



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2015-16/296

FIDD. GSSD. CO. BC .No. 19 /09.01.03/ 2015-16

January 21, 2016

The Chairman / Managing Director
All Public Sector Banks

Dear Sir / Madam,

**National Rural Livelihoods Mission (NRLM) – Aajeevika -
Interest Subvention Scheme**

Please refer to our [circular FIDD.GSSD.CO.BC.NO.45/09.01.03/2014-15 dated December 09, 2014](#) on interest subvention scheme under National Rural Livelihoods Mission (NRLM).

2. The revised guidelines for the year 2015-16 on Interest Subvention Scheme under NRLM, as received from the Ministry of Rural Development, Government of India, are annexed for implementation by Public Sector Banks.

Yours faithfully

(Madhavi Sharma)

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 बढ़ाइए।

"चेतावनी: रिज़र्व बैंक द्वारा मेल-डक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का न्यॉर, 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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Interest subvention scheme for Women SHGs - Year 2015-16

- I. Interest subvention scheme on Credit to Women SHG during the year 2015-16 for all Public Sector Banks, Regional Rural Banks and Rural Co-operative banks in 150 districts**
- i. All women SHGs will be eligible for interest subvention on credit upto Rs. 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. The Commercial Banks and Cooperative Banks will lend to all the women SHGs in Rural areas at the rate of 7% in the 150 districts is provided at *Annexure I*
 - iii. All Public Sector 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 2015-16 – Annexure II*) and 7% subject to the maximum limit of 5.5% for the year 2015-16. This subvention will be available to all the Banks on the condition that they make SHG credit available at 7% p.a. in the 150 districts.
 - iv. RRBs and Cooperative Banks will be subvented to the extent of difference between the maximum lending rates (as specified by NABARD) and 7% subject to the maximum limit of 5.5% for the year 2015-16. This subvention will be available to all RRBs and Cooperative Banks on the condition that they make SHG credit available at 7% p.a. in the 150 districts. RRBs and Cooperative Banks will also get concessional refinance from NABARD. Detailed guidelines for RRBs and Cooperative Banks will be issued by NABARD.
 - v. 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.

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 NRLM
- viii. The interest subvention scheme shall be implemented for all Public Sector Banks 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 2015-16, Canara bank has been nominated as the Nodal bank by MoRD.
- ix. For the RRBs and Cooperative Banks the scheme will be operationalized by NABARD similar to the short term crop loan scheme.

- x. All Banks (including the Public Sector Banks, RRBs and Rural Cooperative Banks) who are operating on the Core Banking Solutions (CBS) can avail the interest subvention under the scheme.
- xi. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, regular subvention, all Public Sector Banks are required to upload the SHG loan account information on the Nodal Bank's portal as per the required technical specification. Public Sector Banks should also submit the claims for 3% additional subvention on the same portal. Public Sector Banks must submit the regular claims (difference between WAIC or lending rate and 7%) and additional claims (@ 3% on prompt repayment) on a quarterly basis as on June 30, 2015, September 30, 2015, December 31, 2015 and March 31, 2016 by last week of the subsequent month.
- xii. In order to avail the interest subvention on credit extended to the SHGs @7% and additional subvention claims of 3%, all Public Sector Banks are required to submit claim certificate on quarterly basis to the nodal bank. The claims submitted by any bank should be accompanied by claim certificate (in original) certifying the claims for subvention as true and correct (Annexure-III to V). The claims of any Bank for the quarter ending March 2016 will be settled by MoRD only on receipt of the Statutory Audited certificate for the complete FY15-16 from the Bank.
- xiii. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, all RRBs and Cooperative Banks are required submit their claims to respective NABARD - Regional Offices on a quarterly basis as at June 30, 2015, September 30, 2015, December 31, 2015 and March 31, 2016. The claims for the last quarter ending March 2016 should be accompanied with a Statutory Auditor's certificate certifying the claims for the FY 15-16 as true and correct.
- xiv. RRBs and Cooperative Banks may submit their consolidated claims pertaining to the 3% additional subvention on disbursements made during the entire year 2015-16 to respective NABARD - Regional Offices latest by June 30, 2016, duly audited by Statutory Auditors certifying the correctness.
- xv. Any remaining claim pertaining to the disbursements made during the year 2015-16 and not included during the year, may be consolidated separately and marked as an

'Additional Claim' and submitted to Nodal Bank by Public Sector Banks and to NABARD Regional Offices by all RRBs and Cooperative Banks latest by June 30, 2016, duly audited by Statutory Auditors certifying the correctness.

- xvi. Any corrections in claims by Banks shall be adjusted from later claims based on auditor's certificate. For Public Sector Banks, the corrections must be made on the Nodal Bank's portal accordingly.
- xvii. For process of submission of claims by RRBs and Cooperative Banks, detailed guidelines will be issued by NABARD.

II. Interest subvention scheme for Category II Districts (Other than 150 districts).

For category II districts, comprising of districts other than the above 150 districts, all women S.H.Gs under NRLM will continue to 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 (S.R.L.Ms) from the allocation for 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 FY15-16 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 2015-16, 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*) 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, comprising of more than 70% BPL or rural poor members (rural poor as per the Participatory Identification process) are regarded as SHGs under NRLM. Such SHGs comprising of rural poor members from the intended NRLM target group will be eligible for interest subvention on credit upto Rs. 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 to the eligible SHGs who have accessed loan from Commercial and Cooperative Banks. 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% subjected to a maximum limit of 5.5% for the year 2015-16 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.
- 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. The States with state specific interest subvention schemes are advised to harmonize their guidelines with the Central scheme.

Annexure 1

List of districts eligible for the interest subvention on the loan at 7% and additional interest subvention of 3% on the prompt repayment

S.L	Name of the state	List of districts	No of districts in state
1	Andhra Pradesh	Vishakhapatnam	8
		Srikakulam	
		East Godavari	
		Vijaynagaram	
	Telangana	Warangal	
		Adilabad	
		Khammam	
		Karimnagar	
2	Bihar	Arwal	11
		Aurangabad	
		Gaya	
		Jamui	
		Jehanabad	
		Kaimur	
		Munger	
		Nawada	
		Rohtas	
		Paschim Champaran	
		Sitamarhi	
3	Chhattisgarh	Bastar	10
		Bijapur	
		Dantewada	
		Jashpur	
		Kanker	
		Kawardha	
		Koriya	
		Narayanpur	
		Rajnandgaon	
		Sarguja	
4	Goa	North Goa	1
5	Gujarat	Vadodara	3
		Banaskantha	
		Panchmahal	
6	Haryana	Mewat	3
		Bhiwani	
		Jhajjar	

S.L	Name of the state	List of districts	No of districts in state
7	Himachal Pradesh	Shimla	2
		Mandli	
8	Jammu and Kashmir	Ganderbal	3
		Budgam	
		Udhampur	
9	Jharkhand	Bokarao	17
		Chatra	
		Garhwa	
		Giridh	
		Gumla	
		Hazaribagh	
		Khunti	
		Kodarma	
		Latehar(N)	
		Lohardaga	
		Paschim Singhbhum	
		Palamu	
		Purbi Singhbhum	
Ramgarh			
Ranchi(RURAL)			
Saraikela(N)			
Simdega(N)			
10	Karnataka	Mysore	4
		Tumkur	
		Gadag	
		Koppal	
11	Kerala	Pallakkad	2
		Mallapuram	
12	Madhya Pradesh	Annupur	13
		Balaghat	
		Dindori	
		Mandala	
		Seoni	
		Shahdol	
		Sidhi	
		Umaria	
		Chhindwara	
		Singrauli	
		Badwani	
		Sheopur	
Alirajpur			

S.L	Name of the state	List of districts	No of districts in state
13	Maharashtra	Gadchiroli	6
		Gondia	
		Jalna	
		Osmanabad	
		Nandurbar	
		Yavatmal	
14	Odisha	Balangir	18
		Debagarh	
		Gajapati	
		Ganjam	
		Jajpur	
		Kalahandi	
		Kandhamal	
		Kendujhar	
		Koraput	
		Malkangiri	
		Mayurbhanj	
		Nabarangpur	
		Nayagarh	
		Nuapada	
		Rayagada	
Sambalpur			
Sonapur			
Sundargarh			
15	Punjab	Tarn Taran	3
		Gurdaspur	
		Ferozepur	
16	Rajasthan	Ajmer	4
		Alwar	
		Dausa	
		Udaipur	
17	Tamil Nadu	Vilupuram	4
		Vellore	
		Thiruvannamalai	
		Dharmapuri	
18	Uttar Pradesh	Chandauli	14
		Mirzapur	
		Sonbhadra	
		Badaun	
		Hardoi	
		Etwah	
		Azamgarh	

S.L	Name of the state	List of districts	No of districts in state
		Allahabad	
		Ambedkarnagar	
		Bahraich	
		Deoria	
		Jalaun	
		Hamirpur	
		Badan	
19	Uttarakhand	Chamoli	2
		Bageshwar	
20	West Bengal	Bankura	5
		Medinipur West	
		Coochbehar	
		Birbhum	
		Puruliya	
North Eastern States			
21	Arunachal Pradesh	Papumpare	2
		Lohit	
22	Assam	Hailakandi	4
		Dhemeji	
		Jorhat	
		Nagaon	
23	Manipur	Imphal East	1
24	Meghalaya	West Khasi Hill	1
25	Mizoram	Aizwal	2
		Lunglei	
26	Nagaland	Peren	3
		Tuensang	
		Mon	
27	Sikkim	South Sikkim	2
		East Sikkim	
28	Tripura	West Tripura	2
		North Tripura	
	Total		150

Weighted Average Interest Charged (WAIC) for Public Sector Banks

SL NO	Name of the Bank	Base rate (in %)	Weighted average interest charged (WAIC)	Interest to be subvented above 7% based on WAIC subject to a cap of 5.5%
1	Allahabad Bank	9.95	10.80	3.80
2	Andhra Bank	10.25	12.5	5.50
3	Bank of Baroda	10.25	10.75	3.75
4	Bank of India	10.20	12.92	5.50
5	Bank of Maharashtra	10.00	11.50	4.50
6	Canara Bank	10.00	11.00	4.00
7	Central Bank of India	10.25	11.22	4.22
8	Corporation Bank	10.25	12.25	5.25
9	Dena Bank	10.00	10.00	3.00
10	Indian Bank	9.95	12.25	5.25
11	Indian Overseas Bank	10.25	12.00	5.00
12	Oriental Bank of Commerce	10.25	11.75	4.75
13	Punjab National Bank	10.25	12.84	5.50
14	Punjab & Sindh Bank	10.25	12.22	5.22
15	State Bank of Bikaner & Jaipur	10.25	13.08	5.50
16	State Bank of Hyderabad	10.20	12.50	5.50
17	State Bank of India	10.00	12.00	5.00
18	State Bank of Mysore	10.25	11.25	4.25
19	State Bank of Patiala	10.15	10.96	3.96
20	State Bank of Travancore	10.15	12.05	5.05
21	Syndicate Bank	10.00	11.50	4.50
22	Uco Bank	9.95	10.95	3.95
23	Union Bank	10.00	10.33	3.33
24	United Bank of India	10.00	11.53	4.53
25	Vijaya Bank	10.25	12.25	5.25
26	IDBI	10.00	12.75	5.50
27	Bharatiya Mahila Bank	10.00	12.25	5.25

Claim for Interest Subvention to lend to women SHGs at 7% per annum, for the credit up-to Rs 3 Lakhs, for the year 2015-16

Name of the Bank:

Statement for claims for the periodto: Loans disbursed/outstanding up-to Rs. 3 lakhs

New accounts opened during the periodto		Outstanding as at (end of previous period)		Total outstanding as at		Amount of interest subvention
Accounts	Amount	Accounts	Amount	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 2015-16. 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 there is no 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 year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

Claim for additional Interest Subvention @ 3% on the prompt repayment, for the credit up-to Rs 3 Lakhs, for the year 2015-16

Name of the Bank:

Statement for claims for the periodto: Loans disbursed/outstanding upto Rs. 3 lakhs

New accounts opened during the periodto		Outstanding as at (end of previous period)		Total outstanding as at		Regular / eligible women SHGs		Amount of interest subvention
Accounts	Amount	Accounts	Amount	Accounts	Amount	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. There is no 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 year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

FINAL CERTIFICATE TO BE ISSUED BY THE MEMBER BANKS ON NRLM CLAIMS FOR THE YEAR 2015-16

Annexure-V

NAME OF THE BANK :

NRLM CLAIM UPLOADED IN CANARA BANK WEB PORTAL AS ON DATE: for the month March 2016

(No and amount in actuals)

Regular Claim		Additional claim		Total Claim	
No of accounts	Amount	No of accounts	Amount	No of accounts	Amount

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 there is no human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Date: