



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2014-15/342

FIDD.GSSD.CO.BC.No. 45 /09.01.03/ 2014-15

December 09, 2014

The Chairman / Managing Director  
All Public and Private Sector Banks

Dear Sir / Madam,

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

Please refer to our [circular RPCD.GSSD.CO.BC.No.57/09.01.03/2013-14 dated November 19, 2013](#) on Interest Subvention Scheme under National Rural Livelihoods Mission (NRLM).

2. The revised guidelines for the year 2014-15 on Interest Subvention Scheme under NRLM, as received from the Ministry of Rural Development, Government of India, are annexed for implementation by banks.

Yours faithfully

(Madhavi Sharma)  
Chief General Manager

Encl: As above

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**हिंदी आसान है, इसका प्रयोग बढ़ाइए।**

“चेतावनी : रिज़र्व बैंक द्वारा मेल-ड्राक, 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.

## **Interest subvention scheme for Women SHGs - Year 2014-15**

### **I. Interest subvention scheme on Credit to Women SHG during the year 2014-15 for all Commercial Banks (only Public Sector Banks, Private Sector Banks and Regional Rural Banks) and 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 at the rate of 7% in the 150 districts. *Annexure I* provide the names of the 150 districts.
- iii. All Commercial Bank (excluding RRBs) 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 2014-15 – Annexure II*) and 7% subject to the maximum limit of 5.5% for the year 2014-15. 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 2014-15. 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 Interest Subvention scheme shall be implemented for all commercial banks (excluding RRBs) through a Nodal Bank selected by the Ministry of Rural Development. The Nodal Bank will operationalize the scheme through a web-based platform, as advised by MoRD. For the FY14-15, Canara Bank is nominated as the Nodal Bank by MoRD.
- vii. For the RRBs and Cooperative Banks the scheme will be operationalized by NABARD similar to the short term crop loan scheme.

- viii. All Commercial Banks (including the PSBs, Private Banks and RRBs) who are operating on the Core Banking Solutions (CBS) can avail the interest subvention under the scheme.
- ix. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, regular subvention, all commercial banks (excluding RRBs) are required to upload the SHG loan account information on the Nodal Bank's portal as per the required technical specification. Banks must submit the claims for 3% additional subvention on the same portal. All Commercial banks (excluding RRBs) are required to submit their claims, regular as well as additional claims to the Nodal bank on a quarterly basis as at June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2014 by last week of the subsequent month.
- x. The claims submitted by bank should be accompanied by a Statutory Auditor's certificate (in original) certifying the claims for subvention as true and correct. The claims of any Bank for the quarter ending March 2015 will be settled by MoRD only on receipt of the Statutory Audited certificate for the complete FY14-15 by the Bank.
- xi. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, all RRBs and Cooperative Banks are required to submit their claims to respective NABARD - Regional Offices on a quarterly basis as at June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2014. The claims for the last quarter ending March 2015 should be accompanied with a Statutory Auditor's certificate certifying the claims for the FY 14-15 as true and correct. The claims of any Bank for the quarter ending March 2015 will be settled by MoRD only on receipt of the Statutory Audited certificate for the complete FY14-15 by the Bank.
- xii. RRBs and Cooperative Banks may submit their consolidated claims pertaining to the 3% additional subvention on disbursements made during the entire year 2014-15 to respective NABARD - Regional Offices latest by June 30, 2015, duly audited by Statutory Auditors certifying the correctness.
- xiii. Any remaining claim pertaining to the disbursements made during the year 2014-15 and not included during the year, may be consolidated separately and marked as an '*Additional Claim*' and submitted to Nodal Bank (for all Commercial banks except

RRBs) and NABARD Regional Offices (for all RRBs and Cooperative Banks) latest by June 30, 2015, duly audited by Statutory Auditors certifying the correctness.

- xiv. Any corrections in claims by PSBs and Pvt. Sector Banks shall be adjusted from later claims based on auditor's certificate. The corrections must be made on the Nodal Bank's portal accordingly.
- xv. 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 N.R.L.M 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). The State-wise distribution of the provision under this budget head would be determined each year. 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 year 14-15 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 2014-15, 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 up to 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: State Contribution in the ratio of 75:25.
- 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 2014-15 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**

| <b>S.L</b> | <b>Name of the state</b> | <b>List of districts</b> | <b>No of districts in state</b> |
|------------|--------------------------|--------------------------|---------------------------------|
| 1          | <b>Andhra Pradesh</b>    | Adilabad                 | 8                               |
|            |                          | Srikakulam               |                                 |
|            |                          | East Godavari            |                                 |
|            |                          | Warangal                 |                                 |
|            |                          | Vijaynagaram             |                                 |
|            |                          | Visakhapatnam            |                                 |
|            |                          | Khammam                  |                                 |
|            |                          | Karimnagar               |                                 |
| 2          | <b>Bihar</b>             | Arwal                    | 11                              |
|            |                          | Aurangabad               |                                 |
|            |                          | Gaya                     |                                 |
|            |                          | Jamui                    |                                 |
|            |                          | Jehanabad                |                                 |
|            |                          | Kaimur                   |                                 |
|            |                          | Munger                   |                                 |
|            |                          | Nawada                   |                                 |
|            |                          | Rohtas                   |                                 |
|            |                          | Paschim Champaran        |                                 |
|            |                          | Sitamarhi                |                                 |
| 3          | <b>Chhattisgarh</b>      | Bastar                   | 10                              |
|            |                          | Bijapur                  |                                 |
|            |                          | Dantewada                |                                 |
|            |                          | Jashpur                  |                                 |
|            |                          | Kanker                   |                                 |
|            |                          | Kawardha                 |                                 |
|            |                          | Koriya                   |                                 |
|            |                          | Narayanpur               |                                 |
|            |                          | Rajnandgaon              |                                 |
|            |                          | Sarguja                  |                                 |
| 4          | <b>Goa</b>               | North Goa                | 1                               |
| 5          | <b>Gujarat</b>           | Vadodara                 | 3                               |
|            |                          | Banaskantha              |                                 |
|            |                          | Panchmahal               |                                 |
| 6          | <b>Haryana</b>           | Mewat                    | 3                               |
|            |                          | Bhiwani                  |                                 |
|            |                          | Jhajjar                  |                                 |
| 7          | <b>Himachal Pradesh</b>  | Shimla                   | 2                               |
|            |                          | Mandli                   |                                 |



| S.L           | Name of the state        | List of districts | No of districts in state |
|---------------|--------------------------|-------------------|--------------------------|
| 8             | <b>Jammu and Kashmir</b> | Ganderbal         | 3                        |
|               |                          | Budgam            |                          |
|               |                          | Udhampur          |                          |
| 9             | <b>Jharkhand</b>         | 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            | <b>Karnataka</b>         | Mysore            | 4                        |
|               |                          | Tumkur            |                          |
|               |                          | Gadag             |                          |
|               |                          | Koppal            |                          |
| 11            | <b>Kerala</b>            | Pallakkad         | 2                        |
|               |                          | Mallapuram        |                          |
| 12            | <b>Madhya Pradesh</b>    | Annupur           | 13                       |
|               |                          | Balaghat          |                          |
|               |                          | Dindori           |                          |
|               |                          | Mandala           |                          |
|               |                          | Seoni             |                          |
|               |                          | Shahdol           |                          |
|               |                          | Sidhi             |                          |
|               |                          | Umaria            |                          |
|               |                          | Chhindwara        |                          |
|               |                          | Singrauli         |                          |
|               |                          | Badwani           |                          |
|               |                          | Sheopur           |                          |
| Alirajpur     |                          |                   |                          |
| 13            | <b>Maharashtra</b>       | Gadchiroli        | 6                        |
|               |                          | Gondia            |                          |

| S.L | Name of the state | List of districts | No of districts in state |
|-----|-------------------|-------------------|--------------------------|
|     |                   | 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          |                          |
|     |                   | Allahabad         |                          |
|     |                   | Ambedkarnagar     |                          |

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

## Annexure II

## Annexure

| Sr.No | Name of Bank                   | Base Rate (in %) | Weighted Average Interest Charged (WAIC) | Interest to be Subvented above 7 % based on WAIC, subjected to a cap of 5.50% |
|-------|--------------------------------|------------------|--|---|
| 1     | Allahabad Bank                 | 10.25            | 11.08                                    | 4.08  |
| 2     | Andhra Bank                    | 10.25            | 12.50                                    | 5.50  |
| 3     | Bank of Baroda                 | 10.25            | 10.50                                    | 3.50  |
| 4     | Bank of India                  | 10.20            | 12.93                                    | 5.50  |
| 5     | Bank of Maharashtra            | 10.25            | 11.75                                    | 4.75  |
| 6     | Canara Bank                    | 10.20            | 11.20                                    | 4.20  |
| 7     | Central Bank of India          | 10.25            | 11.17                                    | 4.17  |
| 8     | Corporation Bank               | 10.25            | 12.25                                    | 5.25  |
| 9     | Dena Bank                      | 10.25            | 10.25                                    | 3.25  |
| 10    | Indian Bank                    | 10.25            | 11.80                                    | 4.80  |
| 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            | 12.50                                    | 5.50  |
| 14    | Punjab & Sind Bank             | 10.25            | 12.25                                    | 5.25  |
| 15    | State Bank of Bikaner & Jaipur | 10.25            | 14.25                                    | 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            | 11.75                                    | 4.75  |
| 19    | State Bank of Patiala          | 10.25            | 11.40                                    | 4.40  |
| 20    | State Bank of Travancore       | 10.25            | 11.86                                    | 4.86  |
| 21    | Syndicate Bank                 | 10.25            | 11.75                                    | 4.75  |
| 22    | Uco Bank                       | 10.20            | 11.57                                    | 4.57  |
| 23    | Union Bank                     | 10.25            | 10.50                                    | 3.50  |
| 24    | United Bank of India           | 10.25            | 12.31                                    | 5.31  |
| 25    | Vijaya Bank                    | 10.20            | 12.20                                    | 5.20  |
| 26    | IDBI                           | 10.25            | 13.00                                    | 5.50  |
| 27    | Bhartiya Mahila Bank           | 10.25            | 12.25                                    | 5.25  |