

Government of India  
Ministry of Finance  
Department of Financial Services

**LOK SABHA**

Unstarred Question No. 627

Answered on Monday, July 24, 2023/Sravana 2, 1945 (Saka)

**KISAN CREDIT CARD MANDATORY FOR LOANS FOR FARMERS**

627. SHRIMATI RANJEETA KOLI,  
SHRI SUMEDHANAND SARASWATI  
DR. MANOJ RAJORIA

Will the Minister of FINANCE be pleased to state:

- (a) whether it is mandatory for the banks to ask for legal reports through advocates when a farmer wants to avail the facility of Kisan Credit Card loan from the bank;
- (b) if so, the justification thereof, when all the details of the farmers land is already available online;
- (c) if not, the rationale behind the said practice;
- (d) whether farmers suffer financial losses when legal reports are called for by banks;
- (e) if so, whether the Government is making any efforts to do away with compulsion; and
- (f) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(DR. BHAGWAT KARAD)

(a) to (d): The guidelines on Kisan Credit Card (KCC) were issued vide Reserve Bank of India's (RBI) Master Circular on 'Kisan Credit Card Scheme' dated 04.07.2018. The scheme provides broad guidelines to banks for operationalizing the KCC scheme. As per the above Master Circular, documents required for availing KCC are as per banks' internal guidelines. Further, a one-time documentation is required to be done while availing KCC loan for the first time and thereafter simple declaration about crops grown/proposed to be grown by farmer from the second year onwards is sufficient for availing KCC.

(e) to (f): Keeping in view the hardship and financial distress of small and marginal farmers, the Government has issued an advisory to all the banks to waive the processing, documentation, inspection, ledger folio charges and all other service charges for KCC/crop loans upto Rs. 3.0 lakh.

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