Illustration II

Assessment of KCC LIMIT

1. Marginal farmer cultivating single crop in a year

1. Assumptions :

(ii)

- 1. Land holding : 1 acre
- 2. Crops grown : Paddy (Scale of finance plus crop insurance per acre : ₹ 11,000)
- 3. There is no change in Cropping Pattern for 5 years
- 4. Allied Activities to be financed One Non-Descript Milch Animal (Unit Cost Rs : 15,000)

2. Assessment of Card Limit :

(i) Crop Ioan Component

(Cost of cultivation for 1 acre of Paddy) : Add : 10% towards post-harvest / household expense / :			₹ 11,000
			₹ 1,100
•			T 0 000
Add : 20% towards farm maintenance	9	:	₹ 2,200
Total Crop Loan limit for 1st year	(A1)	:	₹ 14,300
Term Loan Component			
Cost of One Milch Animal	(B)	:	₹ 15,000
1st Year Composite KCC Limit :	(A1) + (B)	:	₹ 29,300
2nd Year :			
Crop loan component :			
A1 plus 10% of crop loan limit (A1) towards cost : escalation / increase in scale of finance [14,300+(10% of 14300 = 1430)](A2)			₹ 15,730
2nd Year Composite KCC Limit 15000)	: A2+B (1573	0 + :	₹ 30,730
3rd Year :			
Crop loan component :			
A2 plus 10% of crop loan limit (A2) towards cost : escalation / increase in scale of finance [15,730+(10% of 15730 = 1570)](A3)			₹ 17,300
3rd Year Composite KCC Limit 15,000)	: A3+B (17,30	0+:	₹ 32,300
4th Year :			
Crop loan component :			
A3 plus 10% of crop loan limit (A3) towards cost : escalation / increase in scale of finance [17,300+(10%			₹ 19,030
	- ,		Daga 11 of
	Add : 10% towards post-harvest / hd consumption Add : 20% towards farm maintenance Total Crop Loan limit for 1st year Term Loan Component Cost of One Milch Animal 1st Year Composite KCC Limit : 2nd Year : Crop loan component : A1 plus 10% of crop loan limit (A1) to escalation / increase in scale of finan of 14300 = 1430)] 2nd Year Composite KCC Limit 15000) 3rd Year : Crop loan component : A2 plus 10% of crop loan limit (A2) to escalation / increase in scale of finan of 15730 = 1570)] 3rd Year Composite KCC Limit 15,000) 4th Year : Crop loan component : A3 plus 10% of crop loan limit (A3) to	Add : 10% towards post-harvest / household expension Add : 20% towards farm maintenance Total Crop Loan limit for 1st year Image: Composite Component Cost of One Milch Animal Ist Year Composite KCC Limit : (A1) + (B) Int Year : Crop Ioan component : A1 plus 10% of crop Ioan limit (A1) towards cost escalation / increase in scale of finance [14,300+(109) of 14300 = 1430)] Image: Crop Ioan component : A2 plus 10% of crop Ioan limit (A2) towards cost escalation / increase in scale of finance [15,730+(109) of 15730 = 1570)] Image: Crop Ioan component : A2 plus 10% of crop Ioan limit (A2) towards cost escalation / increase in scale of finance [15,730+(109) of 15730 = 1570)] (A3) 3rd Year Composite KCC Limit : A3+B (17,30) 15,000) 4th Year : Crop Ioan component : A3 plus 10% of crop Ioan limit (A3) towards cost	Add : 10% towards post-harvest / household expense / : consumptionAdd : 20% towards farm maintenance:Add : 20% towards farm maintenance:Total Crop Loan limit for 1st year(A1)Term Loan Component(B)Cost of One Milch Animal(B)1st Year Composite KCC Limit :(A1) + (B)2nd Year :(A1) + (B)Crop loan component :(A1) towards costA1 plus 10% of crop loan limit (A1) towards cost:escalation / increase in scale of finance [14,300+(10% of 14300 = 1430)](A2)2nd Year Composite KCC Limit : A2+B (15730 + :15000)3rd Year :Crop loan component :(A3)A2 plus 10% of crop loan limit (A2) towards cost:escalation / increase in scale of finance [15,730+(10% of 15730 = 1570)](A3)3rd Year Composite KCC Limit : A3+B (17,300 + :15,000)4th Year :Crop loan component :A3 plus 10% of crop loan limit (A3) towards cost:

of 17300 = 1730)]	(A4)	
4th Year Composite KCC Limi 15,000)	it : A4+B (19,030 +	₹ 34,030
5th Year :		
Crop loan component :		
A4 plus 10% of crop loan limit (A4) escalation / increase in scale of fin		₹ 20,930
of 19,03 0 = 1,900)]	(A5)	
5th Year Composite KCC Limi 15,000)	it : A5+B (20,930 +	₹35,930

Maximum Permissible Limit /

Composite KCC Limi : Rs.36,000 Say

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