



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2017-18/80

FIDD.GSSD.CO.BC.No.17/09.01.03/2017-18

October 18, 2017

The Chairman / Managing Director
Public and Private Sector Banks
(As per list in Annexure II)

Dear Sir / Madam,

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) - Aajeevika - Interest Subvention Scheme

Please refer to our [circular FIDD.GSSD.CO.BC.NO.13/09.01.03/2016-17 dated August 25, 2016](#) on Interest Subvention Scheme under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).

2. The revised guidelines for the year 2017-18 on Interest Subvention Scheme under DAY- NRLM, as received from the Ministry of Rural Development, Government of India, are annexed for implementation by 21 Public Sector Banks and 19 Private Sector Banks (as per list attached). The circular in respect of RRBs and Co-operative banks will be issued by NABARD.

Yours faithfully

(Ajay Kumar Misra)
Chief General Manager

Encl: As above

वित्तीय समावेशन और विकास विभाग, केन्द्रीय कार्यालय, 10 वी मंजिल, केंद्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट बॉक्स सं. 10014, मुंबई -400001

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हिंदी आसान है, इसका प्रयोग बढ़ाए।

“चेतावनी : रिज़र्व बैंक द्वारा मेल-डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।”

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

Interest subvention scheme for Women SHGs - Year 2017-18

I. Interest subvention scheme on Credit to Women SHG during the year 2017-18 in 250 districts as per [Annexure I](#)

- i. All women SHGs will be eligible for interest subvention on credit upto ₹ 3 lakhs at 7% per annum. SHG availing capital subsidy under SGSY in their existing credit outstanding will not be eligible for benefit under this scheme.
- ii. Banks will lend to all the women SHGs in rural areas at the rate of 7%.
- iii. Banks will be subvented to the extent of difference between the Weighted Average Interest Charged (*WAIC as specified by Department of Financial Services, Ministry of Finance for the year 2017-18 – [Annexure II](#)*) and 7% subject to the maximum limit of 5.5% for the year 2017-18. This subvention will be available to banks on the condition that they make SHG credit available at 7% p.a.
- iv. Further, the SHGs will be provided with an additional 3% subvention on the prompt repayment of loans. For the purpose of Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered prompt payee if it satisfies the following criterion as specified by Reserve Bank of India (RBI).
 - a. For Cash Credit Limit:
 - i. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days
 - ii. There should be regular credit and debits in the accounts. In any case there shall be **at least one customer induced credit during a month**
 - iii. **Customer induced credit** should be sufficient to cover the interest debited during the month.
 - b. For the Term loans: A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment.
- v. The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in the future.

All prompt payee SHG accounts as on the end of the reporting quarter will be eligible for the additional interest subvention of 3%. The banks should credit the amount of 3% interest subvention to the eligible SHG loan accounts and thereafter seek the reimbursement.

- vi. The scheme is limited to Women Self Help Groups in rural areas only
- vii. The funding for the scheme will be met out of Central Allocation under DAY-NRLM
- viii. The interest subvention scheme shall be implemented through a Nodal Bank selected by the Ministry of Rural Development (MoRD). The Nodal Bank will operationalize the scheme through a web based platform, as advised by MoRD. For the year 2017-18, Canara bank has been nominated as the Nodal bank by MoRD.
- ix. To be eligible for interest subvention under the scheme, banks will have to operate under a Core Banking Solutions (CBS).
- x. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, banks are required to upload the SHG loan account information on the Nodal Bank's portal as per the required technical specification. The claim for additional subvention of 3% for prompt repayment by SHGs should also be uploaded on the same portal. Both the regular claims (difference between WAIC or lending rate and 7%) and additional claims (@ 3% on prompt repayment) should be submitted on a quarterly basis as on June 30, 2017, September 30, 2017, December 31, 2017 and March 31, 2018 by last week of the subsequent month.
- xi. The claims submitted by banks should be accompanied by claim certificate (in original) certifying the claims for subvention as true and correct ([Annexure-III](#) & [IV](#)). The claims of any Bank for the quarter ending March 2018 will be settled by MoRD only on receipt of the Statutory Auditor's certificate for the complete FY17-18 from the Bank.
- xii. Any remaining claim pertaining to the disbursements made during the year 2017-18 and not included during the year, may be consolidated separately and marked as an '*Additional Claim*' and submitted to Nodal Bank latest by June 30, 2018, duly audited by Statutory Auditor's certifying the correctness. No claims from banks pertaining to interest subvention for Financial Year 2017-18 are admissible after June 30, 2018
- xiii. Any corrections in claims by Banks shall be adjusted from later claims based on auditor's certificate and corrections must be made on the Nodal Bank's portal accordingly.

II. Interest subvention scheme for Category II Districts (Other than 250 districts).

For category II districts, comprising of districts other than the above 250 districts, all women SHGs under DAY- NRLM will be eligible for interest subvention to avail the loan facility at an interest rate of 7%. The funding for this subvention will be provided to the State Rural Livelihoods Missions (SRLMs) from the allocation for DAY- NRLM. In the Category II districts, Banks will charge the SHGs as per their respective lending norms and the difference between the lending rates and 7%

subjected to a maximum limit of 5.5% for the FY17-18 will be subvented in the loan accounts of the SHGs by the SRLM. In pursuance of the above, the salient features and the operational guidelines in respect of the interest subvention for the category II districts, for the year 2017-18 are as follows:

(A) Role of the Banks:

All banks who are operating on the Core Banking Solution (CBS) are required to furnish the details of the Credit disbursement and Credit outstanding of the SHGs across all districts in the desired format as suggested by the MoRD, directly from the CBS platform, to the Ministry of Rural Development (*through FTP or interface*) and to the SRLMs. The information should be provided on a monthly basis to facilitate the calculation and disbursement of the Interest Subvention amount to SHGs.

(B) Role of the State Governments:

- i. All women SHGs from rural areas, are regarded as SHGs under DAY-NRLM and will be eligible for interest subvention on credit upto ₹3 lakhs at the rate of 7% per annum on prompt repayment.
- ii. This scheme will be implemented by the State Rural Livelihood Missions (SRLMs). SRLMs will provide interest subvention and the funding for this subvention will be met out of the Central Allocation and State Contribution as per the norms of Government of India.
- iii. The SHGs will be subvented with the extent of difference between the lending Rate of the banks and 7% subject to a maximum limit of 5.5% for the year 2017-18 by the SRLMs, directly on a monthly/quarterly basis. An *e-transfer* of the subvention amount will be made by the SRLM to the loan accounts of the SHGs who have repaid promptly. In case the loan account is already closed, or e-transfer to the loan account is not successful due to any reason, the subvention amount may be transferred to the corresponding savings account of the concerned SHG.
- iv. For the purpose of the Interest Subvention, an account will be considered as prompt payee if it satisfies the following criterion as specified by RBI:
 - a. For Cash Credit Limit:
 1. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days
 2. There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month
 3. Customer induced credit should be sufficient to cover the interest debited during the month.

b. For the Term loans: A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment. The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in the future.

- v. Women SHGs who have availed capital subsidy under SGSY in their existing loans, will not be eligible for benefit of Interest Subvention for their subsisting loan under this scheme.
- vi. SRLMs should submit Quarterly Utilization Certificate indicating subvention amounts transferred to the Loan accounts of the eligible SHGs.

III. Ministry of Rural Development (MoRD) in consultation with State Governments will harmonize State specific interest subvention schemes (if any) in line with the Central scheme.

Annexure I

List of 250 eligible Districts for the Interest Subvention on the loan at 7% and additional interest Subvention of 3% on the prompt repayment

<u>Sl No</u>	<u>States</u>	<u>Sl No</u>	<u>Name of districts</u>
1	ANDHRA PRADESH	1	Guntur
		2	Krishna
		3	Srikakulam
		4	East Godavari
		5	Vijaynagram
		6	Visakhapatnam
2	ARUNACHAL PRADESH	1	East Siang
		2	East Kameng
		3	Papumpare
		4	Lohit
3	ASSAM	1	Chirang
		2	Karbi Anglong
		3	Sonitpur
		4	Tinsukiya
		5	Hailakandi
		6	Dhemeji
		7	Jorhat
		8	Nagaon
4	BIHAR	1	Saharsa
		2	Supaul
		3	Madhepura
		4	Nalanda
		5	Khagria
		6	EastChamparan (Motihari)
		7	Arwal
		8	Aurangabad
		9	Gaya
		10	Jamui
		11	Jehanabad
		12	Kaimur
		13	Munger
		14	Nawada
		15	Rohtas
		16	Paschim Champaran
		17	Sitamarhi
5	CHATTISGARH	1	Balarampur
		2	Surajpur
		3	Sukama
		4	Kondagaon

<u>Sl No</u>	<u>States</u>	<u>Sl No</u>	<u>Name of districts</u>		
		5	Gariyaband		
		6	Baloda Bazar		
		7	Dhamtari		
		8	Raigarh		
		9	Bastar		
		10	Bijapur		
		11	Dantewada		
		12	Jashpur		
		13	Kanker		
		14	Kawardha		
		15	Koriya		
		16	Narayanpur		
		17	Rajnandgaon		
		18	Sarguja		
		6	GUJARAT	1	Chhotaudepur
				2	Mahisagar
				3	Mehsana
				4	Junagadh
		5	Vadodara		
		6	Banaskantha		
		7	Panchmahal		
7	JHARKHAND	1	Pakur		
		2	Dumka		
		3	Godda		
		4	Bokarao		
		5	Chatra		
		6	Garhwa		
		7	Giridh		
		8	Gumla		
		9	Hazaribagh		
		10	Khunti		
		11	Kodarma		
		12	Latehar(N)		
		13	Lohardaga		
		14	Paschim Singhbhum		
		15	Palamu		
		16	Purbi Singhbhum		
		17	Ramgarh		
		18	Ranchi(Rural)		
		19	Saraikele(N)		
		20	Simdega(N)		
8	KARNATAKA	1	Bijapur		
		2	Chamrajnagar		
		3	Chitradurga		

<u>Sl No</u>	<u>States</u>	<u>Sl No</u>	<u>Name of districts</u>
		4	Gulbarga
		5	Mysore
		6	Tumkur
		7	Gadag
		8	Koppal
9	MADHYA PRADESH	1	Sager
		2	Damoh
		3	Tikamgarh
		4	Panna
		5	Chahatapur
		6	Jhabua
		7	Dhar
		8	Annupur
		9	Balaghat
		10	Dindori
		11	Mandala
		12	Seoni
		13	Shahdol
		14	Sidhi
		15	Umaria
		16	Chhindwara
		17	Singrauli
		18	Badwani
		19	Sheopur
		20	Alirajpur
10	MAHARASHTRA	1	Solapur
		2	Ratnagiri
		3	Thane
		4	Wardha
		5	Beed
		6	Sindhurdurg
		7	Chandrapur
		8	Gadchiroli
		9	Gondia
		10	Jalna
		11	Osmanabad
		12	Nandurbar
		13	Yavatmal
11	ODISHA	1	Angul
		2	Bhadrak
		3	Balasore
		4	Cuttack
		5	Balangir
		6	Devagarh

<u>Sl No</u>	<u>States</u>	<u>Sl No</u>	<u>Name of districts</u>
		7	Gajapati
		8	Ganjam
		9	Jaipur
		10	Kalahandi
		11	Kandhamal
		12	Kendujhar
		13	Koraput
		14	Malkangiri
		15	Mayurbhanj
		16	Nabarangpur
		17	Nayagarh
		18	Nuapada
		19	Rayagada
		20	Sambalpur
		21	Sonapur
		22	Sundargarh
12	RAJASTHAN	1	Dungarpur
		2	Banswara
		3	Dholpur
		4	Jhalawar
		5	Baran
		6	Ajmer
		7	Alwar
		8	Dausa
		9	Udaipur
13	TAMIL NADU	1	Cuddalore
		2	Nagapattinam
		3	Thanjaore
		4	Trichy
		5	Dindugal
		6	Vilupuram
		7	Vellore
		8	Thiruvannamalai
		9	Dharmapuri
14	UTTAR PRADESH	1	Agra
		2	Aligarh
		3	Auraiya
		4	Basti
		5	Bijnor
		6	Lakhimpur Kheri
		7	Unnao
		8	Varanasi
		9	Bara banki
		10	Gorakhpur

<u>Sl No</u>	<u>States</u>	<u>Sl No</u>	<u>Name of districts</u>
		11	Lucknow
		12	Chandauli
		13	Mirzapur
		14	Sonbhadra
		15	Badaun
		16	Hardoi
		17	Etwah
		18	Azamgarh
		19	Allahabad
		20	Ambedkarnagar
		21	Bahraich
		22	Deoria
		23	Jalaun
		24	Hamirpur
		25	Banda
15	WEST BENGAL	1	Alipurduar
		2	Purba Medinipur
		3	South 24 Parganas
		4	Bankura
		5	Medinipur West
		6	Coochbehar
		7	Birbhum
		8	Puruliya
16	TELANGANA	1	Mahabubnagar
		2	Adilabad
		3	Warangal
		4	Khammam
		5	Karimnagar
17	KERALA	1	Idukki
		2	Vayanadu
		3	Pallakkad
		4	Mallapuram
18	HARYANA	1	Mahendergarh
		2	Karnal
		3	Jind
		4	Mewat
		5	Bhiwani
		6	Jhajjar
19	HIMACHAL PRADESH	1	Kangra
		2	Una
		3	Shimla
		4	Mandi
20	JAMMU & KASHMIR	1	Kupwara
		2	Poonch

<u>Sl No</u>	<u>States</u>	<u>Sl No</u>	<u>Name of districts</u>
		3	Kistwar
		4	Ganderbal
		5	Budgam
		6	Udhampur
21	PUNJAB	1	Patiala
		2	Sangrur
		3	Bathinda
		4	Tarn Taran
		5	Gurdaspur
		6	Ferozepur
22	UTTRAKHAND	1	Pithoragarh
		2	Pohri Garwal
		3	Chamoli
		4	Bageshwar
23	MANIPUR	1	Chandel
		2	Imphal East
24	MEGHALAYA	1	West Garo Hills
		2	South West Khasi Hills
		3	West Khasi Hill
25	MIZORAM	1	Serchhip
		2	Aizwal
		3	Lunglei
26	NAGALAND	1	Kiphre
		2	Longleng
		3	Peren
		4	Tuensang
		5	Mon
27	TRIPURA	1	Dhalai
		2	West Tripura
		3	North Tripura
28	PUDUCHERRY	1	Puducherry
29	ANDAMAN & NICOBAR ISLANDS	1	North & Middle Andhman Dist
30	SIKKIM	1	South Sikkim
		2	East Sikkim
31	GOA	1	North Goa

Annexure-II

Weighted Average Interest Charged (WAIC) for 2017-18

SL	Name of Bank	Weighted Average Interest Charged (WAIC)	Interest to be subvented above 7% based on WAIC, subjected to a cap of 5.5%
	Public Sector Banks		
1	Allahabad Bank	9.25	2.25
2	Andhra Bank	12.50	5.50
3	Bank of Baroda	9.10	2.10
4	Bank of India	8.80	1.80
5	Bank of Maharashtra	10.50	3.50
6	Canara Bank	10.15	3.15
7	Central Bank of India	9.50	2.50
8	Corporation Bank	10.85	3.85
9	Dena Bank	10.12	3.12
10	Indian Bank	11.83	4.83
11	Indian Overseas Bank	11.46	4.46
12	Oriental Bank of Commerce	10.10	3.10
13	Punjab National Bank	10.76	3.76
14	Punjab & Sind Bank	10.71	3.71
15	State Bank of India	11.50	4.50
16	Syndicate Bank	10.25	3.25
17	UCO Bank	11.34	4.34
18	Union Bank	9.10	2.10
19	United Bank of India	10.63	3.63
20	Vijaya Bank	11.45	4.45
21	IDBI	11.55	4.55
	Private Sector Banks		
1	The Karur Vyasa Bank	12.07	5.07
2	Kotak Mahindra Bank	NA*	NA*
3	Dhan Laxmi Bank	12.50	5.50
4	Tamilnad Merchantile Bank	12.50	5.50
5	Yes Bank	NA*	NA*
6	Indusind Bank	NA*	NA*
7	Axis Bank	12.48	5.48
8	HDFC Bank	15.25	5.50
9	ICICI Bank	14.48	5.50
10	Lakshmi Vilas Bank	11.05	4.05
11	J&K Bank	12.50	5.50
12	City Union Bank	11.50	4.50
13	Karnataka Bank Ltd	11.50	4.50
14	DCB Bank	26.00	5.50
15	RBL Bank	18.00	5.50
16	Bandhan Bank	NA*	NA*
17	IDFC Bank	NA*	NA*
18	Capital Small Finance Bank	NA*	NA*
19	South Indian Bank	12.35	5.35

NA* - Banks with NIL exposure to WSHG

Annexure III

Claim for Interest Subvention on loans to women SHGs at 7% per annum, for the credit up-to ₹3 Lakhs, for the year 2017-18

Name of Bank:

Statement for claims for the period to: Loans disbursed/outstanding up-to ₹ 3 lakhs

New loan accounts opened during the periodto		Outstanding as at (end of previous period)		Total outstanding as at		Amount of interest subvention
No of Accounts	Amount	No of Accounts	Amount	No of Accounts	Amount	Amount

We hereby certify that loans to women SHGs up-to ₹3 lakhs were charged Interest @ 7% per annum on the above disbursement/outstanding in the year 2017-18. We certify that the above claimed amount and the accounts are from the Category-I districts only and all the accounts claimed are eligible for interest subvention as per RBI guidelines. We also certify that there is no duplication in the claims and minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Dated

Authorized Signatory

(This claim format, consolidated for the entire year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31, 2018, within June 30th of the next financial year)

Claim for additional Interest Subvention @ 3% on the prompt repayment, for the credit up-to ₹ 3 Lakhs, for the year 2017-18

Name of Bank:

Statement for claims for the period to: Loans disbursed/outstanding up to ₹ 3 lakhs

New loan accounts opened during the periodto		Outstanding as at (end of previous period)		Total outstanding as at		Regular / eligible women SHGs		Amount of interest subvention
No of Accounts	Amount	No of Accounts	Amount	No of Accounts	Amount	No of Accounts	Amount	Amount

We certify that the above loans were repaid on time and the benefit of additional 3% interest subvention has been passed on to the women SHG's account, reducing the effective rate of interest to 4% for the prompt payee women SHGs. We also certify that there is no duplication in the claims and minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards.

Dated

Authorized Signatory

(This claim format, consolidated for the entire year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31, 2018, within June 30th of the next financial year)