



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2017-18/48

FIDD.CO.FSD.BC.No.14/05.02.001/2017-18

August 16, 2017

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 year 2017-18

Please refer to our circular [FIDD CO.FSD.BC.No.29/05.02.001/2016-17 dated May 25, 2017](#) 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 for the year 2017-18 for short term crop loans up to ₹ 3.00 lakhs 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 year 2017-18, it has been decided to offer interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs), Private Sector Commercial Banks (in respect of loans given by their rural and semi-urban branches only) on use of their own resources. 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 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.

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

“चेतावनीद्वारा रिज़र्व बैंक - :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।”
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

- 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 paying promptly as above would get short term crop loans @ 4% per annum during the year 2017-18.
- iii. In order to discourage distress sale 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 percent 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. 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.
- vi. **To ensure hassle-free benefits to farmers under Interest Subvention Scheme, the banks are advised to make Aadhar linkage mandatory for availing short-term crop loans in 2017-18.**

2. All lending banks are requested to send to us the eligible pending audited claims of 2015-16 latest by **August 31, 2017** as already advised vide our email dated August 11, 2017. Please note that under no circumstances further extension will be granted in this regard. The claims for 2016-17 may also be submitted within the time limit as per procedure laid down and contained in our [circular RBI/2016-17/32 FIDD.CO.FSD.BC.No.9/05.02.001/2016-17 dated August 4, 2016](#).

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

4. It is also advised as under:

i) Claims in respect of 2 % interest subvention and 3 % additional interest subvention may be submitted 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.

ii) In respect of 2% interest subvention, banks are required to submit their claims on a half-yearly basis as at September 30, 2017 and March 31, 2018, of which, the latter needs to be accompanied by a Statutory Auditor's certificate certifying the claims for subvention for the entire year ended March 31, 2018 as true and correct. Any remaining claim pertaining to the disbursements made during the year 2017-18 and not included in the claim for March 31, 2018, may be consolidated separately and marked as an 'Additional Claim' duly audited by Statutory Auditors certifying the correctness.

iii) In respect of the 3% additional subvention, banks may submit their one-time consolidated claims pertaining to the disbursements made during the entire **year 2017-18 latest by April 30, 2019**, duly audited by Statutory Auditors certifying the correctness.

Yours faithfully,

(Ajay Kumar Misra)

Chief General Manager

Encl: As above

Format I

**Claim for 2 Per cent Interest Subvention on
Short-term Crop Loan up to Rs.3 lakh for the year 2017-18**

Name of the Bank : _____

**Statement for the half year ended
September 2017 / March 2018/ Additional Claim.**

	Total short term production credit at 7% p.a		Amount of subvention claimed (Rs. in actuals)
	No. of accounts. (in thousands)	Amount (Rs. lakh)	
Loans up to Rs.50,000/-			
Loans above Rs.50,000/- and up to Rs.3 lakh.			
Total			

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 2017-18.

Sd/-

Authorised Signatory

Date :

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

Format II

**One - time Claim for Additional 3 per cent Subvention for timely
Repayment of Short-term Crop Loans up to Rs.3 lakh disbursed in 2017-18**

Name of the Bank : _____

	Total short term production credit upto Rs.3 lakh		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 (Rs.lakh)	No. of accounts. (in thousands)	Amount (Rs.lakh)	
Loans up to Rs.50,000/-					
Loans above Rs.50,000/- and up to Rs.3 lakh.					
Total					

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 up to Rs.3 lakh disbursed during 2017-18 for these farmer.

Sd/-

Authorised Signatory

Date :

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