Continuation of Modified Interest Subvention Scheme for Short Term Loans on interim basis during the year 2020-21


2. MoA&FW, GoI has since vide their letter No.F.No.1-4/2020-Credit-I dated 28 May 2020 advised that as an interim measure, it has been decided to implement, until further instructions, the Interest Subvention Scheme for Short Term Loans for agriculture and allied activities on the terms and conditions as approved for the scheme in the years 2018-19 and 2019-20. Accordingly, you are advised as under:-

a. Interest Subvention of 2% p.a. to Cooperative Banks, on their own funds

National Bank for Agriculture and Rural Development

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An additional interest subvention @ 3% will be available to the prompt payee farmers from the date of disbursement of the short term loan up to the actual date of repayment by farmers or up to the due date fixed by the Bank for repayment of crop loan/WC loan, whichever is earlier, subject to a maximum period of one year.
d. 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 may attract normal rate of interest from the second year onwards as per the policy laid down by the RBI.

e. However, to provide relief to farmers affected by severe calamities, Interest subvention of 2% will be available to Banks for the first three years/entire period (subject to maximum period of 5 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 cases of severe 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).

3. Further, in terms of our circular No.62 dated 13.03.2020 KCC has been made mandatory for availing the benefit of Interest Subvention on short term loans up to six months post harvest of the crop on the produce stored in warehouses accredited with Warehousing Development Regulatory Authority (WDRA) against negotiable warehouse receipts, at the same rate as is available on crop loan.
4. Banks are advised to mandatorily maintain and furnish, as and when required, the category-wise data of beneficiaries under the scheme.

5. Aadhaar has been made mandatory for availing benefit under ISS of GoI. Hence the data regarding the same may be maintained by the Bank.

**Bhavdeep**

(जिजी मामेन)
मुख्य महाप्रबंधक

<table>
<thead>
<tr>
<th>अन्तर्वर्धि ऋणों पर ब्याज सहायता का लाभ उठाने के लिए केसीसी को अनिवार्य बनाया गया है।</th>
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<tbody>
<tr>
<td>4. बैंकों को योजना के तहत लाभाधिकारियों का श्रेणी-वार डेटा अनिवार्य रूप से भरना और, जब भी जरूरत हो, प्रस्तुत करने का सलाह दी जाती है।</td>
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<tr>
<td>5. भारत सरकार की ब्याज सहायता योजना के तहत लाभ उठाने के लिए आधार को अनिवार्य कर दिया गया है। इसलिए बैंक द्वारा इस संबंध में डेटा रखा जाए।</td>
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disbursed from 01.04.2020.

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