



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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**RBI/2013-14/398**

**RPCD.No.FSD.BC.71 /05.04.02/2013-14**

December 4, 2013

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

Dear Sir

**Union Budget - 2013-14**  
**Interest Subvention Scheme**

As directed by the Government of India and in pursuance of the budget announcement made by the Finance Minister relating to the Interest Subvention Scheme 2013-14, Interest subvention of 2 % p.a. will be made available to Public Sector Banks (PSBs) and Private Sector Scheduled Commercial Banks (in respect of loans given by their rural and semi-urban branches) on their own funds used for short-term crop loans up to Rs.3,00,000/- per farmer provided the lending institutions make available short term credit at the ground level at 7% per annum to farmers. This amount of interest subvention 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.

2. Besides, additional interest subvention @3% will be available to the prompt paying farmers from the date of disbursement of the crop loan up to the actual date of repayment by farmers or up to the due date fixed by bank 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 prompt paying farmers would get short term crop loans @4% per annum during the year 2013-14. This benefit would not accrue to those farmers who repay after one year of availing such loans.

3. Further, in respect of KCC Scheme, the GoI has clarified that loans granted only for categories at S.No. (i) and (ii) out of the following six categories are covered under the Interest Subvention Scheme, which should be computed and segregated accordingly for claiming interest subvention :

- (i) To meet the short term credit requirements for cultivation of crops
- (ii) Post-harvest expenses
- (iii) Produce Marketing loan
- (iv) Consumption requirement of farmer household
- (v) Working capital for maintenance of farm assets and activities allied to agriculture, like dairy animals, inland fishery, etc.
- (vi) Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals, etc.

4. The benefits of interest subvention will also be available to small and marginal farmers having Kisan Credit Card for a further period of up to six months post harvest on the same rate as available to crop loan against negotiable warehouse receipt for keeping their produce in warehouses.

ग्रामीण आयोजना और ऋण विभाग, केन्द्रीय कार्यालय, 10वीं मंजिल, केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट बॉक्स

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Rural Planning & Credit Department Central Office, 10<sup>th</sup> Floor, Central Office Building, post box no. 10014 Mumbai -

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

6. 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, Rural Planning and Credit Department, Reserve Bank of India, Central Office, Shahid Bhagat Singh Road, Fort, Mumbai - 400001.

ii) In respect of 2 % interest subvention, banks are required to submit their claims on a half-yearly basis as at September 30, 2013 and March 31, 2014, 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, 2014 as true and correct. Any remaining claim pertaining to the disbursements made during the year 2013-14 and not included in the claim for March 31, 2014, may be consolidated separately and marked as an 'Additional Claim' and submitted 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 2013-14 latest by April 30, 2015, duly audited by Statutory Auditors certifying the correctness.

Yours faithfully,

**(Madhavi Sharma)**  
Chief General Manager

Format I

**Claim for 2 Per cent Interest Subvention on  
Short-term Crop Loan up to Rs.3 lakh for the year 2013-14**

Name of the Bank : \_\_\_\_\_

**Statement for the half year ended  
September 2013 / March 2014/ 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 2013-14.

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)

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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 2013-14**

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.					
<b>Total</b>					

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 2013-14 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)