

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 5779

ANSWERED ON MONDAY, 30 MARCH, 2026/ CHAITRA 09, 1948 (SAKA)

Access to KCC for Smooth Credit Flow

†5779. SHRI GYANESHWAR PATIL:

SHRI NILESH DNYANDEV LANKE:

SHRI BHUMARE SANDIPANRAO ASARAM:

DR. SHIVAJI BANDAPPA KALGE:

Will the Minister of FINANCE be pleased to state:

(a) the steps taken to increase access to Kisan Credit Cards (KCC) to ensure smooth credit flow, achieve complete digital inclusion and provide support to small and marginal farmers across the States, particularly in Maharashtra and Madhya Pradesh;

(b) whether any coordination between the Reserve Bank of India and banks in the said States is being carried out to increase collateral-free KCC loans and enable instant, low document digital issuance through UPI, if so, the details thereof; and

(c) the measures taken to strengthen the grievance redressal mechanism at the district and Panchayat levels for KCC implementation and to protect whistle blowers?

ANSWER

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

(a) and (b) The Government has taken various steps to support farmers, including small and marginal, through increasing access to Kisan Credit Cards (KCC), and promoting its digital issuance in all States/UT including the states of Maharashtra and Madhya Pradesh, which inter-alia includes the following:

- i. The Priority Sector Guidelines of Reserve Bank of India (RBI) issued to banks and Ground Level Agriculture Credit (GLC) Target by the Government to banks act as key policy instruments in scaling up KCC coverage and enhancing financial inclusion among farmers. In terms of extant guidelines on Priority Sector Lending (PSL) issued by RBI, Commercial Banks including Regional Rural Banks, Small Finance Banks, Local Area Banks and Primary (Urban) Co-operative Banks (UCBs) other than Salary Earners' Banks are mandated to allocate at least 18% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBSE), whichever is higher, to agriculture, out of which a sub-target of 10 percent is prescribed for Small and Marginal Farmers (SMFs). Further, the PSL Guidelines also prescribe an incentive framework for districts with comparatively lower flow of credit to priority sector (which also include credit to agriculture and Small & Marginal farmers) and a dis-incentive framework for districts with comparatively higher flow of priority sector credit for more equitable distribution of the credit flow to agricultural sector.

- ii. Since 2019, KCC scheme has been extended to cover working capital requirement of animal husbandry, dairying and fisheries.
- iii. The Government of India's Modified Interest Subvention Scheme (MISS) offers short-term agricultural loans to farmers at a concessional interest rate of 7% through Kisan Credit Cards (KCC). Farmers who repay promptly receive an additional 3% incentive, effectively reducing their interest rate to just 4%.
- iv. The limit for collateral free short-term agricultural loans, including loans for allied activities, has been raised from Rs.1.60 lakh to Rs.2.00 lakh per borrower by RBI w.e.f. 01 January 2025. This move enhances credit accessibility, particularly for small and marginal farmers (over 86% of the sector), who benefit from reduced borrowing costs and the removal of collateral requirements.
- v. In order to bring awareness about the benefits of the KCC scheme among farmers, Union/State Governments, RBI, NABARD and Banks conduct various financial Literacy and awareness programmes through Centre for Financial Literacy (CFL), Financial Literacy Camps (FLCs) etc. Besides this, RBI also conducts Financial Literacy Week (FLW) every year to propagate the message of financial education on various themes among members of the public across the country.
- vi. Kisan Credit Card (KCC) scheme offers features such as an ATM-enabled debit card, one-time documentation, in-built provision for cost escalation in the credit limit, and the flexibility to make multiple withdrawals within the sanctioned limit, among others.
- vii. The Jan Samarth portal has been started as a one-stop digital platform for linking Government-sponsored loans and subsidies Schemes including Kisan Credit Card. It provides a quick and efficient way to apply for loans and obtain approvals based on a digital evaluation of the applicant's data. State Level Bankers' Committee (SLBC), Madhya Pradesh and Maharashtra have informed that banks in both the states have onboarded on the JanSamarth Portal through which farmers can apply for KCC. NABARD has also introduced e-KCC portal for Regional Rural Banks (RRBs) and Rural Cooperative Banks (RCBs) through which the process of loan application has been digitized, and farmers can submit their applications to RRBs and RCBs without visiting their branches.
- viii. Further, many banks and financial institutions have developed online platforms and mobile apps for end to end digital processing of loan applications, reducing the need for physical paperwork and in-person visits.

(c) Government and RBI have undertaken various initiatives to improve customer service, strengthen grievance redressal mechanisms in banks and protect whistle blowers, which inter-alia include the following:

- Banks are required to adhere to the customer service guidelines and the Reserve Bank – Integrated Ombudsman Scheme, 2021 guidelines (updated as Reserve Bank – Integrated Ombudsman Scheme, 2026 to be effective from 01 July 2026) issued by RBI.
- The Centralized Public Grievance Redressal and Monitoring System (CPGRAM) portal is available for citizens, including bank customers, to lodge grievances with public authorities regarding service delivery.

- In terms of Master Circular on Lead Bank Scheme dated 01 April 2025 issued by RBI, the Lead District Manager (LDM) of the district is required to convene a quarterly public meeting at various locations to provide grievance redressal to the extent possible or facilitate approaching the appropriate machinery for such redressal. Further, grievances are reviewed regularly in Block Level Bankers' Committee (BLBC) and District Consultative Committee (DCC) meetings.
- SLBC, Madhya Pradesh has informed that KCC borrowers/applicants can also lodge complaints through the CM Helpline portal and "Jan Sunwai" mechanism of the District Collector.
- Individual banks have also put in place their own whistle blower mechanism as per provisions of CVC guidelines/Company Act/ RBI guidelines as applicable to them.
