Illustrations on calculation of interest subvention on loans to women SHGs (as communicated by MoRD)

Illustration 1
Loan Amount Sanctioned**: Rs 800000**
Loan Outstanding: **Rs 750000**

Particulars	Months in one Quarter		
	Month 1	**Month 2**	**Month 3**
Loan Amount Outstanding at the beginning of the month (Rs)	750000	725000	700000
Loan Amount Outstanding at the end of the month (Rs)	725000	700000	675000
Average loan outstanding during the month (Rs)* - **[A]**	~737500	~712500	~687500
Out of [A] – Applicable RoI			
@7%	300000	300000	300000
@ 1yr – MCLR	200000	200000	200000
@ Bank lending rate	237500	212500	187500
Calculation of Interest Subvention			
Scenario 1			
Status of account	Regular/ standard	Regular/ standard	Regular/ standard
Amount of interest subvention#			
@ 4.5%	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00
@ 5%	(200000 x 5.0%)/12 = 833.33	(200000 x 5.0%)/12 = 833.33	(200000 x 5.0%)/12 = 833.33
Total subvention amount for the quarter	**Rs 5875**		
Scenario 2			
Status of account	Overdue	Overdue	NPA
Amount of interest subvention#			
@ 4.5%	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00	NIL
@ 5%	(200000 x 5.0%)/12 = 833.33	(200000 x 5.0%)/12 = 833.33	NIL
Total subvention amount for the quarter	**Rs 3917**		

(*) To be calculated as – (sum of daily outstanding/ no of days in the month);   (#) to be calculated on daily rest

Illustration 2
Loan Amount Sanctioned: **Rs 500000**
Loan Outstanding: **Rs 450000**

Particulars	Months in one Quarter		
	Month 1	**Month 2**	**Month 3**
Loan Amount Outstanding at the beginning of the month (Rs)	450000	425000	400000
Loan Amount Outstanding at the end of the month (Rs)	425000	400000	375000
Average loan outstanding during the month (Rs)* - **[A]**	~437500	~412500	~387500
Out of [A] - Applicable RoI			
@7%	300000	300000	300000
@ 1yr – MCLR	137000	112500	87500
@ Bank lending rate	NIL	NIL	NIL
Calculation of Interest Subvention			
Scenario 1			
Status of account	Regular/ standard	Regular/ standard	Regular/ standard
Amount of interest subvention#			
@ 4.5%	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00
@ 5%	(137000 x 5.0%)/12 = 570.83	(112500 x 5.0%)/12 = 468.75	(87500 x 5.0%)/12 = 364.58
Total subvention amount for the quarter	**Rs 4779**		
Scenario 2			
Status of account	Overdue	Overdue	NPA
Amount of interest subvention#			
@ 4.5%	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00	NIL
@ 5%	(137000 x 5.0%)/12 = 570.83	(112500 x 5.0%)/12 = 468.75	NIL
Total subvention amount for the quarter	**Rs 3290**		

(*) To be calculated as – (sum of daily outstanding/ no of days in the month); (\#) to be calculated on daily rest

Illustration 3
Loan Amount Sanctioned: **Rs 500000**
Loan Outstanding: **Rs 350000**

Particulars	Months in one Quarter		
	Month 1	**Month 2**	**Month 3**
Loan Amount Outstanding at the beginning of the month (Rs)	350000	325000	300000
Loan Amount Outstanding at the end of the month (Rs)	325000	300000	275000
Average loan outstanding during the month (Rs)* - **[A]**	~337500	~312500	~287500
Out of [A] - Applicable RoI			
@7%	300000	300000	287000
@ 1yr – MCLR	37000	12500	NIL
@ Bank lending rate	NIL	NIL	NIL
Calculation of Interest Subvention			
Scenario 1			
Status of account	Regular/ standard	Regular/ standard	Regular/ standard
Amount of interest subvention#			
@ 4.5%	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00	(28700 x 4.5%)/12 = 1076.25
@ 5%	(37000 x 5.0%)/12 = 154.17	(12500 x 5.0%)/12 = 52.08	(NIL x 5.0%)/12 = NIL
Total subvention amount for the quarter	**Rs 3533**		
Scenario 2			
Status of account	Overdue	Overdue	NPA
Amount of interest subvention#			
@ 4.5%	(300000 x 4.5%)/12 = 1125.00	(300000 x 4.5%)/12 = 1125.00	NIL
@ 5%	(37000 x 5.0%)/12 = 154.17	(12500 x 5.0%)/12 = 52.08	NIL
Total subvention amount for the quarter	**Rs 2456**		

(*) To be calculated as – (sum of daily outstanding/ no of days in the month);   (#) to be calculated on daily rest

Illustration 4
Loan Amount Sanctioned: **Rs 500000**
Loan Outstanding: **Rs 350000**

Particulars	Months in one Quarter		
	Month 1	**Month 2**	**Month 3**
Loan Amount Outstanding at the beginning of the month (Rs)	350000	350000	350000
Loan Amount Outstanding at the end of the month (Rs)	350000	350000	275000
Average loan outstanding during the month (Rs)* - **[A]**	~350000	~350000	~312000
Out of [A] - Applicable RoI			
@7%	300000	300000	300000
@ 1yr – MCLR	50000	50000	12000
@ Bank lending rate	NIL	NIL	NIL
Calculation of Interest Subvention			
Scenario 1			
Status of account	NPA	NPA	Regular/ standard
Amount of interest subvention#			
@ 4.5%	NIL	NIL	(300000 x 4.5%)/12 = 1125
@ 5%	NIL	NIL	(12000 x 5.0%)/12 = 50
Total subvention amount for the quarter	**Rs 1175**		
Scenario 2			
Status of account	Overdue	NPA	Regular/ standard
Amount of interest subvention#			
@ 4.5%	(300000 x 4.5%)/12 = 1125.00	NIL	(300000 x 4.5%)/12 = 1125
@ 5%	(50000 x 5.0%)/12 = 208.33	NIL	(12000 x 5.0%)/12 = 50
Total subvention amount for the quarter	**Rs 2508**		

(*) To be calculated as – (sum of daily outstanding/ no of days in the month);   (#) to be calculated on daily rest

Illustration 5
Loan Amount Sanctioned: **Rs 250000**
Loan Outstanding: **Rs 250000**

Particulars	Months in one Quarter		
	Month 1	**Month 2**	**Month 3**
Loan Amount Outstanding at the beginning of the month (Rs)	250000	225000	200000
Loan Amount Outstanding at the end of the month (Rs)	225000	200000	175000
Average loan outstanding during the month (Rs)* - **[A]**	~237500	~212500	~187500
Out of [A] - Applicable RoI			
@7%	237500	212500	187500
@ 1yr – MCLR	NIL	NIL	NIL
@ Bank lending rate	NIL	NIL	NIL
Calculation of Interest Subvention			
Scenario 1			
Status of account	Regular/ standard	Regular/ standard	Regular/ standard
Calculation of interest subvention#			
@ 4.5%	(237500 x 4.5%)/12 = 890.62	(212500 x 4.5%)/12 = 796.88	(187500 x 4.5%)/12 = 703.13
@ 5%	(NIL x 5.0%)/12 = NIL	(NIL x 5.0%)/12 = NIL	(NIL x 5.0%)/12 = NIL
Total subvention amount for the quarter	**Rs 2391**		
Scenario 2			
Status of account	Overdue	Overdue	NPA
Calculation of interest subvention#			
@ 4.5%	(237500 x 4.5%)/12 = 890.62	(212500 x 4.5%)/12 = 796.88	NIL
@ 5%	(NIL x 5.0%)/12 = NIL	(NIL x 5.0%)/12 = NIL	NIL
Total subvention amount for the quarter	**Rs 1688**		

(*) To be calculated as – (sum of daily outstanding/ no of days in the month);   (#) to be calculated on daily rest