



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2018-19/137

FIDD.CO.FSD.BC.No.15/05.02.001/2018-19

March 7, 2019

The Chairman / Managing Director & CEOs
All Public & Private Sector Scheduled Commercial Banks

Madam/Dear Sir,

Interest Subvention Scheme for Short Term Crop Loans during the years 2018-19 and 2019-20

Please refer to our [circular FIDD CO. FSD. BC. No.21/05.04.001/2017-18 dated June 7, 2018](#) conveying continuation of Interest Subvention Scheme on the interim basis. In this regard, it is advised that Government of India has approved the implementation of the Interest Subvention Scheme with modifications for the years **2018-19 and 2019-20** for short term crop loans up to ₹ 3 lakh with the following stipulations:

- In order to provide short-term crop loans upto ₹ 3 lakh to farmers at an interest rate of 7% p.a. during the years 2018-19 and 2019-20, it has been decided to offer interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Commercial Banks (in respect of loans given by their rural and semi-urban branches only). This interest subvention of 2% will be calculated on the crop loan amount from the date of its disbursement/drawal up to the date of actual repayment of the crop loan by the

वित्तीय समावेशन और विकास विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय भवन, पो.बा.सं.10014, मुंबई 400 001

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हिंदी आसान है, इसका प्रयोग बढ़ाइये

“चेतावनीरिज़र्व 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।”
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farmer or up to the due date of the loan fixed by the banks whichever is earlier, subject to a maximum period of one year.

- ii. To provide an additional interest subvention of 3% per annum to such of those farmers repaying in time i.e. from the date of disbursement of the crop loan upto the actual date of repayment by farmers or upto the due date fixed by the banks for repayment of crop loan, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers repaying promptly as above would get short term crop loans @ 4% per annum during the years 2018-19 and 2019-20. This benefit would not accrue to those farmers who repay their crop loans after one year of availing such loans.
- iii. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses, the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post the harvest of the crop at the same rate as available to crop loan against negotiable warehouse receipts issued on the produce stored in warehouses accredited with Warehousing Development Regulatory Authority (WDRA).
- iv. To provide relief to farmers affected by natural calamities, an interest subvention of 2% per annum will be made available to banks for the first year on the restructured loan amount. Such restructured loans will attract normal rate of interest from the second year onwards.
- v. However, to provide relief to the farmers affected due to **severe natural calamities**, an interest subvention of 2 percent per annum will be made available to banks for the first three years/entire period (subject to a maximum of five years) on the restructured loan amount. Further, in all such cases, the benefit of prompt repayment incentive @ 3% per annum shall also be provided to the affected farmers. The grant of such benefits in cases of severe natural calamities shall, however, be decided by a High Level Committee (HLC) based on the recommendation of Inter-Ministerial Central Team (IMCT) and Sub Committee of National Executive Committee (SC-NEC).
- vi. To avoid multiple loaning and to ensure that only genuine farmers avail concessional crop loan through the mechanism of gold loans, the lending

institutions may conduct due diligence and ensure proper documentation including recording of land details even when the farmer avails gold loans for such purposes.

- vii. To ensure hassle-free benefits to farmers under Interest Subvention Scheme, banks are advised to make Aadhar linkage mandatory for availing short-term crop loans in 2018-19 and 2019-20.
- viii. Further, from 2018-19, the Interest Subvention Scheme is being put on **DBT mode** on 'In Kind/services' basis and all short term crop loans processed in 2018-19 are required to be brought on ISS portal / DBT platform. Banks are advised to capture and submit category wise data of beneficiaries under the scheme and report the same on ISS portal individual farmer wise once it is launched to settle the claims arising from 2018-19 onwards.

2. Banks may give adequate publicity to the above scheme so that the farmers can avail the benefits.

3. All lending banks are requested to send us the eligible pending audited claims of 2017-18 latest by **August 30, 2019**. Please note that under no circumstances further extension will be granted in this regard.

4. It is also advised as under:

i) Claims in respect of 2% interest subvention and 3% additional interest subvention may be sent in [Formats I](#) and [II](#) (enclosed herewith) respectively to the Chief General Manager, Financial Inclusion and Development Department, Reserve Bank of India, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001 both in hard copy and soft copy (excel format) by [email](#).

ii) In respect of 2% interest subvention, banks are required to submit their claims on a half-yearly basis as on September 30 and March 31 for the years 2019 and 2020, of which, the latter needs to be accompanied by a Statutory Auditor's certificate certifying the claims for subvention for the financial year ended March 31 of the corresponding period. Any remaining claim pertaining to the disbursements made during the years 2018-19 and 2019-20 and not included in the claim for March 31,

2019 and March 31, 2020 respectively, may be consolidated separately and marked as an 'Additional Claim' duly certified by Statutory Auditors.

iii) In respect of the 3% additional subvention, banks may submit their one-time consolidated claims pertaining to the disbursements made during the **year during 2018-19 and 2019-20 latest by April 30, 2020 and April 30, 2021 respectively**, certifying the correctness of the claim by Statutory Auditors.

iv) In respect of 2% IS claims towards post-harvest credit against negotiable warehouse receipts, 2% claim on restructured loans on account of natural calamity and 2 % or 3% claim on account of severe natural calamity, banks may submit their one-time consolidated claims separately for each head pertaining to the disbursements made during the year, certifying the correctness of the claim by Statutory Auditors.

Yours faithfully,

(G.P. Borah)
Chief General Manager -in- Charge

Format I

Claim for 2% Interest Subvention on Short-term Crop Loans/ Post-harvest credit against negotiable warehouse receipts/
Loans restructured due to NC/ Loans restructured due to Severe NC, up to Rs. 3 lakh for the year 2018-19 / 2019-20

Name of the Bank: _____

Statement for the half year / year ended on
September 20__ / March 20__ / Additional Claim

	*Total short term production credit at 7% p.a		Amount of total subvention claimed (Rs. in actuals)
	No. of accounts (in thousands)	Amount Disbursed / drawn (Rs. lakh)	
Loans up to Rs.3 lakh			

Category-wise claim for 2% Interest Subvention for 2018-19 / 2019-20 for All India except North East region

	*Total short term production credit at 7% p.a. for All India except North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed / drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed / drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed / drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)
Loans up to Rs.3 lakh									

Category-wise claim for 2% Interest Subvention for 2018-19 / 2019-20 for North East region

	*Total short term production credit at 7% p.a. for North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed / drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed / drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed / drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)
Loans up to Rs.3 lakh									

i) We certify having disbursed the above loans at 7% p.a. up to Rs. 3 lakh by way of short-term production credit to the farmers during the year 2018-19 / 2019-20.

Sd/-
Authorised Signatory of the Bank

ii) (Statutory Auditor certifying the correctness of the subvention claim)

Sd/-
Seal and Signature of Auditor
Date:

(This claim format needs to be duly certified by Statutory Auditors with the Firm Registration Number and Membership Number of all Signatories)

*May be modified suitably for post-harvest credit against negotiable warehouse receipts/ Loans restructured due to NC/ Loans restructured due to severe NC

Format II

One - time Claim for Additional 3 per cent Subvention for timely repayment of Short-term Crop Loans / Loans restructured due to Severe NC, up to Rs.3 lakh disbursed in 2018-19 / 2019-20

Name of the Bank: _____

	*Total short term production credit at 7% p.a		*Total short term production credit which were repaid in time		Amount of additional subvention claimed @ 3% (Rs. in actuals)
	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	
Loans up to Rs.3 lakh					

Category-wise one-time claim for additional 3% Subvention for 2018-19 / 2019-20 for All India except North East region

	*Total short term production credit which were repaid in time for All India except North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)
Loans up to Rs.3 lakh									

Category-wise one-time claim for additional 3% Subvention for 2018-19 / 2019-20 for North East region

	*Total short term production credit which were repaid in time for North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (Rs. lakh)	Amount of subvention claimed (Rs. in actuals)
Loans up to Rs.3 lakh									

i) We certify that the above loans for which the claim is being made were repaid in time and the benefit of additional 3 percent incentive subvention has already been passed on to the account holders, thereby bringing down the interest rate for such farmers to 4 per cent per annum for short term production credit / Loans restructured due to Severe NC, up to Rs. 3 lakh disbursed during 2018-19 / 2019-20 for these farmers.

Sd/-
Authorised Signatory of the Bank

ii) (Statutory Auditor certifying the correctness of the subvention claim)

Sd/-
Seal and Signature of Auditor
Date:

(This claim format needs to be duly certified by Statutory Auditors with the Firm Registration Number and Membership Number of all Signatories)

*May be modified suitably for Loans restructured due to severe NC