



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2016-17/194

FIDD.No.FSD.BC. 19/05.04.02/2016-17

December 26, 2016

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

Dear Sir/Madam

Interest Subvention Scheme for Short Term Crop Loans during the year 2016-17- Grant of grace period of 60 days beyond due date

As you are aware the Government of India (GoI) has been implementing the Interest Subvention Scheme (the Scheme) since 2006-07. In terms of the extant Scheme for the year 2016-17 besides subvention of 2% per annum, an additional interest subvention of 3% is also provided to prompt payee farmers from the date of disbursement of the crop loan upto the actual date of repayment by farmers or upto the due date fixed by banks for repayment of crop loans whichever is earlier subject to a maximum period of one year from the date of disbursement. This benefit does not accrue to those farmers who repay after one year of availing such loans.

2. In view of the constraints faced by farmers for timely repayment of loan dues on account of withdrawal of legal tender status of Specified Bank Notes (SBNs) and the subsequent [notification No. DBR.No.BP.BC.37/21.04.048/2016-17 dated November 21, 2016](#) issued by RBI, it has been decided by the GoI to provide **an additional grace period of 60 days** for prompt repayment incentive of 3% to those farmers whose crop loan dues are falling due between 1st November, 2016 and 31st December, 2016 if such farmers repay the same within 60 days from the above period. As regards asset classification and other prudential norms are



concerned, the extant RBI guidelines, including the [circular dated November 21, 2016](#) will continue to apply.

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

4. Banks may consider the above while submitting their one-time consolidated 3% additional subvention claims pertaining to the disbursements made during the entire year 2016-17.

Yours faithfully,

(Uma Shankar)
Chief General Manager