



Ref.No. NB.GSD.HO/MON-15/48116/2025-26

Circular No.158/GSD-05/2025

01 July 2025

Managing Director
All State Cooperative Banks

Ma'am/ Dear Sir,

Continuation of Modified Interest Subvention Scheme for Short Term Loans (agriculture and allied activities) on interim basis during the year 2025-26

Please refer to our (Circular No.106) Ref.No. NB.DoR-Policy/9091-9121/IS-1/2024-25 dated 03th June 2024 on the Modified Interest Subvention Scheme for short term crop loans during 2025-26.

2. In this connection, we advised that MoA&FW, GoI has approved the continuation of the Interest Subvention Scheme (ISS) with modification, availed through KCC, for the financial year 2025-26 vide their letter No.F.No.1-4/2020-Credit-I dated 16th June 2025 for FY 2025-26 with the following stipulations:

a) Interest Subvention of 1.5% p.a. will be available to State Cooperative Banks, on their own funds used for short term loans (crop loans and WC loans for animal husbandry, fisheries, dairy, bee keeping etc.) upto Rs.3.00 lakhs per farmer (subject to maximum of Rs 2.00 lakh per farmer for WC loans for AH&F, Dairy, beekeeping etc.) will be available provided the lending institutions make available short term credit to farmers @ 7% p.a. Interest subvention @1.5% will be calculated on the crop loans/WC loans amount from the date of its disbursement/drawal upto 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. The applicable rate of interest for Interest Subvention and lending rate to the farmers for FY 2025-26 will be as under:

Financial Year	Lending rate to the farmers	Rate for Interest Subvention
2025-26	7%	1.5%

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.

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

सरकारी योजनाएँ विभाग

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- c) This subvention will be available to such farmers on the short term production credit up to a maximum amount of Rs.3 lakh and on WC for AH&F, bee keeping, dairy etc. up to a maximum amount of Rs.2 lakh. The limit of Rs. 2.00 lakhs applicable to WC for AH&F, bee keeping, dairy etc is the sub-limit of maximum amount of subvention of Rs. 3.00 lakh given to farmers on short term loan. This also implies that the farmers, paying promptly, would get short term loans @ 4% p.a. during the year 2025-26. This benefit would not accrue to those farmers who repay after one year of availing crop loans/ WC loans.
- d) In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses, the benefit of Interest Subvention will be available to banks towards their lending 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.
- e) To provide relief to farmers affected by natural calamities, the applicable rate of interest subvention for that year 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.
- f) However, to provide relief to farmers affected by severe natural calamities, an Interest subvention of that particular year 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)

3. Since the launch of the Kisan Rin Portal (KRP) in September 2023, Banks have been instructed to process claims exclusively through digital mode. Banks are required to capture and report detailed, category-wise data of individual farmer beneficiaries under the scheme on the KRP for the settlement of audited MISS claims. All Banks must ensure timely uploading of these claims on KRP, as per date notified from time to time.

4. The following additional guidelines are issued for strict compliance by Banks

- a) **One Farmer One KCC norm:** Banks must adhere to principle of 'one Farmer-one KCC. Accordingly, only one Kisan credit (KCC) account shall be permitted per individual. A pre-sanction validation module for identifying existing KCC borrowers is being deployed on the Kisan Rin portal (KRP). In the interim, banks shall obtain an undertaking from each applicant, prior to

disbursement, affirming that he/she does not possess any other KCC account.

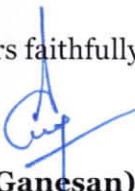
- b) **Ineligibility for Duplicate KCC Accounts:** In case multiple KCC accounts are detected for a beneficiary, the claim of Banks for such beneficiary for IS/PRI would not be entertained. However, considering the priority accorded to the cooperative sector and that it may take some time for cooperative societies/banks to carry out the deduplication exercise, it is recommended that during 2025-26, if such multiple KCC accounts include an account in cooperative society/bank, then only such account in cooperative society/bank may be considered for providing benefits under the scheme. It is further clarified that only one MISS benefit will be available on one land parcel.
- c) **Mandatory Aadhaar Authentication:** Aadhaar seeding and authentication are mandatory for availing benefits under the scheme. Banks must ensure that KYC is completed for every farmer to enable seamless access to scheme benefits.
- d) **Accurate Reporting of Social Category:** Banks shall report the social category of the borrower (SC/ST) strictly based on the self-declaration provided in the KCC application form. No additional documentation shall be demanded for this purpose. It must be ensured that SC/ST beneficiaries are correctly classified under their respective categories.
- e) **Accurate Crop reporting on KRP:** Field functionaries must exercise due diligence in accurately reporting the crops sown on the Kisan Rin Portal (KRP). As KRP is now integrated with the Digital Crop Survey and PMFBY platforms, discrepancies may result in validation errors at a later stage.
- f) **Periodic Crop Detail updates:** Since KCC loans are valid for a period of five years, field functionaries shall update crop details before each cropping season after field visits. Sanctioned credit limits must be based on the appropriate Scale of Finance as applicable to the crops being cultivated.
- g) **Comprehensive Uploading on KRP:** All KCC accounts-regular/operative, overdue, and Non-Performing Assets (NPAs)-must be linked to and uploaded on the Kisan Rin portal, as per classification norms prescribed by RBI from time to time.
- h) **Informed Decision on Crop insurance Opt-Out:** It has been observed that loan officers routinely obtain 'opt-out' declarations for PMFBY/crop insurance during KCC processing. Banks must ensure that this is not treated as a default practice. The loan officer must clearly explain the implications of opting out, and obtain informed and voluntary consent from the borrower to ensure proper risk coverage at the time of new KCC and also at each renewal.
- i) **Gap Between Loan Repayment and Renewal:** To prevent evergreening of loans, banks shall institute a mandatory minimum gap of

seven (7) days between the repayment of loans from the previous crop cycle and the renewal or sanction of loans for the subsequent cycle.

- j) **Drawal in instalments:** For avoiding diversion of loan for non agriculture purposes and to ensure farmer retains available credit for inputs in each cropping season full drawal of sanctioned credit limit in one go should be avoided and banks should give drawl permission in instalments preferably three with a reasonably gap between each instalment.
- k) **Mandatory issuance of Rupay KCC Cards:** All banks should ensure that a RuPay Kisan credit card is issued to every Kisan credit card account holder. This facilitates digital transactions for input purchases and other farming-related expenses, enhances transparency and supports the digital inclusion efforts in agriculture.
- l) **Adherence to Digital claim submission Guidelines:** Banks shall strictly follow the operational instructions issued from time to time regarding the digital claim submission process via the Kisan Rin portal.

5. All state Cooperative Banks are requested to send a copy of instructions/circulars related to Short Term Loan for Agriculture and Allied activities/KCC and MISS (whenever they issue any) to Joint Secretary (Credit), Department of Agriculture & Farmers Welfare, Krishi Bhawan, New Delhi-110001.

Yours faithfully



(C. Ganesan)
General Manager