In connection with the captioned subject, we advise that Directorate of Extension, Government of India, has issued additional clarifications on maximum permissible subsidy under ACABC scheme, where the computed eligible subsidy exceeds the amount of bank loan sanctioned and the same are as detailed below:

The maximum permissible subsidy amount shall be restricted to the amount of bank loan sanctioned.

The repayment instalments of bank loan in this scenario may be fixed as under:

(a) Repayment period shall be minimum three years and the agripreneur can pay only the interest portion till the subsidy amount is released to bank.

(b) From the date of receipt of subsidy amount from NABARD, bank shall not charge interest from the agripreneur.

(c) Finally, bank shall adjust the subsidy amount already deposited by NABARD with the loan principal amount.

(d) If the agripreneur has paid some portion of principal amount also in addition to interest, NABARD may restrict the subsidy amount to the balance principal amount.

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(e) If NABARD has released subsidy in excess to the balance principal amount, the bank shall return the excess amount released after adjusting the balance principal at the end of third year.

(f) If the repayment period is fixed as 5 years or more by the bank, the same principle shall be followed.

The above clarifications are in addition to the implications as detailed at Para 6.3.7 and Para 6.3.9 of the ACABC scheme guidelines.

You may please advise your Controlling Offices/District Central Cooperative Banks (in case of State Cooperative Banks) and branches accordingly.

भव्वदीया

(निवेदिता तिवारी)
महाप्रबंधक