

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:378
ANSWERED ON:06.12.2013
PROCESSING FEE FOR KCC
Meghwal Shri Arjun Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether the banks levy no dues fees/ processing fee for Kisan Credit Cards (KCC) and other agricultural loans;
- (b) if so, the details and justification thereof;
- (c) whether the Reserve Bank of India (RBI) has received any complaints against any banks in this regard; and
- (d) if so, the details thereof along with the steps taken by the Government/RBI in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

a) & b) : As per the instructions issued by Reserve Bank of India(RBI) & National Bank for Agriculture & Rural Development (NABARD), the processing fee for Kisan Credit Card(KCC) is to be decided by the concerned bank.

However, NABARD has advised the State Cooperative Banks(StCBs) & Regional Rural Banks(RRBs) that the charges for issuing KCC should commensurate with the actual expenses and it should not be considered as a source of income. Further, RBI has also issued instructions to banks to dispense with the requirement of `no dues` certificate for small loans up to Rs 50,000/- to small and marginal farmers, share-croppers and the like, and instead, obtain self-declaration from the borrower.

(c) & (d) : RBI has reported that they receive complaints with regard to certain issues relating to agriculture credit. On receipt of such complaints, the matter is taken up, at appropriate level, for redressal thereof. However, separate data on specific nature of complaints such as complaints regarding charging of no dues fees/processing fees by the banks is not maintained by RBI.