

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3990**

ANSWERED ON MONDAY, AUGUST 18, 2025/ SRAVANA 27, 1947 (SAKA)

**WAIVE OFF VARIOUS CHARGES FOR SMALL FARMERS**

†3990. SHRI HANUMAN BENIWAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Indian Banks Association has advised to waive off processing, documentation, inspection, ledger folio fee and other service charges for KCC loans upto Rs. 3 Lakhs in view of the financial hardships of small and marginal farmers;
- (b) whether the said advice is being followed by the banks and if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) whether the Government proposes to make it mandatory so that it is strictly complied with by all the banks?

**ANSWER**

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

(a) to (d) In a deregulated credit environment, banks have been accorded the discretion to take credit related decisions, including levy of charges and fees, in terms of their Board approved policy subject to prudential norms of RBI. Accordingly, banks take decision on processing fee, inspection charges and other charges for Kisan Credit Card scheme (KCC) loans as per their respective Board approved policies and in accordance with the provisions of Master Circular on Kisan Credit Card scheme (KCC) dated 04.07.2018 issued by RBI.

Indian Bank Association issued an advisory on 04 February 2019 and requested all the member banks to waive the processing, documentation, inspection 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.

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