

F.No. 3/7/2019-AC
Government of India
Ministry of Finance
Department of Financial Services

3rd floor, Jeevan Deep Building
Sansad Marg, New Delhi – 110001
Dated 04 February 2019

To

1. Chairman / MDs & CEOs of all Public Sector Banks and Private Sector Banks
2. Chairman NABARD

Subject : Campaign to achieve saturation under the Kisan Credit Cards (KCC) -reg

Sir/ Madam

1. The Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW), Government of India has decided to launch a special drive in campaign mode with an objective to saturate the farmers under the KCC Scheme.
2. In this context, the DAC&FW is separately requesting state governments to organize camps village-wise or bank branch-wise to facilitate farmers in completing KCC application forms with supporting documents including land records and hand them over to respective Bank branches. It is requested that Banks may extend all support to the State/ District administration and field level development & revenue functionaries in this campaign.
3. Keeping in view the importance of the campaign to saturate farmers under KCC, the following may please be ensured:
 - a. State Level Bankers Committee (SLBC) Conveners and Lead District Managers of banks should actively associate with the state/ district administration and coordinate with various SCBs, RRBs and Cooperative Banks in organising the village-wise or bank branch-wise camps. The District Level Bankers Committee (DLBC) will decide the modalities of the camps and the date wise schedule, accordingly. Officials from the concerned banks may actively associate during these camps.
 - b. In the branches, dedicated desks may be set up for receiving the forms and providing appropriate guidance to the farmers, so as to ensure prompt processing and approvals.
 - c. In case of eligible farmers who have an existing bank account but not a KCC, the KCC should preferably be issued by the bank in which he or she has an account. In case the eligible farmer does not have a bank account, then the same may be opened by the farmer in any branch as per his/her choice.
 - d. The simplified common application form circulated by Indian Banks Association vide their circular no SB/Cir/AGRI/480 dated 09.06.2016 should be utilized and widely disseminated in local language.
 - e. In all cases, it needs to be ensured that eligible farmers are issued KCCs within two weeks of the submission of completed application forms.
 - f. The Indian Banks Association, vide letter no SB/Cir/KCC/2018-19/6778 dated 04.02.2019 (copy enclosed), has issued an advisory guideline to all the banks to waive the processing, documentation, inspection, ledger folio charges and all other service charges for KCC/crop loans upto Rs three lakh, keeping in view the hardship and financial distress of small and marginal farmers. These directions may be followed while processing the applications for issue of KCC.

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4. Suitable instructions may therefore please be issued to all concerned, including to the sponsored RRBs, to ensure the success of this campaign. Further, the timely issue of KCCs under this drive may be closely monitored at the level of an Executive Director to be nominated as Nodal Officer.

Yours faithfully



(A.K. Das)

Deputy Secretary

Copy to:

1. SLBC conveners of all States.
2. Chairmen RRBs



Indian Banks' Association

SOCIAL BANKING

SB/Cir/KCC/2018-19/6778
04th February, 2019

**The Chairman State Bank of India &
MD & CEOs of all Member Banks**

Dear Sir / Madam,

Waiver of processing fee, inspection, ledger folio charges and all other service charges for crop loans including those under the Kisan Credit Card (KCC) Scheme.

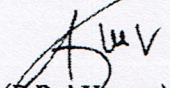
The Kisan Credit Card scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers to meet the short term credit requirements for cultivation of crops, investment credit requirement for agriculture and allied activities and other needs.

2. In India, Land holding pattern is dominated by Small and Marginal farmers (SMF) category. Roughly 85 per cent of the total operational holdings in the country (about 43 per cent of the gross cropped area) are in the SMF category. There are around 21.6 crore Small and Marginal farmers (or 4.3 crore families). Providing timely and affordable credit to this resource constrained group is the key to attaining inclusive growth. The Small and Marginal farmers are the most affected during times of floods, droughts, and other natural calamities. As per parliamentary Standing Committee on Agriculture the losses due to climate change account for overall GDP loss of 1.5% of agriculture economy. The instability in income of the farmers due to various types of risks involved in production, low bargaining power, etc. add more distress to the already affected farmers.

3. In this context, it is learnt that some of scheduled commercial banks are collecting a nominal amount of service charges towards processing, documentation, inspection, etc. for agriculture loans. However, some of the banks are collecting service charges which are at a bit higher.. There is no uniformity amongst banks in this regard. It is also observed that, service charge is to be paid irrespective of whether the loan is sanctioned or not. This often acts as a deterrent for the farmers to approach the banks for loans.

4. The aforesaid matter was examined by IBA Managing Committee at its meeting on 28-12-2018. The Managing Committee was of the view that IBA to issue advisory guidelines on the captioned subject. Hence, the banks are requested to waive the processing, documentation, inspection, ledger folio charges and all other service charges for KCC/crop loans upto ₹ 3 Lakhs, keeping in view of the hardship and financial distress of Small and Marginal farmers.

Yours faithfully.


(B Raj Kumar)
By: Chief Executive