29 March 2022

Dear Sir,

Accordingly, you are advised as under:

1. Please refer to (i) our Circular No. 140 (Ref.No. NB.DoR-Policy/ 152 /IS-1/ 2020-21) dated 02 June 2020 on the Modified Interest Subvention Scheme for short term crop loans during 2020-21.

2. MoA&FW, GoI has now vide their letter No.F.No.1-4/2020-Credit-I dated 28 March 2022 advised that it has been decided to implement, until further instructions, the Interest Subvention Scheme with modification for Short Term Loans for agriculture and allied activities for the scheme years 2021-22 and 2022-23. Accordingly, you are advised as under:

   a. Interest Subvention of 2% p.a. to Regional Rural Banks, on their own funds used for short term loans (crop loans and WC loans for animal husbandry and fisheries activities) upto Rs.3.00 lakhs per farmer (subject to maximum of Rs 2.00 lakh per farmer for WC loans for AH&F activities) will be available provided the lending institutions make available short term credit to farmers @ 7% p.a. Interest

---

### Continuation of Modified Interest Subvention Scheme for Short Term Loans on interim basis during the year 2021-22 and 2022-23

Please refer to (i) our Circular No. 140 (Ref.No. NB.DoR-Policy/ 152 /IS-1/ 2020-21) dated 02 June 2020 on the Modified Interest Subvention Scheme for short term crop loans during 2020-21.

2. MoA&FW, GoI has now vide their letter No.F.No.1-4/2020-Credit-I dated 28 March 2022 advised that it has been decided to implement, until further instructions, the Interest Subvention Scheme with modification for Short Term Loans for agriculture and allied activities for the scheme years 2021-22 and 2022-23. Accordingly, you are advised as under:

   a. Interest Subvention of 2% p.a. to Regional Rural Banks, on their own funds used for short term loans (crop loans and WC loans for animal husbandry and fisheries activities) upto Rs.3.00 lakhs per farmer (subject to maximum of Rs 2.00 lakh per farmer for WC loans for AH&F activities) will be available provided the lending institutions make available short term credit to farmers @ 7% p.a. Interest
subvention @2% will be calculated on the crop loans/WC loans amount from the date of its disbursement/drawal up to the date of actual repayment of the crop loans/ WC loans by the farmer or upto the due date of the loan fixed by the Banks, whichever is earlier, subject to a maximum period of one year. 2% Interest Subvention will be continued till FY 2021-22 only.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Benchmark rate</th>
<th>Lending rate to the farmers</th>
<th>Rate for Interest Subvention</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-22</td>
<td>9%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>2022-23</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
</tr>
</tbody>
</table>

b. An additional interest subvention @ 3% will be available to such of those farmers repaying on time i.e., from the date of disbursement of the short term loan up to the actual date of repayment by farmers or up to the due date fixed by the Bank for repayment of crop loans/WC loans, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers, paying promptly, would get short term loans @ 4% p.a. during the year 2021-22 and 2022-23. This benefit would not accrue to those farmers who prepay after one year of availing crop loans/ WC loans. The additional interest subvention @ 3% will be continued in both FY 2021-22 and FY 2022-23.

c. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses, the benefit

National Bank for Agriculture and Rural Development

Taking Rural India >>

www.nabard.org
of Interest Subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post-harvest of the crop on the produce stored in warehouses accredited with Warehousing Development Regulatory Authority (WDRA) against negotiable warehouse receipts, at the same rate as is available on crop loans/ WC loans.

d. To provide relief to farmers affected by natural calamities, an interest subvention of 2% 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 as per the extant policy laid down by the RBI.

e. However, to provide relief to farmers affected by severe natural calamities, an Interest subvention of 2% will be available to Banks for the first three years/entire period (subject to maximum period of 5 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 benefit in cases of severe natural calamities shall, however, be decided by a High-Level Committee (HLC) based on the recommendation of Inter-Ministerial Central Team (IMCT) and Sub Committee of National Executive Committee (SC-NEC)

---

National Bank for Agriculture and Rural Development

National Bank for Agriculture and Rural Development

Plot No. C-24, ‘G’ Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 26539325 • Fax: +91 22 26530090 • E-mail: dor@nabard.org

Taking Rural India >>

www.nabard.org
<table>
<thead>
<tr>
<th>3. Further, in terms of our circular No.62 dated 13.03.2020 KCC has been made mandatory for availing the benefit of Interest Subvention on short term loans disbursed from 01.04.2020.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Banks are advised to mandatorily maintain and furnish, as and when required, the category-wise data of beneficiaries under the scheme. The audited claims up to scheme year 2020-21 are to be furnished latest by 30th September 2022 to the GOI.</td>
</tr>
<tr>
<td>5. Aadhaar seeding has been made mandatory for availing benefit under ISS of GoI. Hence the data regarding the same may be maintained by the Bank.</td>
</tr>
</tbody>
</table>

| भवदीप |

(विवेक कृष्ण सिन्हा)  
मुख्य महाप्रबंधक |

---

National Bank for Agriculture and Rural Development  
राष्ट्रीय कृषि और ग्रामीण विकास बैंक  
पुनर्विभाग विभाग  
प्लॉट क सी-24, जी' ब्लॉक, बांद्रा-कुल्ज कोम्प्लेक्स, बांद्रा (एसई), मुंबई - 400 051.  
टेल. : +91 22 26539325 • फैक्स : +91 22 26530090 • ई-मेल: dor@nabard.org  
Department of Refinance  
Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 26539325• Fax: +91 22 26530090• E-mail: dor@nabard.org  
www.nabard.org  
Taking Rural India >>