



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2019-20/48

FIDD.CO.FSD.BC.No.10/05.02.001/2019-20

August 26, 2019

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

Madam/Dear Sir,

Interest Subvention Scheme for Kisan Credit Card (KCC) to Fisheries and Animal Husbandry farmers during the years 2018-19 and 2019-20

Please refer to our [circular FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 4, 2019](#) extending KCC facility to animal husbandry farmers and fisheries for their working capital requirements and our letter dated May 27, 2019 conveying Government's approval to extend the benefits of Interest Subvention at 2% and Prompt Repayment Incentive (PRI) at 3% to fisheries and animal husbandry farmers to meet their working capital needs under the KCC scheme.

2. In this regard, it is advised that Government of India has now issued the operational guidelines of the Interest Subvention Scheme for Kisan Credit Card facility to fisheries and animal husbandry farmers for a period of two years i.e. **2018-19 and 2019-20** with the following stipulations:

- i. In order to provide short-term loans upto ₹ 2 lakh to farmers involved in activities related to Animal Husbandry and Fisheries, through a separate KCC for these activities, apart from the existing KCC for crop loan, at a concessional interest rate of 7% per annum during the years 2018-19 and 2019-20, it has been decided to provide interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and 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 loan amount from the date of its disbursement / drawal upto 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. In case of farmers possessing KCC for

- raising crops and involved in activities related to animal husbandry and/or fisheries, the KCC for animal husbandry/fisheries shall be within the overall limit of ₹ 3 lakh.
- 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 working capital loan upto the actual date of repayment by farmers or upto the due date fixed by the banks for repayment of loan, 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 loans @ 4% per annum during the years 2018-19 and 2019-20. This benefit would accrue to only those farmers who repay their **both** short term crop loan and working capital loan for animal husbandry/fisheries activities in time.
 - iii. Interest subvention is to be provided on a maximum limit of ₹ 2 lakh short term loan to farmers involved in animal husbandry and fisheries. The farmers already possessing KCC (crop loan) and involved in animal husbandry & fisheries activities, can avail a sub-limit for such activities. However, the interest subvention and prompt repayment incentive benefit on short term loan (i.e. crop loan+ working capital loan for animal husbandry and fisheries) will be available only on an overall limit of ₹ 3 lakh per annum and subject to a maximum limit of ₹ 2 lakh per farmer involved in activities only related to animal husbandry and / or fisheries. **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 animal husbandry and / or fisheries subject to cap as mentioned above. ([Illustrations](#))**
 - iv. To ensure hassle-free benefits to farmers under Interest Subvention Scheme, banks are advised to make Aadhar linkage mandatory for availing short-term loans for Animal Husbandry and Fisheries in 2018-19 and 2019-20.
 - v. The Interest Subvention Scheme is being put on DBT mode on 'In Kind/services' basis and all short term loans processed from 2018-19 are required to be brought on ISS portal / DBT platform. Banks are advised to capture and submit the category wise data of beneficiaries under the scheme and report the same on ISS portal individual farmer wise once it is launched by the Ministry of Agriculture and Farmers Welfare to settle the claims arising from 2018-19 onwards.

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

3. It is also advised as under:

i) In respect of 2% interest subvention, banks are required to submit their claims on a half-yearly basis as on September 30 and March 31 for the years 2018-2019 and 2019-2020, of which, the latter needs to be accompanied by a Statutory Auditor's certificate certifying the claims for subvention for the financial year ended on March 31 of the corresponding year as true and correct.

ii) In respect of 3% prompt repayment incentive, banks may submit their one-time consolidated claims pertaining to the disbursements made during the years 2018-19 and 2019-20, accompanied by Statutory Auditor's certificate certifying the claim as true and correct. Any remaining claim pertaining to the disbursements made during the years 2018-19 and 2019-20 and due during 2019-20 and 2020-21 respectively, may be consolidated separately and marked as an 'Additional Claim' duly certified by the Statutory Auditor as true and correct.

iii) Claims in respect of 2% interest subvention and 3% prompt repayment incentive may be submitted **within a quarter from the close of the half year/year**. The 'Additional Claim' pertaining to the disbursements made during the years 2018-19 and 2019-20 may be submitted latest by **June 30, 2020 and June 30, 2021** respectively. The above mentioned claims may be submitted in [Formats I and II](#) (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 both in hard copy and soft copy (excel format) by [email](#).

iv) The copies of such audited claims may also be submitted to the **Department of Animal Husbandry and Dairying**, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India and **Department of Agriculture Cooperation and Farmers Welfare**, Ministry of Agriculture & Farmers Welfare, Government of India.

Yours faithfully,

(Sonali Sen Gupta)
Chief General Manager

Format I

Claim for 2% Interest Subvention on Short-term Loans to Animal Husbandry/ Fishery (please tick) farmers up to ₹ 2 lakh for the year 2018-19 / 2019-20

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 2018-19 / 2019-20 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 2018-19 / 2019-20 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 the fishery/animal husbandry farmers during the year 2018-19 / 2019-20 and calculated the interest subvention claim correctly strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No. 10 /05.02.001/2019-20 dated August 26, 2019.

Seal and signature of authorised signatory

Name: _____

Designation: _____

Seal of Bank: _____

Date: _____

We certify that the above claim for interest subvention of Rs. _____ calculated on eligible short term credit to fishery/ animal husbandry farmers disbursed by the bank (Name of 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. 10 /05.02.001/2019-20 dated August 26, 2019.

Seal and signature of Statutory Auditor

Name: _____

Firm Registration Number: _____

Membership Number: _____

Date: _____

Format II

One - time claim for 3 per cent interest subvention for timely repayment of short-term loans to Animal Husbandry / Fishery (please tick) farmers up to ₹ 2 lakh disbursed in 2018-19 / 2019-20

	Total short term credit at 7% p.a		Total short term credit which were repaid in time		Amount of additional subvention claimed @ 3% (₹ 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					

Name of the Bank: _____

	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									

	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									

Category-wise one-time claim for additional 3% Subvention for 2018-19 / 2019-20 for All India other than North East region

Category-wise one-time claim for additional 3% Subvention for 2018-19 / 2019-20 for North East region

We certify that the above mentioned short term loans for which the claim is being made were repaid in time and the benefit of additional 3 percent subvention has already been passed on to the eligible loanee farmers, thereby bringing down the interest rate to 4 per cent per annum for short term credit for Animal Husbandry / Fishery, up to ₹ 2 lakh disbursed during 2018-19 / 2019-20 for these farmers. This claim for additional interest subvention has been calculated on eligible short term credit to fishery/animal husbandry famers strictly in accordance with the RBI circular FIDD.CO.FSD.BC.No. 10 /05.02.001/2019-20 dated August 26, 2019.

Seal and signature of authorized signatory

Name: _____

Designation: _____

Seal of Bank: _____

Date: _____

We certify that the above claim for 3% additional interest subvention of Rs. _____ calculated on eligible short term credit to fishery/ animal husbandry farmers disbursed by the bank (Name of 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.10/05.02.001/2019-20 dated August 26, 2019.

Date: _____

Seal and signature of Statutory Auditor

Name: _____

Firm Registration Number: _____

Membership Number: _____

Illustrations

Illustration I

Overall KCC limit - ₹ 2.5 lakhs

Limit under Crop loan - ₹ 1.5 lakhs

Sub-limit KCC for Animal Husbandry and / or fisheries – ₹ 1 lakh

Interest subvention/PRI benefit will be available on overall ₹ 2.5 lakhs i.e.

- ₹ 1.5 lakhs crop loan + ₹ 1 lakh animal husbandry and / or fisheries

Illustration II

Overall KCC limit - ₹ 3 lakhs

Limit under Crop loan - ₹ 0.5 lakh

Sub-limit KCC for Animal Husbandry and / or fisheries – ₹ 2.5 lakhs

Interest subvention/PRI benefit will be available on overall ₹ 2.5 lakhs i.e.

- ₹ 0.5 lakh crop loan + ₹ 2 lakhs animal husbandry and / or fisheries

Illustration III

Overall KCC limit - ₹ 4 lakhs

Limit under Crop loan - ₹ 1.75 lakhs

Sub-limit KCC for Animal Husbandry and / or fisheries – ₹ 2.25 lakhs

Interest subvention/PRI benefit will be available on overall ₹ 3 lakhs i.e.

- ₹ 1.75 lakhs crop loan + ₹ 1.15 lakhs animal husbandry and / or fisheries

Illustration IV

Overall KCC limit - ₹ 4.5 lakhs

Limit under Crop loan - ₹ 2 lakhs

Sub-limit KCC for Animal Husbandry and / or fisheries – ₹ 2.5 lakhs

Interest subvention/PRI benefit will be available on overall ₹ 3 lakhs i.e.

- ₹ 2 lakhs crop loan + ₹ 1 lakh animal husbandry and / or fisheries

Illustration V

Overall KCC limit - ₹ 4 lakhs

Limit under Crop loan - ₹ 3.15 lakhs

Sub-limit KCC for Animal Husbandry and / or fisheries – ₹ 0.85 lakh

Interest subvention/PRI benefit will be available on overall ₹ 3 lakhs for crop loan component only
