in terms of coverage of farmers by the banking sector. However, what it lacked was the depth in credit flow, which needs to be improved upon with some reform measures.
3.5 Monitoring Arrangement under KCC

As per guidelines, the progress under KCC is to be closely monitored and reviewed at regular intervals. The study observed that it was being reviewed at block/mandal level in Block Level Bankers Committee (BLBC) meetings. The BLBC is a committee of bankers headed by the Lead Bank Manager (LDM) of the district. The Block Development Officer (BDO) and officers from the line departments also participate in such meetings. At the district level, District Level Review Committee (DLRC), is chaired by the District Collector and attended by bankers and officials from the line departments in the district, reviews the progress of the KCC scheme as a part of its agenda. Similarly at the State level, State Level Bankers Committee (SLBC), chaired by the Chief Secretary or the Agricultural Production Commissioner, the highest forum to review the banking activities in a state reviews the KCC scheme. In addition, the banks also review the progress in house through reports/returns and during the conference of branch managers. The Co-operative banks and RRBs review KCC scheme in their board meetings. Further, progress in implementation of KCC by RRBs is also being reviewed in State Level Coordination Committee (SLCC) Meetings.

As far as the Co-operative banks are concerned, the chief executives have been doing the review as also it is being discussed in the DLRC. Further, State Level Monitoring and Review Committee has been constituted under the
chairmanship of the Secretary (Cooperation) of the state for close monitoring and review of the progress in implementation of the scheme by co-operative banks and to sort out the operational problems. The Registrar of Co-operative Societies, Managing Director of the State Co-operative Banks, the Chief Executive of the DCCBs and officer in charge of NABARD are the other member of the committee.

3.6 Commercial Banks

Major features of the schemes launched by various commercial banks have been summarized. However a descriptive review of salient points has been given in the following paragraphs.

3.6.1 Launching of Kisan Credit Card Scheme

All the 27 Public Sector Commercial Banks had launched the Kisan Credit Scheme based on the model scheme circulated by Reserve Bank of India in August 1998. Barring one or two banks, all Public Sector Commercial Banks had prepared their own Kisan Credit Card scheme before December 1998 and launched the scheme on pilot basis in their selected branches. Later on, the scheme was extended to cover the entire country.
3.6.2 Eligibility of farmer for issue of Kisan Card

By the original circular, issued by most of the Commercial Banks, branches were advised to issue kisan cards to only those farmers who were having good track record for the last 2-3 years. However, later on, some of the banks (Bank of Baroda) have modified these instructions allowing the issue of cards to even new borrowers. Similarly, Syndicate Bank modified its eligibility criteria to cover all types of farmers and advised all its branches that Kisan Card may be compulsorily issued to all the farmers with requirement of production credit Rs.5,000/- and above. Allahabad Bank, Punjab and Sindh Bank and Punjab National Bank had kept the minimum eligibility of one acre of irrigated land for issue of Kisan Cards. In order to speed up the progress of Kisan Cards, some of the banks like Punjab and Sindh Bank had advised its branches that all tractor borrowers may be issued Kisan Cards. However, some of the banks have issued guidelines for inclusion of even new farmers, but in reality, the branches of Commercial Banks have been issuing cards mostly to existing borrowers only.

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3.6.3 Minimum Credit Limit

Reserve Bank of India and NABARD while circulating their model scheme on Kisan credit among the banks, had recommended Kisan Cards for farmers whose requirement of crop loan was Rs.5,000/- and above. However, this ceiling was subsequently amended and all the banks were advised that they could work out their own loan limits/ceiling. On a review of the schemes of Public Sector Commercial Banks, it is observed that most of the banks have brought down the ceiling from Rs.5,000/- to Rs.3,000/-. Some of the banks did not stipulate any lower ceiling in monetary terms whereas others have prescribed the ceiling in terms of ownership of irrigated land with the farmer i.e. minimum one acre of irrigated land.

3.6.4 Basis for fixation of credit limit

Reserve Bank of India and NABARD, through the model scheme circulated among the banks had recommended that credit limit under kisan cards may be fixed on the basis of operational land-holding, cropping pattern and scales of finance as recommended by District Level Technical Committee (DLTC)/State Level Technical Committee (SLTC). Wherever the DLTC/SLTC have not recommended scale of finance for crops or in the opinion of the bank, recommended lower scales than the required amount, banks were allowed to fix appropriate scales of finance for the crop. It was
also stipulated that for fixation of card limit, operational land holding might include the leased in land and exclude leased out land.

Most of the banks have followed the above guidelines as suggested in the model scheme. However, banks like Allahabad Bank and Punjab National Bank have followed different procedure for fixation of credit limit. In these cases, the limit was based on the total income of the farmer and his family from all sources. Thus, the credit limit under the card by these banks was fixed at 50 percent of the total income from all sources. Likewise, Allahabad Bank, Punjab National Bank and Punjab and Sindh Bank have prescribed per acre limit for irrigated and non-irrigated land, for calculating overall limit under kisan card.

3.6.5 Restriction on maximum amount

Except one or two banks, the Public Sector Commercial Banks have not prescribed any maximum limit under Kisan Card. Allahabad Bank and Punjab National Bank have worked out the limits/slabs based on land ownership:
Table 3.12
Fixation of Maximum Limit – Allahabad Bank & Punjab National Bank

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Allahabad Bank</th>
<th>Punjab National Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1-2 acre</td>
<td>1-2 acre</td>
</tr>
<tr>
<td></td>
<td>Maximum Rs.25,000/-</td>
<td>Maximum Rs.30,000/-</td>
</tr>
<tr>
<td>2.</td>
<td>2.5 to 7 acres</td>
<td>2.5 to 6 acres</td>
</tr>
<tr>
<td></td>
<td>Maximum Rs.40,000/-</td>
<td>Maximum Rs.2 lakh</td>
</tr>
<tr>
<td>3.</td>
<td>7 to 9 acres</td>
<td>6 to 8 acres</td>
</tr>
<tr>
<td></td>
<td>Maximum Rs.60,000/-</td>
<td>Maximum Rs.3 lakh</td>
</tr>
<tr>
<td>4.</td>
<td>More than 9 acres</td>
<td>8 acres and above</td>
</tr>
<tr>
<td></td>
<td>Maximum Rs.1 lakh</td>
<td>Rs.3 lakh and more.</td>
</tr>
</tbody>
</table>

Source: Primary Data

3.6.6 Fixation of Seasonal Limit

The model scheme had recommended that while fixing the limit, banks may take into account entire production credit requirement of the farmers for full year including the credit requirement of the farmer for ancillary activities related to crop production such as maintenance of agricultural machinery / implements, electricity charges, etc. and also allied activities and non-farm activities. Banks were also advised to fix appropriate sub-limits within the overall limit sanctioned, taking into account the seasonality in the credit requirement. The scheme circulated by most of the banks had included this feature in their instructions. A few of the banks have built this feature within the methodology adopted for working out the overall limit, while other banks have left it to the discretion of the branch managers to fix seasonal limits.
Some banks (Punjab and Sindh Bank, State Bank of India, Punjab National Bank, Bank of Baroda, Indian Bank and Allahabad Bank) have not specifically issued guidelines to their branches in this regard. As a result, the entire limit sanctioned to the farmers under the card can be operated throughout the year. On the other hand, Bank of India has advised the Branch Managers to work out month wise cash flow and fix the drawing power accordingly for each month which in our opinion would be quite impractical and cumbersome both for farmers and bank branch.

3.6.7 Type of Card

Majority of the banks have issued only single type of card. However, banks like Punjab National Bank, Allahabad Bank have brought out four different types of products under the kisan card scheme. These have been detailed below
Table 3.13

Type of cards

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Type of card and limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab National Bank</td>
<td>Vikas Card for 1 - 2.5 acres = Rs.30,000/-</td>
</tr>
<tr>
<td></td>
<td>Bhagyan for 2.5 to 6 acres = Rs.2 lakh</td>
</tr>
<tr>
<td></td>
<td>Sarvottam for 6-8 acres = Rs.3 lakh</td>
</tr>
<tr>
<td></td>
<td>Swarn for 8 acres &amp; above = Rs.3 lakh and above</td>
</tr>
<tr>
<td>Allahabad Bank</td>
<td>Bronze - 1 - 2.5 acres = Rs.25,000/-</td>
</tr>
<tr>
<td></td>
<td>Silver - 2.5 acres to 7 acres = Rs.40,000/-</td>
</tr>
<tr>
<td></td>
<td>Gold - 7 to 9 acres = Rs.50,000/-</td>
</tr>
<tr>
<td></td>
<td>Diamond - More than 9 acres = Rs.1 lakh</td>
</tr>
</tbody>
</table>

Source: Primary Data

3.6.8 Credit Limit for working capital requirement for agriculture and allied activities and NFS

As envisaged in the model scheme, all Commercial banks have issued instructions for inclusion of short term fund requirement for meeting the needs of allied activities like dairy poultry or farm machinery as also the working capital requirement for non-farm sector activities being undertaken by farmers in arriving at the limit. However, the instructions issued by the various banks have been at variance. Some of the banks have restricted such additional credit as a percentage of the crop limit sanctioned varying from 10percent to 30percent. While a few banks have specifically instructed their
branches to sanction a fixed amount per activity to meet the working capital requirement while others have issued instructions indicating that these requirements should be reckoned as a part of the overall limit sanctioned for crop and no separate limit be worked out for this purpose. Some of the banks have not followed either the percentage method or a fixed amount approach but have advised their branches to calculate the actual requirement and sanction the amount subject to some ceiling. Some banks have clubbed allied activities and non-farm sector for arriving at the limits together while a few have advised their branches to work their requirement separately. Regarding requirement for consumption purposes, though most of the banks did not show it separately, they have included it as a part of either allied and/or NFS requirement. One of the banks has linked the sanction of consumption credit to compulsory saving by stipulating a minimum saving of 10 percent of the limit sanctioned for crop subject to maximum of Rs. 50,000/- thereby implying that if certain borrowers do not want consumption credit, they were exempted from compulsory saving.

3.6.9 Margin and Security Norms

All the banks have issued instructions in their respective circulars on Kisan Card about margin and security norms. While majority of the banks have specifically mentioned margin requirement for different slabs of
sanctioned amount, others have advised that the cards would be covered by norms as applicable in the case of other agriculture advances.

3.6.10 Facilities of drawal at other branches

One of the ideas behind kisan card was to allow flexibility to the farmer for drawal of cash at various branches of the issuing bank particularly those located in semi urban or urban areas to facilitate easy availability of cash for purchase of agri-inputs like fertilizer and pesticides. Though most of the banks had allowed this facility to the cardholder, some have restricted this facility to the identified branches within the district only. However, wherever this facility has been extended, it has been allowed for only literate cardholders. Cardholders who are illiterate will have to operate on the limit from the issuing branch only. The banks which have allowed this facility to their card holders had advised their branches to charge a specific amount as service charges if the card holder withdraws cash at a branch(s) other than the issuing branch. The amount of such service charge/commission ranged from 2percent to 3percent of the cash withdrawn. It is felt that the percentage is quite high and rather than being a facility, it appeared to work as deterrent.
3.6.11 Repayment instructions

Although the limit sanctioned under the kisan card is in the nature of revolving cash credit and each drawal is repayable within 12 months yet all the banks have advised their branches to fix specific repayment norms while sanctioning credit limit under kisan cards. All the banks have followed the procedure of fixing sub-limit under the kisan card and operations on the next sub-limit are permitted only when the repayment of the previous sub-limits are made. This meant that if a farmer has been sanctioned a limit with sub-limits for kharif and rabi crops, he would be allowed to draw on kharif limit only when full/partial (depending upon the instructions issued by the bank) amount under Kharif limit has been repaid. Similarly, to draw upon the Rabi limit, specific portion of outstanding under kharif sub-limit will have to be repaid. These stipulations need to be revised to make the card really a credit type card.

3.6.12 Insurance of the card holder

Although in the model scheme circulated by RBI/NABARD, insurance of the cardholder by the issuing banks was not recommended, some of the banks namely Andhra Bank, Allahabad Bank and Vijaya Bank have introduced the provision of insurance of the cardholder in the scheme implemented by them. Important details in this regard have been shown below
Table 3.14

Insurance Premium

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Amount of Insurance</th>
<th>Premium to be borne by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Andhra Bank</td>
<td>Rs.1,00,000</td>
<td>Rs.50/- to be borne by card holder</td>
</tr>
<tr>
<td>2. Allahabad Bank</td>
<td>Rs.1,00,000</td>
<td>To be borne by the card holder</td>
</tr>
<tr>
<td>3. Vijaya Bank</td>
<td>i) Rs.25,000</td>
<td>i) Premium for SF &amp; MF borne by bank</td>
</tr>
<tr>
<td></td>
<td>ii) Rs.25,000 (scheme optional)</td>
<td>ii) Premium borne by card holder other than SF &amp; MF.</td>
</tr>
</tbody>
</table>

Source: Primary Data

This is a good feature introduced by some of the commercial banks with a view to not only add to the marketing component of the kisan card product but also providing good security to the borrower and also to the bank for the amount borrowed under the card. With effect from the year 2001-02, Union Finance Minister has proposed to make the insurance compulsory for all kisan card holders and the premium would be shared by the card issuing institutions.

3.6.13 Issue of Cheque book

One of the basic ideas behind introducing kisan card was to provide flexibility and convenience to the farmer in borrowing and repayment of
money. In order to facilitate the drawal of cash both at the issuing as well as other designated branches some of the banks have issued cheque book to the card holders. This facility, however, has been restricted to only literate borrowers. In certain other banks, this facility has been given only to farmers holding good record. In the remaining banks, the drawals of cash are allowed only through the debit slip at the card-issuing branch only.

3.6.14 Service Charges

For issuing kisan card, most of the banks have been levying fees under different names such as service charges, follow-up charges, out-of-pocket expenses, inspection charges, etc. to cover their cost. Banks like Canara Bank, UCO Bank, have exempted small borrowers from such charges. In some of the banks, these charges are quite substantial (Rs.100 admission fee and Rs.100 membership fee). Some of the banks have also been charging inspection charges as well as application processing charges from the borrower. For replacement of lost card or damaged card, a few of the banks have been charging as high as Rs.200/- from the borrower to provide duplicate card. Similarly, one or two banks have also been levying charges as much as Rs.200 as penalty in case of hot-listing of card.
3.6.15 Opening of Saving Bank account

Except Syndicate bank, none of the other Commercial banks have made it compulsory for borrower to open a Saving Bank account with the bank branch in order to avail the facility of kisan card.

3.6.16 Payment of interest on credit balance in the Saving Bank account

Except a few, most of the banks have not given specific guidelines to their branches in the kisan card circular about the payment of interest on credit balance in the kisan card account. A few banks who have issued instructions in this regard are either prescribing certain minimum credit balance for a specific period or paying interest @ 4percent on minimum balance from the 10th to the last day of the month. In absence of this facility, many farmers may not be induced to maintain credit balance in the kisan card account and this could affect the recovery of dues.

3.6.17 Crop Insurance

Among the public sector banks, only 6 banks have provided guidelines to their branch managers in the circular relating to kisan card on coverage of crop insurance under Rashtriya Krishi Bima Yojna. For instance, Syndicate bank have advised its branches that premium for crop insurance to be worked out on the basis of limit sanctioned for the crop insurance. Other
banks have advised their branch managers to debit the crop insurance premium to the borrowers account wherever insurance scheme is available.

3.7 Regional Rural Banks

3.7.1 Launching of Kisan Credit Card Scheme

The RRBs had launched the Kisan Credit Scheme with effect from the year 1998-99 and had formulated their guidelines on the basis of the model scheme circulated by NABARD in August 1998. Prior to the launching of KCC, some of the RRBs had adopted a Cash Credit System for crop loans, which got rechristened as KCC Scheme by the respective banks incorporating suitable modifications.

3.7.2 Eligibility of farmer for issue of Kisan Card

By the original circular, issued by most of the RRBs, branches were advised to issue Kisan Cards to only those farmers who were having good track record for the last 2-3 years. However, later on, the banks have modified these instructions to allow the issue of cards to even new borrowers who were considered creditworthy. The banks had advised all their branches to issue cards. Bank-wise targets fixed by NABARD were disaggregated branch-wise by the banks and communicated to branches.
3.7.3 Minimum Credit Limit

Reserve Bank of India and NABARD while circulating their model scheme on Kisan Credit Card among the banks, had recommended Kisan Cards for the farmers where requirement of crop loan was Rs.5,000/- and more. However, the ceiling was subsequently amended and the banks were advised that they could work out their own limits/ceiling. On a review of the schemes of RRBs, it is observed that most of the banks have brought down the ceiling from Rs.5,000/- to Rs.3,000/-. Some of the banks did not stipulate any lower ceiling in monetary terms.

3.7.4 Basis for fixation of credit limit

Reserve Bank of India and NABARD, through the model scheme circulated among the banks had indicated that credit limit under Kisan Cards may be fixed on the basis of operational land-holding, cropping pattern and scales of finance as recommended by District Level Technical Committee (DLTC)/State Level Technical Committee (SLTC). Wherever the DLTC/SLTC have not recommended scales of finance of crops or in the opinion of the bank, recommended lower scales than the required amount, banks were allowed to fix appropriate scales of finance of the crop. It was also stipulated that for fixation of card limit, operational landholding may include the leased in land and exclude leased out land.
Thus, the credit limit under the card by the bank was fixed at 50 percent of the total income from all sources. As there are no definite parameters to estimate the income of the farmer, this method may not be adequate/complete.

### 3.7.5 Fixation of Seasonal Limit

The model scheme had indicated that while fixing the limit, banks may take into account entire production credit requirement of the farmers for full year including the credit requirement of the farmer for ancillary activities related to crop production such as maintenance of agricultural machinery/implements, electricity charges, etc. and non-farm activities. Banks were also advised to fix appropriate sub-limits within the overall sanction, taking into account the seasonality in the credit requirement. The scheme formulated by most of the banks have built this feature in the working out of the overall limit. Some of the banks have left it to the discretion of the branch managers to fix seasonal limits. As a result, the entire limit sanctioned to the farmers under the card can be operated throughout the year.

### 3.7.6 Limit for working capital requirement for agricultural and allied activities and NFS

As envisaged in the model scheme, almost all the CBs had issued instructions for inclusion of short-term fund requirement for meeting the needs of allied activities like dairy poultry or farm machinery as also the
working capital requirement for non-farm sector activities being undertaken by farmers in arriving at the limit. However, the instructions issued by the various banks have been at variance. Some of the banks have stipulated that such additional credit could be for 10percent-30percent of the crop limit sanctioned. While a few banks have specifically instructed their branches to sanction a fixed amount per activity to meet the working capital requirement, others have issued instructions indicating that these requirements should be reckoned as a part of the overall limit sanctioned for crop and no separate limit need be worked out for this purpose. Some of the banks have not followed either the percentage method or a fixed amount approach but have advised their branches to calculate the actual requirement for these activities and sanction the amount subject to some ceiling. Some banks have clubbed allied activities and non-farm sector for arriving at the limits together while a few have advised their branches to work their requirement separately. As regards requirements for consumption purposes, though most of the banks did not show it separately, it has been included as a part of their allied and/or NFS requirement.

### 3.7.7 Margin and Security Norms

All the banks have issued instructions on margin and security norms. While majority of the banks have specifically mentioned margin requirement for different slabs of sanctioned amount, some have advised that the cards
would be covered by norms applicable in the case of other agriculture advances in conformity with the circulars issued by RBI.

### 3.7.8 Facilities of drawal at other branches

One of the objectives of introducing Kisan Card was to allow flexibility to the farmer for drawal of cash at various branches of the issuing bank particularly those located in semi urban or urban areas to facilitate easy availability of cash for purchase of agri-inputs like fertilizer and pesticides. However, it was found that all the banks have restricted the operations in KCC to the issuing branches only.

### 3.7.9 Repayment instructions

Although the limit sanctioned under the Kisan Card is in the nature of revolving cash credit and each drawal is repayable within 12 months, all the banks have decided to fix specific repayment norms while sanctioning credit limit under Kisan Cards. All the banks have followed the procedure of fixing sub-limit under the Kisan Card. This meant that if a farmer has been sanctioned a limit with sub-limits for kharif and rabi crops, he would be allowed to draw on kharif limit only when full/partial (depending upon the instructions issued by the bank) amount under kharif limit has been repaid. Similarly, to draw upon the rabi limit, specific portion of outstanding under
kharif sub-limit will have to be repaid. These stipulations are restrictive in nature and need to be revised to make the card really a cash credit type card. As against this, the scheme envisages multiple credits such that any given drawal has one year's period for repayment.

3.7.10 Insurance of the card holder

In the model scheme circulated by RBI/NABARD, insurance of the card holder by the issuing banks was not recommended. Accordingly, none of the RRBs had provided for accidental insurance cover for KCC holders. The banks may introduce the scheme after the recent announcements made by the hon’ble union finance minister.

3.7.11 Issue of Cheque book

One of the basic idea behind introducing Kisan Card was to provide flexibility and convenience to the farmer in borrowing and repayment of money. In order to facilitate the drawal of cash at the issuing branches, some of the banks have issued cheque book to the card holders.

3.7.12 Service Charges

For issuing Kisan Card, most of the banks have been levying fees, which aimed at cost coverage under different names such as service charges, follow-up charges, out-of-pocket expenses/inspection charges, etc. Some of
the banks have also been charging inspection charges as well as application processing charges from the borrower. For replacement of lost card or damaged card, a few of the banks have been charging as high as Rs.200/- from the borrower to provide duplicate card. Similarly, one or two banks have also been levying charges as much as Rs.200/- as penalty in case of hot-listing of card.

3.7.13 Coverage under RKBY

RRBs have advised their branches to include KCC disbursements under Rashtriya Krishi Bima Yojana in states where RKBY was being implemented.

3.8 Co-operative Bank

3.8.1 Launching of Kisan Credit Card Scheme

Co-operative Banks had launched the Kisan Credit Scheme based on the model scheme circulated by NABARD in August 1998. While some State Cooperative Banks (SCBs) launched the scheme in 1998-99. Based on the instructions of SCBs, District Central Cooperative Banks introduced the scheme in their area of operation.
3.8.2 Eligibility of farmer for issue of Kisan Card

The cooperative banks had stipulated that Kisan Cards would be issued to members who were not defaulters. In conformity with the scheme of NABARD, the SCBs has stipulated that KCCs would be issued to farmers availing limit of Rs.5000 or above.

3.8.3 Minimum Credit Limit

The model scheme on Kisan Credit Card had recommended Kisan Cards for the farmers where requirement of crop loan was Rs.5,000/- and above. However, this ceiling was subsequently waived and all the banks were advised that they could work out their own loan limits/ceiling. On a review of the schemes of Cooperative, it is observed that most of the banks have brought down the ceiling from Rs.5,000/-to Rs.3,000/-. Some of banks did not stipulate any lower ceiling in monetary terms.

3.8.4 Basis of fixation of credit limit

The model scheme had stipulated that credit limit under Kisan cards may be fixed on the basis of operational land-holding, cropping pattern and scales of finance as recommended by District Level Technical Committee (DLTC)/State Level Technical Committee (SLTC). Wherever the DLTC/SLTC have not recommended scale of finance for crops or in the
opinion of the bank, recommended lower scales than the required amount, banks were allowed to fix appropriate scales of finance of the crop. It was also stipulated that for fixation of card limit, operational land-holding may include the leased in land and exclude leased out land. Co-operative Banks had stipulated that limit may be fixed based on scale of finance, cropping pattern and land holding.

3.8.5 Restriction on maximum amount

Cooperative Banks restricted the maximum amount under KCC based on the Individual Maximum Borrowing Power (IMBP) as per state Acts/Rules and bank’s bye laws. There were some variations depending upon prevalence of high value cash crops in the area. In some states, the IMBP was a meagre Rs.30,000/- to Rs.40,000/- irrespective of land holding, cropping pattern.

3.8.6 Fixation of Seasonal Limit

The model scheme had recommended that while fixing the limit, banks may take into account entire production credit requirement of the farmers for full year including the credit requirement of the farmer for ancillary activities related to cost production such as maintenance of agricultural machinery / implements, electricity charges, etc. and also allied activities and non-farm activities. Banks were also advised to fix appropriate sub-limits within the overall limit sanctioned, taking into account the seasonality in the credit
requirement. However, Cooperative banks had restricted the limit to crop production only based on seasonality.

3.8.7 Type of Card

Cooperative Banks had uniformly devised a Pass Book which served the purpose of a card-cum-pass book. It contained all the details about the farmer and his borrowings.

3.8.8 Limit for working capital requirement for agricultural and allied activities and NFS

Most of the Cooperative Banks did not provide for working capital requirements for ancillary activities related to crop production, allied activities and NFS. In states like Punjab and Haryana, an amount of Rs. 1000 per acre subject to a ceiling of Rs. 10,000 was being provided for ancillary activities.

3.8.9 Margin and Security Norms

All the members were required to contribute share capital (mostly 10 percent) as a percentage to limit sanctioned keeping in view the provisions in the State Acts/Bye laws. Accordingly, share capital was collected as per provisions of State Acts. Security norms were in conformity with State Acts/ RBI/ NABARD instructions.
3.8.10 Facilities of drawal at other branches

In case of co-operative banks, drawals were allowed either at the branch of DCCB or at the society having cash counters. In some states, cash withdrawal was permitted at branch and the society simultaneously whereas in many other states cash withdrawal was allowed at branch only.

3.8.11 Maintenance of “Shadow Register”/”Mirror Accounts”

Because of the practice of allowing drawals either at the branch and/or at the society, the co-operative banks had introduced a system of maintenance of “Shadow Registers”/”Mirror Accounts” at the branch level. This was a replica of the loan ledger at the society. These banks had put in place a system of regular exchange of information between the branch and the society.

3.8.12 Repayment instructions

Although the limit sanctioned under the kisan card is in the nature of revolving cash credit and each drawal is repayable within 12 months yet all the banks had fixed specific repayment norms while sanctioning credit limit under kisan card. Mostly, due dates were fixed based on harvesting/marketing season as was the case prior to introduction of KCC scheme.
3.8.13 Insurance of the card holder

In the model scheme circulated by RBI/NABARD, insurance of the card holder by the issuing banks was not recommended. But Andhra Pradesh State Coop. Bank in its scheme had provided for an accident insurance cover for Rs.1,00,000/-. This is a good feature introduced by the SCB with a view to not only add to the marketing component of the Kisan card product but also to provide good security to the borrower and also to the bank for the amount borrowed under the card. With effect from the year 2001-02, Hon’ble Union Finance Minister has proposed to make the insurance compulsory for all Kisan card holders and the premium would be shared by the card issuing institutions.

3.8.14 Issue of Cheque book

One of the basic idea behind introducing Kisan card was to provide flexibility and convenience to the farmer in borrowing and repayment of money. In order to facilitate the drawal of cash at the issuing branches, some of the banks have issued cheque book, to the card holders.

3.8.15 Service Charges

Cooperative Banks levied very nominal charges to cover the cost of stationery.
### 3.9 Efficacy of Kisan Card - Observation from field

As a part of the study as many as 469 farmers who had availed the KCC facility were interviewed to ascertain their view points. These field visits had brought out several findings of importance, which could have a bearing on the future policy in this regard and also help in speeding up the progress of implementation by highlighting the operational difficulties. The feedback on the questionnaire which was administered to 469 KCC holders in a semi-structured interview has been presented in the following paragraphs.

#### 3.10 Coverage of New Farmers

Out of the 469 farmers covered in the field study, 48 percent of total, were new borrowers. It may be quite possible that some of them were borrowing from other banks and may have shifted to new branches; but nonetheless, these were the customers of kisan card product. The balances 52 percent were borrowers continuing with same banks. Such a good number of new borrowers demanding kisan card could due to many factors such as effective publicity by the banks, utility of kisan card and the continuous monitoring of the progress by RBI and NABARD.
3.11 Adequacy of Credit

It may be mentioned here that kisan card scheme envisaged coverage of all the short term credit needs of the farmers including crop loan and other items of production credit/ working capital/ short-term requirements for non-farm activities. The idea behind this approach was to ensure that farmers get adequate credit to meet all of their short term needs through the single window of kisan card. 67 percent of the total farmers covered during field visit, felt that the credit limits sanctioned to them under kisan card were adequate. The rest 33 percent, which mostly comprised of borrowers from cooperative banks, felt that it was not adequate. This was because most of the cooperative banks were having a ceiling on the amount of crop loans that could be sanctioned to an individual. As a result the farmers with bigger land holding did not get sufficient credit to meet their entire needs and they were
compelled to approach other agencies to bridge the gap. Some of the farmers felt that the scales of finance for different crops fixed by District Level Technical Committee (DLTC), in which cooperative banks had a major say, were on lower side. In many districts the DLTC had not revised the scales of finance for crops for quite some time now. It may be mentioned that the DLTC is the body having representatives from all major banks including cooperative banks and government departments at the district level. District Central Cooperative Bank (DCCB) is the convenor of the task force meetings. Cooperative banks were strictly following the scales of finance, even if they were quite old, whereas commercial banks and RRBs had been revising the scales if they felt that those were inadequate. Thus the borrowers of commercial banks and RRBs were generally getting the advantage of higher credit as compared to borrowers of cooperative banks. Further as has been mentioned, kisan card also envisaged meeting the short term credit need of the farmers for purposes other than raising the crops, Cooperative banks had however not been providing such limits while sanctioning the credit limit to farmers under kisan card. Perhaps this could be due to the fact that NABARD refinance for seasonal agricultural operations covers only the loans for crops and other part of the limit has to be met out of their own resources by the cooperative banks. The weak resource position of many cooperative banks did not permit this. This is a policy issue deserving consideration by NABARD as also by RBI. It may be possible for NABARD to provide refinance against
non-crop component also, if RBI sanctions additional General Line of credit limit to NABARD while sanctioning credit line for seasonal agricultural operations.

On the other hand commercial banks and Co-Operative Banks had been sanctioning short-term credit for non-crop purposes regularly. There were not many complaints from cardholders of commercial banks and Co-Operative Banks on the adequate credit under kisan card.

![Figure 2]

**Figure 2**

**Adequacy of Credit**

- **Adequate**: 67%
- **Inadequate**: 33%

**Source**: Primary Data

### 3.12 Facility of drawals from other branches

One of the objectives of kisan card was to provide flexibility in operating upon the credit limit sanctioned to the borrower under the card. In tune with this spirit some of the commercial banks, albeit at a cost, had allowed their card holders to draw cash from the branches other than the card
issuing branch so that he could purchase inputs from the taluka or district headquarters and take the advantage of competitive prices of inputs. Almost all Cooperative banks had not extended this facility to their card holders owing to various considerations. They felt that this would create a lot of complications in the accounting and would not give any real advantage to farmer. Most of the farmers were not even aware of such a facility in the kisan credit card. Another reason for the low demand for this facility by farmers could be that an up-front commission at the rate of 2 to 3 percent of the amount of cash drawn was charged by some banks (viz. Allahabad Bank) offering this facility of drawal from other branches under kisan card. For instance, if a farmer draws cash of Rs. 10000 from a branch he would get only Rs. 9700. This would increase his interest rate by more than 3 percent.

3.13 Operations on the KCC

Kisan card besides, providing flexibility and adequate credit to meet all of the needs was also intended to reduce the cost of credit. Card holder was expected to draw and repay as and when needed depending upon his cash flow. Frequent transactions would effectively reduce the outstanding loans thereby lowering the interest paid. About 28 percent of the farmers covered all over the country had frequent operations and utilised the kisan credit card effectively. Whereas majority i.e. 72 percent, of the farmers did not make frequent operations on the limit sanctioned to them under the card. There
could be many reasons for this. Firstly, many farmers were apprehensive that if they repay their loans before the due date they would not get repeat loans. They were mostly guided by their previous experiences in this regard. Second factor partly responsible for this was the complicated procedure of drawls based on the seasonal sub-limits of the total limit. This aspect need to be examined carefully in the light of the fact that kisan card was aimed at to reduce the complications and simplify the procedures so that farmers get greater access to bank credit. If the bank is sanctioning a revolving cash credit under kisan card for period of 12 months then the farmer should be permitted to operate upon it as freely as possible and in a very simple way. Some of the banks have followed this approach, whereas few of the banks have complicated the procedure to such an extent that it has become a problem not only for the farmer but to their field staff also to sanction the limit and monitor it. Thirdly, some of the farmers who had surplus amount but did not deposit it in the kisan card account were under the impression that they would not get any interest on credit balance. Their fears were mostly due to ignorance about the instructions in this regard as most of the banks had issued instruction to their branches to provide interest on the credit balance in the kisan card cash credit account. The product of kisan card practically is only 2 year old. It is expected that in another 1-2 years this would become a very popular financial product among the rural clients and farmers would use it very effectively.
3.14 End-use of Credit

During the field visit an effort was made to ascertain the end use of credit for purposes for which the credit was sanctioned under the kisan card. There were apprehensions that in view of liberal approach adopted by banks regarding the monitoring the end use like not insisting on documentary proofs of purchase of inputs etc., in the kisan card scheme, tendency to misutilise the credit would increase. The observations from the field however indicate that all the farmers had used the credit limit firstly to finance their expenses on raising the crops. And thereafter a substantial number of farmers had used the credit under kisan credit card for meeting their working capital and other short term needs for farm and non-farm activities also. Another significant observation was that about 28 percent of total sample had used a certain amount sanctioned credit under kisan credit card for consumption purposes also, as kisan card had the provision of sanction of certain amount to meet the cash outflows on consumption expenses. It may also be mentioned that the responses given by the branch managers interviewed during the field study did not hint any increase in the tendency to misutilise or divert the credit facility given under the kisan card. Thus the apprehensions on misutilisation of the credit under kisan card were mostly misplaced.
3.15 Purchase of Fertilisers & other inputs

The objective of the kisan card scheme as given in the model scheme circulated by RBI and NABARD was to ensure adequate and timely support from banking system to farmers for their cultivation needs including purchase of inputs in a flexible and cost effective manner. The utility of the kisan credit card in purchase of fertilizers or other inputs was ascertained from the farmers during the field study. Almost 75 percent of the farmers were of the opinion that the kisan credit card was extremely useful and it had many advantages over the earlier system of crop loaning. Firstly, there was no insistence by the banks on certain portion of limit to be lifted as kind component, particularly by commercial banks and RRBs in most of the states and the farmer had the freedom to utilise the limit in the manner as suited to him. Secondly, there was no compulsion to buy inputs at the beginning of the cropping season. Farmer could buy the inputs during the off-season, when these were cheaper. This helped in reducing cost of cultivation. Thirdly, the farmers were able to bargain over the prices of inputs from the dealer as they could pay in cash. They also had the freedom of selecting the shops/dealers unlike in the regular system of crop loans where choice of shops for purchase of inputs were limited. Fourthly, farmers could reduce some of the cost of inputs, as they did not have to pay commission to dealer to get bills and receipts as a documentary proof of purchase of inputs, which were necessary in the earlier
system. Thus kisan card has achieved one of its major objectives to a considerable extent and has also been quite useful not only in reducing the financial costs of loan to the farmer but also the non-financial cost as explained above.

3.16 Cost of Kisan Card - Service Charges

As has been explained in previous sections, banks have been levying various charges under different names like service charges, folio charges, out of pocket expenses, penalty for hot-listing of card, replacement of damaged card etc., from the farmers for issuing kisan cards. These charges were the highest among the commercial banks followed by Co-Operative Banks and thereafter cooperative banks. It was quite revealing to know that most of the farmers were aware of these charges. However some of the farmers, numbering 14, mentioned categorically that the banks did not give any specific information on these charges debited to their kisan card account. Banks may take a liberal view of it and attempt to keep these charges minimum. It is apprehended that such high invisible costs might turn away many of the willing farmers from obtaining the card. In fact banks would be able to gain more and thus offset the additional cost of kisan card by having more growth in business by attracting more farmers to avail kisan card facility. Further in order to bring greater transparency and increase in the
mutual trust in the relationship with their clients banks should inform all the borrowers about such charges.

3.17 Repayment dates

All the banks had issued detailed instruction, to their field functionaries on recovery of dues under the kisan card scheme. These have been discussed in detail in the chapter- 6 of this report. Keeping in view the diversity in the agricultural practices, crops grown, availability of the irrigation facilities and cropping intensities and other complexities involved, many banks have given freedom to their branch managers in fixing the repayment schedules. For instance giving additional time to repay the dues of perennial crops even though the credit limit sanctioned under the kisan card is for a period of 12 months and each drawl is repayable within 12 months. Since the kisan card was a innovative product there was a need to counsel and educate the farmers on the due dates in the new system so that farmers repays their dues in time. It was satisfying to know that all most all the farmers covered in the sample were aware of the repayment dates. The role of banks in educating the farmer in use of kisan card had been quite effective. Banks were giving special treatment to perennial crops wherever necessary. Branch Managers were effectively exercising their discretion to fix the dates according to the situation. Similarly farmers were also aware of the benefits of timely repayment of dues. Besides the data collected from the branch managers, on
various aspects of kisan card including its impact on recovery were also obtained. Majority of them opined that kisan card had led to better recovery. However it may be too early to make any decisive statement in this regard as many farmers, some of them even could be defaulters, might have repaid their old dues to procure kisan card. And this initial response may have led many branch managers to hurriedly conclude their views on kisan card.

3.18 Cheque Book facility for Cash drawals

Kisan card also aims at simplifying the procedures for providing better and flexible services to the farmers availing credit. Model kisan card scheme had suggested many things relating to maintenance and operation of card account. These also included the procedure for withdrawal of cash by using specially designed withdrawal slips or cheques. In tune with this many banks had designed different coloured slips or cheque books to improve the services rendered to card holders. During the field study an effort was made to ascertain the efficacy of these services rendered by banks. It was observed that only 27 percent of total framers were issued cheque books and the rest 73 percent had to use the withdrawal slip. However the farmers were not much concerned about this as the practice of paying through cheques was not much popular among the dealers of inputs owing to various reasons. Moreover, a good number of the farmers were illiterate and they experienced difficulty in using the cheques.
3.19 Utility of kisan credit card to farmers

All the KCC holders were of the unanimous opinion that the kisan credit card was advantageous to them in more than one way and the most important of them are listed below:

<table>
<thead>
<tr>
<th>Utility</th>
<th>Percentage of Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Timely availability of credit</td>
<td>- 100percent</td>
</tr>
<tr>
<td>b) Adequate credit- majority</td>
<td>- 71percent</td>
</tr>
<tr>
<td>c) Savings in cost – in annual renewal</td>
<td>- 95 percent</td>
</tr>
<tr>
<td>d) Reduction in cost of accessing credit</td>
<td>- 56percent</td>
</tr>
<tr>
<td>e) Hassle free procedure</td>
<td>- 95percent</td>
</tr>
</tbody>
</table>
As could be concluded from the responses given above that the kisan card has been accepted as a good credit product by the farmers. It had been successful in overcoming some of the problems of earlier system.

### 3.20 Problems of farmers with KCC

During the field study problems relating to the card were also ascertained and the feedback was in general that no specific problem, except delay in issue of the card were noticed. There was also no specific complaint about selectivity or discrimination among the client group by banks while issuing of the card. There were also no major problem reported in operations of the kisan credit card. The issue of inadequate credit particularly in respect of cooperative banks has already been discussed in the earlier paragraphs.

### 3.21 Overall rating of the KISAN CREDIT CARD

Out of the 469 farmers interviewed, 71 percent of total felt that the kisan credit card was very good whereas remaining opined that it was satisfactory.
Here it may be mentioned that all the above observations were based on the limited survey conducted under the study. The study does show that there were several specific variations and even agency-wise differences prevailing in different Taluks in the matter of implementation of kisan credit card.

3.22 Kisan Credit Card Scheme – Monitoring Arrangements

As on 31 December 2010, more than 1 crore Kisan Credit Cards have been issued with aggregate sanctions of more than Rs.20000 crore. Notwithstanding the acceptability of the KCC as a useful and effective medium of credit delivery by all the banks, such progress in issue of cards would not have been possible but for the close monitoring by Reserve Bank of India, NABARD and Government of India. Monitoring arrangements that are put in place to review of the progress of the scheme are detailed below:

3.23 Monitoring Arrangements for Commercial Banks and RRBs

At the Block level, progress of the KCC scheme is being reviewed by the Block Level Bankers Committee (BLBC) regularly. BLBC is a committee of bankers headed by the Lead Bank Officer of the district. The Block Development Officer and officers from the line departments also participate in such meetings. At the district level, District Consultative Committee (a committee of bankers chaired by the District Collector and attended by all the
line departments in the district) reviews the progress of the KCC scheme as a part of its agenda. Similarly at the State level, State Level Bankers Committee, the highest forum to review the banking activities in a state (this committee is chaired by the Chief Secretary or the APC) reviews the KCC scheme. In addition, the banks also review the progress in house through reports/ returns and during the conference of branch managers. The Regional Rural Banks review KCC scheme in their board meetings. Further, progress in implementation of KCC by RRBs is also being reviewed in State Level Coordination Committee Meetings.

3.24 Monitoring Committee for Cooperative Banks at State Level

NABARD has suggested the following arrangement for co-operative banks for review of KCC scheme. State Level Monitoring and Review Committee has been constituted under the chairmanship of the Secretary (Co-operation) of the state for close monitoring and review of the progress in implementation of the scheme by co-operative banks and to sort out the operational problems if any. The Registrar of Co-operative Societies, Managing Director of the State Co-operative Bank and the Chief Executive of the District Central Co-operative Banks and officer in charge of NABARD are the other member of the committee.
3.25 Monitoring Arrangements at the national level

NABARD is reviewing the progress in implementation of the KCC scheme at national level fora such as meetings of State Co-operative Banks, meetings of National Federation of State Co-operative Banks (NAFSCOB). NABARD is also keeping Reserve Bank of India, Ministry of Finance and Ministry of Agriculture informed of the progress and steps taken to ensure success of the scheme.

3.26 Reporting by Banks

All the banks have prescribed monthly progress reports for their branches. Besides, coverage of small and marginal farmers and other farmers are also reported by branches to their controlling offices. Regional Rural Banks and Co-operative Banks report the progress to NABARD and Commercial Banks report the progress to Reserve Bank of India.

Because of the close monitoring by all concerned, the scheme is now being implemented by all the 27 Public Sector Banks, 192 out of 196 Regional Rural Banks and 337 out of 367 central co-operative banks all over the country. As regards coverage of states/union territories, the scheme is being implemented in all the states/union territories except Sikkim, Chandigarh, Daman & Diu and Dadra & Nagar Haveli.