



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



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RBI/2022-23/35

FIDD.CO.FSD.BC.No.3/05.02.001/2022-23

April 28, 2022

The Chairman / Managing Director / Chief Executive Officer
All Public Sector Banks, Private Sector Banks and
Small Finance Banks

Madam/Dear Sir,

Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2021-22

Please refer to our letter FIDD.CO.FSD.No.342/05.02.001/2020-21 dated October 16, 2020 conveying the decision of the Government of India for continuation of the Interest Subvention Scheme (modified) for short term loans for agriculture and allied activities for the year 2020-21 on interim basis.

2. In this regard, it is advised that Government of India has approved the continuation of the Interest Subvention Scheme (ISS) with modifications for the financial year 2021-22 with the following stipulations:

- (i) In order to provide short term crop loans and short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. upto an overall limit of ₹3 lakh to farmers through KCC at concessional interest rate during the year 2021-22, it has been decided to provide interest subvention of 2% per annum to

वित्तीय समावेशन और विकास विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय भवन, पो. बा. सं. 10014, मुंबई 400 001
टेलीफोन /Tel.No: 91-22-22661000 फैक्स/FaxNo: 91-22-22621011/22610948/22610943
ई-मेल/ Email ID:cgmincfidd@rbi.org.in

Financial Inclusion & Development Department, Central Office, 10th Floor, C.O. Building, Post Box No.10014, Mumbai 400 001

हिंदी आसान है, इसका प्रयोग बढ़ाइये

“चेतावनी रिज़र्व बैंक द्वारा - : 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।”

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lending institutions viz. Public Sector Banks (PSBs) and Private Sector Banks (in respect of loans given by their rural and semi-urban branches only), Small Finance Banks (SFBs) and computerized Primary Agriculture Cooperative Societies (PACS) which have been ceded with Scheduled Commercial Banks (SCBs), on use of their own resources. This interest subvention of 2% per annum will be calculated on the loan amount from the date of disbursement/drawal up to the date of actual repayment of the 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. The applicable lending rate to farmers and the rate of interest subvention for the financial year 2021-22 will be as follows:

Financial Year	Lending rate to farmers	Rate for Interest Subvention
2021-22	7%	2%

- (ii) An additional interest subvention of 3% per annum will be provided to such of those farmers repaying in time, i.e., from the date of disbursement of the loan/s upto the actual date of repayment or upto the due date fixed by the banks for repayment of such loan/s, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers repaying promptly as above would get short term crop loans and / or short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. @ 4% per annum during the financial year 2021-22.
- (iii) Interest subvention and prompt repayment incentive benefits on short term crop loans and short term loans for allied activities will be available on an overall limit of ₹3 lakh per annum subject to a maximum sub-limit of ₹2 lakh per farmer in respect of those farmers involved only in activities related to animal husbandry, dairy, fisheries, bee keeping etc. The limit for crop loan component will take priority for interest subvention and prompt repayment incentive benefits and the residual amount will be considered towards allied activities including animal husbandry, dairy, fisheries, bee keeping etc. subject to the cap as mentioned above. ([Illustrations](#))

- (iv) In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses, the benefit of interest subvention under KCC will be available to small and marginal farmers for a further period of upto six months post the harvest of the crop against negotiable warehouse receipts on the produce stored in warehouses accredited with Warehousing Development Regulatory Authority (WDRA), at the same rate as applicable to the agri. loan.
- (v) With a view to providing relief to farmers affected by natural calamities, the interest subvention of 2% per annum will be made available to banks as stated in the table given in para 2(i) above, for the first year on the restructured loan amount. Such restructured loans will attract normal rate of interest from the second year onwards.
- (vi) However, in case of severe natural calamities, the interest subvention of 2% per annum will be made available to banks for the first three years /entire period (subject to a maximum of five years) on the restructured loan amount. Further, in all such cases, the benefit of prompt repayment incentive @ 3% per annum shall also be provided to the affected farmers. The grant of such benefits in cases of severe natural calamities shall, however, be decided by a High Level Committee (HLC) based on the recommendations of the Inter-Ministerial Central Team (IMCT) and Sub Committee of National Executive Committee (SC-NEC).
- (vii) To ensure hassle-free benefits to farmers under the ISS, Aadhar linkage would continue to be mandatory for availing the above mentioned short term loans in 2021-22.
- (viii) All the above mentioned short term loans processed in 2021-22 are required to be brought on the ISS portal / DBT platform. Banks are advised to capture and submit category-wise data of beneficiaries under the Scheme and report the same on the ISS portal, individual farmer-wise, to settle the audited claims arising from 2021-22 onwards.

3. All lending banks may submit their eligible pending audited claims of previous scheme years as well as for 2021-22, if any, to us latest by June 30, 2022.

4. Further, banks are advised to adhere to the following stipulations:

- (i) In respect of interest subvention, banks are required to submit their claims on annual basis duly certified by their Statutory Auditors as true and correct, within a quarter from the close of the year. Any remaining claim pertaining to the disbursements made during the year 2021-22 and not included in the claim as on March 31, 2022 may be consolidated separately and marked as an 'Additional Claim' and submitted latest by June 30, 2023 duly certified by the Statutory Auditors as true and correct.
- (ii) In respect of prompt repayment incentive, banks may submit their one-time consolidated claims pertaining to the disbursements made during the year 2021-22, accompanied by Statutory Auditors' certificate certifying the claim as true and correct, within a quarter from the close of the financial year. Any remaining claim pertaining to the disbursements made during the year 2021-22 and repaid promptly during 2022-23 may be consolidated separately and marked as an 'Additional Claim' and submitted latest by June 30, 2023, duly certified by the Statutory Auditors as true and correct.
- (iii) In respect of 2% interest subvention claims towards post-harvest credit against negotiable warehouse receipts, 2% claim on restructured loans on account of natural calamity and 2% or 3% claim on account of severe natural calamity, banks may submit their claims separately for each head pertaining to the disbursements made during the year, duly certified by the Statutory Auditors as true and correct.
- (iv) The claims in respect of computerized PACS ceded with SCBs may be submitted separately by the respective banks with the certification that interest subvention / prompt repayment incentive is being claimed on loans for which no refinance has been availed of from NABARD, duly certified by the banks' Statutory Auditors.

- (v) The above claims may be submitted in [Formats I, II, III and IV](#) (enclosed herewith) to the Chief General Manager, Financial Inclusion and Development Department, Reserve Bank of India, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001.

Yours faithfully,

(Nisha Nambiar)
Chief General Manager

Format I

Claim for 2% Interest Subvention on Short-term Crop Loans/ Post-harvest credit against negotiable warehouse receipts/ Loans restructured due to natural calamities/ Loans restructured due to severe natural calamities (**separate claim to be submitted for each head**), disbursed/drawn up to ₹3 lakh through Kisan Credit Card (KCC) for the year 2021-22

Name of the Bank: _____

Statement for the half year / year ended on
September 20__ / March 20__ / Additional Claim

	Total short term credit at 7% p.a		Amount of total subvention claimed (₹ in actuals)
	No. of accounts (in thousands)	Amount Disbursed / drawn (₹ lakh)	
Loans up to ₹3 lakh			

Category-wise claim for 2% Interest Subvention for 2021-22 for All India other than North East region

	Total short term credit at 7% p.a. for All India other than North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹3 lakh									

Category-wise claim for 2% Interest Subvention for 2021-22 for North East region

	Total short term credit at 7% p.a. for North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹3 lakh									

We certify having disbursed the above loans at 7% p.a. up to ₹3 lakh by way of short-term credit through KCC to the farmers during the year 2021-22 and having calculated the interest subvention claim correctly and strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the interest subvention is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of authorized signatory of bank
Name: _____
Designation: _____

Date: _____

We certify that the above claim for interest subvention of Rs. _____ calculated on eligible short term credit to farmers through KCC disbursed by the bank during the period from _____ to _____ has been found true and correct and strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the interest subvention is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of Statutory Auditor/s
Name: _____
Firm Registration Number: _____
Membership Number: _____
UDIN: _____

Date: _____

Format II

One - time claim for 3% Prompt Repayment Incentive (PRI) for timely repayment of Short-term Crop Loans / Loans restructured due to severe natural calamities (**separate claim to be submitted for each head**), disbursed/drawn up to ₹3 lakh through Kisan Credit Card (KCC) for the year 2021-22

Name of the Bank: _____

	Total short term credit at 7% p.a		Total short term credit which were repaid in time		Amount of total subvention claimed (₹ in actuals)
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	
Loans up to ₹3 lakh					

Category-wise one-time claim for 3% PRI for 2021-22 for All India other than North East region

	Total short term credit which were repaid in time for All India other than North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹3 lakh									

Category-wise one-time claim for 3% PRI for 2021-22 for North East region

	Total short term credit which were repaid in time for North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹3 lakh									

We certify that the above-mentioned short-term loans disbursed through KCC for which the claim is being made were repaid in time and the benefit of 3% prompt repayment incentive has already been passed on to the eligible loanee farmers, thereby bringing down the interest rate to 4% per annum for short term crop loan / loans restructured due to severe natural calamities, up to ₹3 lakh disbursed during 2021-22 for these farmers. This claim for additional interest subvention has been calculated on eligible short term crop loan / loans restructured due to severe natural calamities strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the prompt repayment incentive is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of authorized signatory of bank
Name: _____
Designation: _____

Date: _____

We certify that the above claim for 3% prompt repayment incentive of Rs. _____ calculated on eligible short term crop loan / loans restructured due to severe natural calamities disbursed through KCC by the bank during the period from _____ to _____ has been found true and correct and strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the prompt repayment incentive is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of Statutory Auditor/s
Name: _____
Firm Registration Number: _____
Membership Number: _____
UDIN: _____

Date: _____

Format III

Claim for 2% Interest Subvention on Short-term Loans to farmers for Animal Husbandry (including Dairy) / Bee Keeping/ Fisheries / Loans restructured due to natural calamities/ Loans restructured due to severe natural calamities (**separate claim to be submitted for each head**), disbursed/drawn up to ₹2 lakh through Kisan Credit Card(KCC) for the year 2021-22

Name of the Bank: _____

Statement for the half year / year ended on
September 20__ / March 20__ / Additional Claim

	Total short term credit at 7% p.a		Amount of total subvention claimed (₹ in actuals)
	No. of accounts (in thousands)	Amount Disbursed / drawn (₹ lakh)	
Loans up to ₹2 lakh			

Category-wise claim for 2% Interest Subvention for 2021-22 for All India other than North East region

	Total short term credit at 7% p.a. for All India other than North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹2 lakh									

Category-wise claim for 2% Interest Subvention for 2021-22 for North East region

	Total short term credit at 7% p.a. for North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹2 lakh									

We certify having disbursed the above loans at 7% p.a. up to ₹2 lakh by way of short-term credit to farmers for animal husbandry (including dairy) / bee keeping / fisheries through KCC during the year 2021-22 and having calculated the interest subvention claim correctly strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the interest subvention is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of authorized signatory of bank

Name: _____

Designation: _____

Date: _____

We certify that the above claim for interest subvention of Rs. _____ calculated on eligible short term credit to farmers for animal husbandry (including dairy) / bee keeping/ fisheries disbursed through KCC by the bank during the period from _____ to _____ has been found true and correct and strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the interest subvention is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of Statutory Auditor/s

Name: _____

Firm Registration Number: _____

Membership Number: _____

UDIN: _____

Date: _____

Format IV

One - time claim for 3% Prompt Repayment Incentive (PRI) for timely repayment of short-term loans to farmers for Animal Husbandry (including Dairy) / Bee keeping / Fisheries / Loans restructured due to severe natural calamities (**separate claim to be submitted for each head**), disbursed/drawn up to ₹2 lakh through Kisan Credit Card (KCC) for the year 2021-22

Name of the Bank: _____

	Total short term credit at 7% p.a		Total short term credit which were repaid in time		Amount of total subvention claimed (₹ in actuals)
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	
Loans up to ₹2 lakh					

Category-wise one-time claim for 3% PRI for 2021-22 for All India other than North East region

	Total short term credit which were repaid in time for All India other than North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹2 lakh									

Category-wise one-time claim for 3% PRI for 2021-22 for North East region

	Total short term credit which were repaid in time for North East region								
	General			SC			ST		
	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)	No. of accounts (in thousands)	Amount Disbursed/ drawn (₹ lakh)	Amount of subvention claimed (₹ in actuals)
Loans up to ₹2 lakh									

We certify that the above-mentioned short-term loans disbursed through KCC for which the claim is being made were repaid in time and the benefit of 3% prompt repayment incentive has already been passed on to the eligible loanee farmers, thereby bringing down the interest rate to 4% per annum for short term credit for Animal Husbandry (including Dairy) / Bee keeping / Fisheries, up to ₹2 lakh disbursed during 2021-22 for these farmers. This claim for additional interest subvention has been calculated on eligible short term credit to farmers for animal husbandry / fisheries/ bee keeping strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the prompt repayment incentive is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of authorized signatory of bank

Name: _____

Designation: _____

Date: _____

We certify that the above claim for 3% prompt repayment incentive of Rs. _____ calculated on eligible short term credit to farmers for Animal husbandry / Bee keeping / Fisheries disbursed through KCC by the bank during the period from _____ to _____ has been found true and correct and strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022. Further, we certify that Aadhar Number / Aadhar Enrolment Number (AEN) of all farmers for whom the prompt repayment is being claimed for reimbursement has been captured and available with the bank and there is no case of claim for reimbursement where Aadhar No./AEN is not available (except for Assam, Meghalaya, and UTs of Jammu and Kashmir and Ladakh).

Seal and signature of Statutory Auditor/s

Name: _____

Firm Registration Number: _____

Membership Number: _____

UDIN: _____

Date: _____

Illustrations

Illustration I

Overall KCC limit - ₹2.5 lakhs

Limit under Crop loan - ₹1.5 lakhs

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹1 lakh

IS and PRI benefit will be available on overall ₹2.5 lakhs i.e.

- ₹1.5 lakhs -Crop loan + ₹1 lakh- Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

Illustration II

Overall KCC limit - ₹3 lakhs

Limit under Crop loan - ₹0.5 lakh

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹2.5 lakhs

IS and PRI benefit will be available on overall ₹2.5 lakhs i.e.

- ₹0.5 lakh - Crop loan + ₹2 lakhs - Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

Illustration III

Overall KCC limit - ₹4 lakhs

Limit under Crop loan - ₹1.75 lakhs

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries– ₹2.25 lakhs

IS and PRI benefit will be available on overall ₹3 lakhs i.e.

- ₹1.75 lakhs -Crop loan + ₹1.25 lakhs - Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

Illustration IV

Overall KCC limit - ₹4.5 lakhs

Limit under Crop loan - ₹2 lakhs

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹2.5 lakhs

IS and PRI benefit will be available on overall ₹3 lakhs i.e.

- ₹2 lakhs - Crop loan + ₹1 lakh - Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

Illustration V

Overall KCC limit - ₹4 lakhs

Limit under Crop loan - ₹3.15 lakhs

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹0.85 lakh

IS and PRI benefit will be available on overall ₹3 lakhs for crop loan component only
