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"KISAN CREDIT CARD SCHEME – AN IDEAL TRUMP CARD FOR AGRICULTURE CREDIT DELIVERY SYSTEM"

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Abstract: The Kisan Credit Card (KCC) scheme is a flagship program and innovative credit intervention mechanism to facilitate adequate and timely credit in a hassle-free manner for the production, consumption as well as investment requirements of the farmers. This paper aimed at studying the conceptual framework of the Kisan Credit Card scheme and analysing the assessment of composite Kisan Credit Card limits for marginal, small, and large farmers. The study is based on secondary data taken from statistical reports of RBI and NABARD. It was found that marginal farmers can access loan amounts ranging from Rs.10,000 to Rs. 50,000 based on their cropping patterns and scale of finance and perceived investment of farmers and the bank's discretion play a vital role to lend credit to small and large farmers. The authors opined that the KCC scheme is an influential instrument that ensures not only the financial inclusion of marginal and small farmers but also facilitates timely and adequate credit to the group of resource-constrained farmers by overcoming the challenges of prerequisite collaterals. It is concluded that to facilitate sufficient finance in a hassle-free way, still there is a need to build an enabling ecosystem with respect to policy interventions, institutional innovations, and digital technologies.

Keywords: Kisan Credit Card, Agriculture Credit, Composite Limit, Marginal Farmers

1. Introduction

India being an agrarian economy, agriculture and allied sector is the largest employer of the workforce, accounting for a sizeable 18.8 percent of Gross Value Added (GVA) of the country during 2021-22 (GOI, Economic Survey, 2021-22) and Agriculture is the primary source of livelihood for about 54.6 percent of total workers (Census 2011). About 65 percent of the total population of the country lives in rural areas which are directly or indirectly engaged in agriculture and allied activities (World Bank, 2020). The agriculture sector has experienced buoyant growth of 3.9 percent in 2021-22. India is among the 15 leading exporters of agricultural products in the world, the agricultural exports have grown by 19.92% during 2021-22 to touch $ 50.21 billion (DGCI&S). Livestock, Dairy farming, and Fisheries have become the major drivers of growth in the allied sector. Agriculture also plays a crucial role in the development of the secondary sector as well. The agriculture sector is the backbone of the Indian economy in terms of its perceived ability to contribute significantly to achieving developmental objectives.

India is a land of farmers, the majority 86.08 % (Agriculture Census, 2015-16) are marginal and small farmers, Channelization of adequate finance from banking sector through innovative credit delivery mechanisms is the need of the hour. The NABARD being the apex institution and re-finance agency operating under the guidance of GOI and RBI, has undertaken many initiatives for the effective disbursement of agriculture credit through multi-agency like Commercial banks, RRBs, and Co-operative banks to the various types of farmers in accordance with their socio-economic conditions which promulgated to the introduction of the Kisan Credit Card (KCC) scheme, an innovative credit interventions system to facilitate farmers the short-term credit in a hassle-free manner under a single window with simplified procedures for production, consumption, and investment activities.

2. Literature Review

Gadgil (1986) analysed the major changes in farm credit since 1951, growth in credit since the inception of commercial banks to the rural credit and studied the performance of formal agricultural credit with respect to its contribution towards agricultural growth with the help of secondary data, was collected from statistical statements and reports of RBI, and Economic survey 1985-86. The study explained the system of infusion of institutional credit to rural and agricultural sector of the economy through various programs of Co-operative societies, ARDC, RRBs, and the NABARD and found that the rigidly administered lending rates accompanied by inflation in transaction costs and growing delinquency in loan repayment were major threats in dispensing agricultural credit.

Mohan (2006) studied the historical overview and reforms of agricultural credit and moreover analysed the progress of institutional credit to agriculture by describing the proportionate sharing of Co-operative banks, SCBs, and RRBs. The research is based on secondary data. The study found that non-institutional credit was the major source and Co-operatives were playing a major role prior to the enforcement of Five-year plans and nationalization of commercial banks. The author suggested to facilitate credit for post-harvest activities such as storage, transportation, processing, and marketing, which leads to greater links between agricultural diversification and rural industrialization.

Selvam & Karpagam (2011) aimed at understanding the conceptual framework of the KCC Scheme by studying its salient features, objectives, and associated benefits like insurance coverage. The authors also described the major initiatives taken by the Government to improve the accessibility of institutional credit through the KCC scheme and its progress in implementation of the Scheme. The paper observed that KCC within a short span of time had recognized as a popular short-term credit mechanism among the farming community and appreciated and accepted by the bankers as well.

Dar (2015) analysed the trend and growth of the flow of credit to agriculture after 1991in India. The study was based on secondary data compiled from several sources like reports of NABARD, Agriculture Census, and NSSO. The author has analysed the relative share of borrowing of cultivator households from different sources, and the amount of direct and indirect institutional credit for agriculture and allied activities. It was concluded that the provision of extending formal credit to agriculture should be the main concern of policymakers, planners, and development economists for its perceived ability not only to contribute to GDP, and employment but also complementarily to other sectors of the economy.

Kalirajan & Selvam (2019) assessed the KCC credit limit in the rural credit facilities in India. The conceptual paper is purely based on secondary data which described the notion of KCC, Benefits, Eligibility criteria, and the comparison of KCCs offered by Different banks. The authors moreover elucidated the calculation of the Composite KCC Limit based on which short-term credit offered to farmers.

Kaur (2020) studied the state-wise and zone-wise progress of the KCC scheme for the period 2001-02 to 2012-13. The secondary data was collected and analysed by using various statistical tools like mean, coefficient of variation, Analysis of variations, and F-test. It was observed that the state-wise progress of the KCC scheme has shown a wide gap in adoption of the KCC scheme in different parts of the country, the zone-wise analysis revealed that the number of cards issued per hectare of the cropped area was the highest in the North-eastern region, followed by Southern region, Central region, Eastern region, Western region, and Northern region.

Vilas et al. (2021) examined the growth and variations of the KCC scheme in terms of the number of cards issued the and amount sanctioned from 2017 to 2021. The research was based on secondary sources of data. The authors opined that the initiation of the KCC Scheme was a watershed moment in Indian agricultural credit history. It is observed that there is a sharp decline in the number of cards but a multi-fold increase in the amount sanctioned on the KCC. The study found that among all KCC issuing agencies, Commercial Banks were found to be ahead of Cooperative Banks and RRBs during the study period.

3. Research Gap

In view of the vital role played by the agricultural sector in the development of an economy, many research studies have been carried out on various aspects like the role of agricultural credit in the agricultural sector, farmers' perception, various schemes available, etc. From the review of the literature, it is found that sufficient studies are done on the area of agricultural credit. However few studies have been carried out on the KCC scheme and its progress, and performance. This paper sheds the light on conceptual framework and fixation of the KCC limit for small, marginal, and large farmers since it is viewed as a boon for the farming community.

4. Statement of the Problem

The Indian agricultural economy mainly depends on two factors i.e., Monsoon and Credit. Monitoring the monsoon is restricted to our technological advancements, but efforts can be made to improve credit distribution. India is a land of farmers, the majority 86.08% (Agriculture Census, 2015-16) are marginal and small farmers to whom short-term credit is incredibly important. Though the outreach and amount of short-term credit under the KCC Scheme has increased over the years, still approximately 30 % of agricultural households avail of credit from non-institutional sources (NAFIS 2016-17) at exorbitant rates for their requirements. This paper is an attempt to highlight the salient features of the KCC scheme and the assessment of the composite limit.

5. Objectives of the Study

1. To study the conceptual framework of the Kisan Credit Card (KCC) scheme.
2. To determine the Composite KCC limit for marginal, small, and large farmers through the Assessment Guidelines of RBI.

6. Research Methodology

The present study has been conducted based on secondary data, which has been collected from various journals, articles, and from the master circulars and statistical reports of RBI, NABARD and Economic surveys, Agriculture Census and NSSO.

7. Significance of the Study

1. The present research study will be helpful to understand the conceptual framework of the Kisan Credit Card scheme.
2. It will also be beneficial to understand the calculation of the composite Kisan Credit Card limit for marginal, small, and large farmers.

8. Limitations of the Study

1. The present study is restricted to comprehending the conceptual framework of the Kisan Credit Card scheme
2. The study is limited to secondary data.

9. Concept of the Kisan Credit Card Scheme

On the recommendations of the one-man high-level committee of Shri. R.V. Gupta in April 1998, an innovative credit intervention mechanism, the Kisan Credit Card (KCC) scheme was introduced and implemented in August 1998 mainly to provide adequate and timely credit in a hassle-free manner for production as well as consumption requirements of the farmers. The main objective of the scheme was to provide timely credit support from the banking system under a single window with flexible and simplified procedures for the farmers for their overall credit requirements such as the cultivation of crops, post-harvest expenses, marketing of produce, maintenance of farm assets, activities allied to agriculture, household expenses, and other ancillary running expenses and also to provide long term credit for investment activities. This facility can be availed by all the farmers through financial institutions like Commercial banks, RRBs, and Co-operative banks. Farmers are encouraged to access banking credit by offering interest subvention and prompt repayment initiatives. The KCC scheme provides a self-regulatory mechanism and revolving cash credit facility.

9.1 Characteristics of the Kisan Credit Card Scheme

- All the farmers are eligible to avail of this facility like owner cultivators whether individual or joint, Self-Help Groups (SHGs), Joint Liability Groups (JLGs), Tenant farmers, Sharecroppers, Oral lessees, etc.
- The farmers can avail of loans up to 3 lakhs and no collateral would be required to borrow up to 1.6 lakhs.
- The KCC is valid for a period of five years, subject to annual review by the concerned bank. During the review, the credit limit of the card can be enhanced, reduced, or even discontinued.
- Revolving cash credit facility which facilitates the cardholder to withdraw up to a specified limit and deposits as and when required.
- Interest subvention scheme (ISS) of 2% in the rate of interest available to all farmers.
- Prompt Repayment Initiative (PRI) of 3% in the rate of interest will be provided to the KCC holders who ensure a timely repayment.
- Insurance coverage for KCC scheme holders up to Rs.50,000 in the case of permanent disability or death and cover of Rs.25,000 is given in the case of other risks.
- The short-term limit of the card shall be fixed based on cropping patterns, scales of finance, and the long-term credit needs will be assessed based on the borrower's perceived investment.
- The facility of passbook, ATM cum debit card, and Cheque book facility can be availed by the KCC users, the provisions of the services vary from bank to bank.
- One-time documentation is required for taking the loan and thereafter only a simple declaration is needed by the farmer.
- Repayment shall be made within the period of 12 months. However, the term credit repayment will be for a period of 5 years, depending on the bank's discretion.

9.2 Objectives of the KCC Scheme

The KCC scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedures to the farmers for the following purposes.

- Short-term credit requirements for the cultivation of crops.
- Post-harvest expenses.
- Produce marketing loan.
- Consumption requirements of farmer households.
- Working capital for maintenance of farm assets and activities allied to agriculture.
- Investment credit requirement for agriculture and allied activities.

9.3 Eligibility

The following types of farmers are eligible to obtain the KCC.

- Farmers – individual / joint borrowers who are owner cultivators.
- Tenant farmers, Oral lessees & Sharecroppers.
- SHGs or JLGs of farmers including tenant farmers, sharecroppers, etc.

9.4 Interest Subvention Scheme & Prompt Repayment Incentive:

In order to make agriculture credit available at a cheaper rate of interest to farmers, the GOI has introduced the ISS and PRI facility. All KCC holders are conditionally privileged to receive Interest Subvention of 2% p.a. on short-term agriculture loans up to Rs. 3.00 lakh is available to farmers engaged in Agriculture and other allied activities including Animal Husbandry, Dairying, Poultry, fisheries, etc. at the rate of 7% p.a. Now, it is renamed as Modified Interest Subvention Scheme (MISS), to provide short-term credit to farmers at subsidized interest rates. An additional 3% of PRI is also given to the farmers for prompt and timely repayment of loans. Therefore, a farmer can borrow a loan at a minimal interest rate of 4% p.a.

Table 1: Number of Operative KCCs And Amount Outstanding in India as of March 2021(Amount in Crores and Number in '000)

Sr. No.	State	Co-operative Banks		Regional Rural Banks		Commercial Banks		TOTAL	
		No. of operative KCCs	Amount Outstanding	No. of operative KCCs	Amount Outstanding	No. of operative KCCs	Amount Outstanding	No. of operative KCCs	Amount Outstanding
Northern Region								**11,515**	**1,91,145**
1	Haryana	1179	11436	276	7697	809	26223	2,264	45356
2	Himachal Pradesh	111	1742	63	830	218	4055	392	6626
3	Punjab	961	7163	155	5307	1,128	42056	2244	54526
4	Rajasthan	3150	10011	760	17092	2705	57534	6,615	84637
North-Eastern Region								**1141**	**5,100**

5	Assam	1	19	280	1219	456	2517	737	3755
6	Arunachal Pradesh	1	5	3	24	5	33	9	62
7	Meghalaya	16	32	25	144	20	114	61	290
8	Mizoram	1	6	14	153	10	33	25	191
9	Manipur	2	17	10	38	6	46	18	101
10	Nagaland	4	20	1	2	23	125	28	147
11	Tripura	88	73	109	169	59	277	256	518
12	Sikkim	1	2	0	0	6	32	7	34
Western Region								**9,774**	**1,07,870**
13	Gujarat	954	11590	384	6622	1554	33909	2892	52121
14	Maharashtra	3392	18806	591	4585	2885	32244	6868	55635
15	Goa	2	16	0	0	12	98	14	114
Central Region								**19,927**	**2,01,957**
16	Uttar Pradesh	2661	6760	3541	41839	5079	69467	11281	118066
17	Uttarakhand	279	1191	41	296	286	5624	606	7111
18	Madhya Pradesh	3792	19376	439	7485	2043	41367	6274	68227
19	Chhattisgarh	1344	3426	134	825	288	4303	1766	8554
Southern Region								**18,524**	**1,84,800**
20	Karnataka	2925	17173	606	9777	1292	19140	4823	46090
21	Kerala	584	4017	298	3962	981	18766	1863	26745
22	Andhra Pradesh	1463	10879	931	10823	2211	30576	4605	52279
23	Tamil Nadu	1373	1360	34	311	1566	18193	2973	19865
24	Telangana	894	4746	1448	13274	1918	21801	4260	39821
Eastern Region								**11,746**	**54,836**
25	Odisha	3000	12217	440	2299	898	4805	4338	19320
26	West Bengal	1732	4355	391	1751	1589	7537	3712	13643
27	Bihar	238	418	1420	10035	1113	6932	2771	17385
28	Jharkhand	13	37	379	1963	533	2489	925	4488
Total		**30,161**	**146891**	**12,773**	**148520**	**29,693**	**450297**	**72,627**	**7,45,708**

Source: Trends and Progress of Banking in India, RBI.

The above table reveals the progress of the KCC scheme in India in terms of the number of cards issued and the amount outstanding state-wise and region-wise during the financial year 2020-21. There is 7.26 crore operating KCCs, and 7.46 lakh crore amount has been sanctioned by multi agencies via Commercial banks, Co-operative banks, and RRBs. The Central region has got the first place in terms of the number of cards and amount sanctioned followed by the Southern and Eastern regions. The state of Uttar Pradesh has been issued the highest number of cards as well as the amount sanctioned followed by Maharashtra and Rajasthan. Co-operative banks have issued the highest number of cards, however Commercial banks are ahead in terms of the amount sanctioned.

Table 2: Number of Operative KCCs And Amount Outstanding in UT As of March 2021(Amount in Crores and Number in '000)

Sr. No.	UT	Co-operative Banks		Regional Rural Banks		Commercial Banks		TOTAL	
		No. of Operative KCCs	Amount Outstanding	No. of Operative KCCs	Amount Outstanding	No. of Operative KCCs	Amount Outstanding	No. of Operative KCCs	Amount Outstanding
1	Jammu & Kashmir	8	59	118	884	883	5576	1,009	6518
2	Ladakh	0	0	0	0	30	281	30	281
3	New Delhi	0	5	0	0	4	91	4	95
4	Dadar & Nagar Haveli & Daman & Diu	0	0	0	0	1	22	1	22
5	Lakshadweep	0	0	0	0	0	3	0	3
6	Puducherry	6	10	1	13	9	152	16	175

7	Chandigarh	0	0	0	0	71	297	71	297
8	Andaman & Nicobar Island	6	16	0	0	2	18	8	34
	TOTAL	**20**	**90**	**119**	**896**	**1,000**	**6,440**	**1,139**	**7,425**

Source: Trends and Progress of Banking in India, RBI.

10. Composite Limit of KCC / Maximum Permissible Limit

The KCC scheme facilitates the farmers to borrow both production credit and investment credit for a period of short term and long term respectively based on their size of landholding and cropping pattern. Composite KCC Limit includes both crop loans and term loans. The Crop loan depends on the Scale of Finance (SoF) for the crop (as decided by the District Level Technical Committee) x Extent of area cultivated + 10% of the limit towards post-harvest/household/consumption requirements + 20% of the limit towards repairs and maintenance expenses of farm assets, repayable within a year. The fixed amount of term loan for investment is to be made towards land development, minor irrigation, purchase of farm equipment and allied agricultural activities, etc. The bank may fix and revise the quantum of credit based on its perception of the repaying capacity of the farmer and proposed investments during the period of five years. 10% of the crop loan amount towards cost escalation/increase in the scale of finance will be added to the composite credit limit for every subsequent year.

11. Assessment of KCC Credit Limit

I. Marginal Farmers Cultivating a Single Crop in a Year

Assumptions

- Landholding: 1 acre
- Crop grown: Cotton (SoF plus crop insurance per acre: ₹ 15,000)
- There is no change in Cropping Pattern for 5 years
- Allied/investment Activities to be financed - One Non-Descript Milch Animal (Unit Cost Rs: 20,000)

Table 3: Assessment of Composite KCC Limit for Marginal Farmers

year	Particulars	Amount
1	**A. Crop Loan Component**	
	Cost of cultivation for 1 acre of Cotton	15,000
	Add: 10% towards Post-harvest / Consumption / Household expenses	1,500
	Add: 20% towards Farm Maintenance / Working capital	3,000
	Total (A1)	**19,500**
	B. Term Loan Component Cost of One Milch Animal	20,000
	Composite KCC limit for the first year (A1 + B)	**39,500**
2	**A2. Crop Loan Component** A1 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {19,500 + (19,500 * 10/100 = 1,950)}	21,450

	Composite KCC limit for the second year (A2 + B) (21,450 + 20,000)	**41,450**
3	**A3. Crop Loan Component** A2 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {21,450 + (21,450 * 10/100 = 2,145)}	23,595
	Composite KCC limit for the third year (A3 + B) (23,595 + 20,000)	**43,595**
4	**A4. Crop Loan Component** A3 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {23,595 + (23,595 * 10/100 = 2,360)}	25,955
	Composite KCC limit for the fourth year (A4 + B) (25,955 + 20,000)	**45,955**
5	**A5. Crop Loan Component** A4 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {25,955 + (25,955 * 10/100 = 2,596)}	28,551
	Composite KCC limit for the fifth year (A5 + B) (28,551 + 20,000)	**48,551**
Composite KCC limit		**49,000**

Note: All the above costs estimated are illustrative in nature. The recommended scale of finance/unit costs may be considered while finalizing the credit limit.

II. Small Farmer Cultivating Multiple Crops in a Year

Assumptions

- Land holding: 2 acres
- Cropping Pattern
  - Paddy - 1 acre (SoF plus crop insurance per acre: ₹.15,000)
  - Sugarcane - 1 acre (SoF plus crop insurance per acre: ₹.25,000)
- Investment / Allied Activities
  - Establishment of 1+1 Dairy Unit in 1st Year (Unit Cost: ₹ 25,000 per animal)
  - Replacement of Pump set in 4th year (Unit Cost: ₹.40,000)

Table 4: Assessment of Composite KCC Limit For Small Farmers

year	Particulars	Amount
1	**A. 1. Crop Loan Component** Cost of cultivation for 1 acre of Paddy Cost of cultivation for 1 acre of Sugarcane Add: 10% towards Post-harvest / Consumption / Household expenses Add: 20% towards Farm Maintenance / Working capital	 15,000 25,000 4,000 8,000
	Crop loan limit for the first year	**52,000**

2	**2. Crop loan limit for the second year** A1 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {52,000 + (52,000 * 10/100 = 5,200)}	57,700
3	**3. Crop loan limit for the third year** A1 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {57,700 + (57,700* 10/100 = 5,770}	63,470
4	**4. Crop loan limit for the fourth year** A1 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {63,470+ (63,470* 10/100 = 6347)}	69,817
5	**5. Crop loan limit for the fifth year (A5)** A1 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {69,817+ (69,817* 10/100 = 6982)}	**76,799**
	B. Term Loan Component i. Establishment of 1+1 Dairy Unit in 1st Year (Unit Cost: ₹ 25,000 per animal) ii. Replacement of Pump set in the fourth year	50,000 40,000
	Total Term Loan Limit (B)	**90,000**
The Composite KCC limit (A5 + B) (76,799 + 90,000 = 1,66,799)		**1,67,000**

Note: Drawing Limit will be reduced every year based on the repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

III. Other Farmers Cultivating Multiple Crops in a Year

Assumptions

- Land holding: 15 acres
- Cropping Pattern
  - Paddy - 5 acres (SoF plus crop insurance per acre: ₹.15,000)
  - Sugarcane – 5 acres (SoF plus crop insurance per acre: ₹.22,000)
  - Groundnut – 5 acres (SoF plus crop insurance per acre: ₹.15,000)
- Investment / Allied Activities
  - Establishment of 1+1 Dairy Unit in 1st Year (Unit Cost: ₹ 50,000 per animal)
  - Purchase of Tractor in the 3rd year (Unit Cost: ₹.8,00,000)

Table 5: Assessment of Composite KCC Limit For Other Farmers Cultivating Multiple Crops

year	Particulars	Amount
1	**A. 1. The Crop Loan Component** Cost of cultivation for 1 acre of Paddy Cost of cultivation for 1 acre of Sugarcane Cost of cultivation for 1 acre of Groundnut Add: 10% towards Post-harvest / Consumption / Household expenses Add: 20% towards Farm Maintenance / Working capital	 15,000 25,000 15,000 5,500 11,000
	Crop loan limit for the first year (A1)	**71,500**

2	**2. Crop loan limit for the second year (A2)** A1 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {71,500+ (71,500* 10/100 = 7,150)}	78,650
3	**3. Crop loan limit for the third year (A3)** A2 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {78,650+ (78,650* 10/100 = 7,865}	86,515
4	**4. Crop loan limit for the fourth year (A4)** A3 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {86,515+ (86,515* 10/100 =8,652)}	95,167
5	**5. Crop loan limit for the fifth year (A5)** A4 plus 10% of crop loan limit (A1) towards cost escalation/increase in the scale of finance {95,167+ (95,167* 10/100 = 9,517)}	**1,04,684**
	B. The Term Loan Component iii. Establishment of 1+1 Dairy Unit in 1st Year (Unit Cost: ₹ 50,000 per animal) iv. Purchase of Tractor in the 3rd year	1,00,000 8,00,000
	Total Term Loan Limit (B)	**9,00,000**
The Composite KCC limit (A5 + B) (1,04,684+ 9,00,000 = 10,04,684)		**10,05,000**

Note 1: Drawing Limit will be reduced every year based on the repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

Note 2: All the above costs estimated are illustrative in nature. The recommended scale of finance/unit costs may be considered while finalizing the credit limit

Summary of the Findings

The crop loan (short-term) limit under KCC shall be fixed based on cropping patterns of farmers and the scale of finance which is been decided by DLTC. The investment credit (long-term) will be fixed based on the bank's discretion about the farmers' perceived investment and their repaying capacity. A marginal farmer can borrow a loan amount ranging from 10,000 to 50,000 under the KCC scheme. There is 7.26 crore operating KCCs, and a 7.46 lakh crore amount has been sanctioned during the financial year 2020-21. The state of Uttar Pradesh has been issued the highest number of cards as well as the amount sanctioned followed by Maharashtra and Rajasthan. Co-operative banks have issued the highest number of cards, however Commercial banks are ahead in terms of the amount sanctioned. The Central region is in first place in terms of the number of cards and amount sanctioned followed by the Southern and Eastern regions. The states of Sikkim, Arunachal Pradesh, and Goa have got the lowest KCCs. The Union Territory of Jammu & Kashmir has been issued the highest number of cards as well as the amount sanctioned followed by Chandigarh, and Ladakh.

Conclusion

The proper financial infrastructure to facilitate agricultural credit is profoundly essential for the sustainable development of an economy**.** The introduction of the KCC scheme was the watershed moment in the history of the Indian agriculture credit system due to its innovative delivery mechanism which facilitated the extension of institutional credit to marginal and small farmers in a hassle-free and simplified procedures by overcoming the challenges of collateral security which reduced their dependence on money lenders. This scheme is an influential instrument that ensured the financial inclusion of farmers by providing timely credit. The channelization of adequate agriculture credit will give a rise to the shift of marginal and small farmers from subsistence farming to commercial farming. Hence the KCC scheme is an ideal trump card in the agriculture credit delivery system. It was concluded that to facilitate sufficient finance in a hassle-free way, still there is a need to build an enabling ecosystem with respect to policy interventions, institutional innovations, and digital technologies.

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