

LOK SABHA

Unstarred Question No. 3227

Answered on Monday, 16 December, 2024/ 25 Agrahayana, 1946 (Saka)

Charges Levied on Kisan Credit Card

†3227. Shri Amra Ram:

Will the Minister of FINANCE be pleased to state:

- (a) whether the processing charges are being levied on the Kisan Credit Card (KCC) every year;
- (b) if so, the details thereof along with the charges which are being levied on the Kisan Credit Card and the basis of these;
- (c) whether any confirmation is obtained from the cardholders to carry out the inspection;
- (d) if so, the details thereof and the number of times the inspection charges are levied on the Kisan Credit Card in a year;
- (e) the rate of interest being charged on Kisan Credit Card on month/half-year/annual basis;
- (f) whether the online account proof of land is valid for Kisan Credit Card and if so, the reasons for the search report of the advocate being taken by the Baroda Rajasthan Regional Rural Bank?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (b): As per Reserve Bank of India (RBI) circular dated 04.07.2018, processing fee, inspection charges and other charges for Kisan Credit Card scheme (KCC) loans are to be decided by banks as per their respective Board approved policies. The Government has issued an advisory to all the banks to waive the processing, documentation, inspection and all other service charges for KCC loans upto ₹ 3 lakhs, keeping in view the hardship and financial distress of small and marginal farmers.

(c) to (d): It is informed by the banks that the permission of Kisan Credit Card (KCC) holder is obtained as a part of documents executed between banks and KCC holder to carry out inspection. The amount and periodicity of inspection charges is decided as per the respective banks' board-approved policies.

(e): Under the KCC scheme, loans up to ₹3 lakh are available at a concessional interest rate of 7% per annum. Additionally, farmers who repay their loans promptly can avail interest subvention of 3%, effectively reducing the interest rate to 4% per annum. For loans exceeding ₹3 lakh, the interest rates are determined by the respective bank's board-approved policies.

(f) NABARD and leading Public Sector Banks have reported that digitally signed online land records are accepted for KCC applications. However, the legal opinion is prescribed in order to confirm the authenticity of land record documents, since the digitisation of land records is yet to be completed in many states. Baroda Rajasthan Regional Rural Bank has reported that certificates are obtained from Tehsildars regarding ownership and nil pendency of government demand on agriculture land. In case of non-availability of certificate from Tehsildar, search report is obtained from Panel Advocate.