



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

RBI/2016-17/42

FIDD.GSSD.CO.BC.No.13/09.01.03/2016-17

August 25, 2016

The Chairman / Managing Director
Public and Private Sector Banks

Dear Sir / Madam,

**Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)
– Aajeevika - Interest Subvention Scheme**

Please refer to our [circular FIDD.GSSD.CO.BC.NO. 19/09.01.03/2015-16 dated January 21, 2016](#) on interest subvention scheme under National Rural Livelihoods Mission (NRLM).

2. The revised guidelines for the year 2016-17 on Interest Subvention Scheme under DAY- NRLM, as received from the Ministry of Rural Development, Government of India, are annexed for implementation by all Public Sector Banks and 15 Private Sector Banks (as per list attached).

Yours faithfully

(Uma Shankar)
Chief General Manager
Encl: As above

वित्तीय समावेशन और विकास विभाग, केन्द्रीय कार्यालय, 10 वी मंजिल, केंद्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट बॉक्स सं. 10014, मुंबई -400001

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हिंदी आसान है, इसका प्रयोग बढ़ाइए।

“चेतावनी : रिज़र्व बैंक द्वारा मेल-डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

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Interest subvention scheme for Women SHGs - Year 2016-17

I. Interest subvention scheme on Credit to Women SHG during the year 2016-17 for all Commercial Banks (only Public Sector Banks, Private Sector Bank and Regional Rural Banks) and Co-operative banks in 250 districts

- i. All women SHGs will be eligible for interest subvention on credit upto Rs. 3 lakhs at 7% per annum. SHG availing capital subsidy under SGSY in their existing credit outstanding will not be eligible for benefit under this scheme.
- ii. The Commercial Banks and Cooperative Banks will lend to all the women SHGs in Rural areas at the rate of 7% in the 250 districts is provided at *Annexure I*
- iii. All Commercial Banks will be subvented to the extent of difference between the Weighted Average Interest Charged (*WAIC as specified by Department of Financial Services, Ministry of Finance for the year 2016-17 – Annexure II*) and 7% subject to the maximum limit of 5.5% for the year 2016-17. This subvention will be available to all the Banks on the condition that they make SHG credit available at 7% p.a. in the 250 districts.
- iv. Further, the SHGs will be provided with an additional 3% subvention on the prompt repayment of loans. For the purpose of Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered prompt payee if it satisfies the following criterion as specified by Reserve Bank of India (RBI).

a. For Cash Credit Limit:

- i. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days
- ii. There should be regular credit and debits in the accounts. In any case there shall be **at least one customer induced credit during a month**

iii. **Customer induced credit** should be sufficient to cover the interest debited during the month.

b. For the Term loans: A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment.

The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in the future.

All prompt payee SHG accounts as on the end of the reporting quarter will be eligible for the additional interest subvention of 3%. The banks should credit the amount of 3% interest subvention to the eligible SHG loan accounts and thereafter seek the reimbursement.

- v. The scheme is limited to Women Self Help Groups in rural areas only
- vi. The funding for the scheme will be met out of Central Allocation under DAY- NRLM
- vii. The interest subvention scheme shall be implemented for all Public Sector Banks and Private sector Banks through a Nodal Bank selected by the Ministry of Rural Development (MoRD). The Nodal Bank will operationalize the scheme through a web based platform, as advised by MoRD. For the year 2016-17, Canara bank has been nominated as the Nodal bank by MoRD.
- viii. All Banks, who are operating on the Core Banking Solutions (CBS) can avail the interest subvention under the scheme.
- ix. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, regular subvention, all Public Sector Banks are required to upload the SHG loan account information on the Nodal Bank's portal as per the required technical specification. Public Sector Banks should also submit the claims for 3% additional subvention on the same portal. Public Sector Banks must submit the regular claims (difference between WAIC or lending rate and 7%) and additional claims (@ 3%

on prompt repayment) on a quarterly basis as on June 30, 2016, September 30, 2016, December 31, 2016 and March 31, 2017 by last week of the subsequent month.

- x. In order to avail the interest subvention on credit extended to the SHGs @7% and additional subvention claims of 3%, all Public Sector Banks and Private Sector Banks are required to submit claim certificate on quarterly basis to the nodal bank. The claims submitted by any bank should be accompanied by claim certificate (in original) certifying the claims for subvention as true and correct (Annexure-III to V). The claims of any Bank for the quarter ending March 2017 will be settled by MoRD only on receipt of the Statutory Auditor's certificate for the complete FY16-17 from the Bank.
- xi. Any remaining claim pertaining to the disbursements made during the year 2016-17 and not included during the year, may be consolidated separately and marked as an '*Additional Claim*' and submitted to Nodal Bank by Public Sector Banks and Private Sector Banks latest by June 30, 2017, duly audited by Statutory Auditor's certifying the correctness.
- xii. Any corrections in claims by Banks shall be adjusted from later claims based on auditor's certificate. For Public Sector Banks and Private sector Banks, the corrections must be made on the Nodal Bank's portal accordingly.

II. Interest subvention scheme for Category II Districts (Other than 250 districts).

For category II districts, comprising of districts other than the above 250 districts, all women S.H.Gs under DAY- NRLM will be eligible for interest subvention to avail the loan facility at an interest rate of 7%. The funding for this subvention will be provided to the State Rural Livelihoods Missions (S.R.L.Ms) from the allocation for DAY- NRLM. In the Category II districts, Banks will charge the SHGs as per their respective lending norms and the difference between the lending rates and 7% subjected to a maximum limit of 5.5% for the FY16-17 will be subvented in the loan accounts of the SHGs by the SRLM. In pursuance of the above, the salient features and the operational

guidelines in respect of the interest subvention for the category II districts, for the year 2016-17 are as follows:

(A) Role of the Banks:

All banks who are operating on the Core Banking Solution (CBS) are required to furnish the details of the Credit disbursement and Credit outstanding of the SHGs across all districts in the desired format as suggested by the MoRD, directly from the CBS platform, to the Ministry of Rural Development (*through FTP*) and to the SRLMs. The information should be provided on a monthly basis to facilitate the calculation and disbursement of the Interest Subvention amount to SHGs.

(B) Role of the State Governments:

- i. All women SHGs, are regarded as SHGs under DAY- NRLM and will be eligible for interest subvention on credit upto ₹ 3 lakhs at the rate of 7% per annum on prompt repayment.
- ii. This scheme will be implemented by the State Rural Livelihood Missions (SRLMs). SRLMs will provide interest subvention to the eligible SHGs who have accessed loan from Commercial and Cooperative Banks. The funding for this subvention will be met out of the Central Allocation and State Contribution as per the norms of Government of India.
- iii. The SHGs will be subvented with the extent of difference between the lending Rate of the banks and 7% subject to a maximum limit of 5.5% for the year 2016-17 by the SRLMs, directly on a monthly/quarterly basis. An *e-transfer* of the subvention amount will be made by the SRLM to the loan accounts of the SHGs who have repaid promptly.
- iv. For the purpose of the Interest Subvention, an account will be considered as prompt payee if it satisfies the following criterion as specified by RBI:

a. For Cash Credit Limit:

1. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days
2. There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month
3. Customer induced credit should be sufficient to cover the interest debited during the month.

b. For the Term loans: A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment
The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in the future.

- v. Women SHGs who have availed capital subsidy under SGSY in their existing loans, will not be eligible for benefit of Interest Subvention for their subsisting loan under this scheme.
- vi. SRLMs should submit Quarterly Utilization Certificate indicating subvention amounts transferred to the Loan accounts of the eligible SHGs.

III. The States with state specific interest subvention schemes are advised to harmonize their guidelines with the Central scheme.

List of 250 eligible Districts for the Interest Subvention on the loan at 7% and additional interest Subvention of 3% on the prompt repayment

SI No	States	SI	Name of districts
1	ANDHRA PRADESH	1	Guntur
		2	Krishna
		3	Srikakulam
		4	East Godavari
		5	Vijaynagram
		6	Visakhapatnam
2	ARUNACHAL PRADESH	1	East Siang
		2	East Kameng
		3	Papumpare
		4	Lohit
3	ASSAM	1	Chirang
		2	Karbi Anglong
		3	Sonitpur
		4	Tinsukiya
		5	Hailakandi
		6	Dhemeji
		7	Jorhat
		8	Nagaon
4	BIHAR	1	Saharsa
		2	Supaul
		3	Madhepura
		4	Nalanda
		5	Khagria
		6	EastChamparan (Motihari)
		7	Arwal
		8	Aurangabad
		9	Gaya
		10	Jamui
		11	Jehanabad
		12	Kaimur
		13	Munger
		14	Nawada
		15	Rohtas
		16	Paschim Champaran
		17	Sitamarhi
5	CHATTISGARH	1	Balarampur
		2	Surajpur
		3	Sukama
		4	Kondagaon

		5	Gariyaband
		6	Baloda Bazar
		7	Dhamtari
		8	Raigarh
		9	Bastar
		10	Bijapur
		11	Dantewada
		12	Jashpur
		13	Kanker
		14	Kawardha
		15	Koriya
		16	Narayanpur
		17	Rajnandgaon
		18	Sarguja
6	GUJARAT	1	Chhotaudepur
		2	Mahisagar
		3	Mehsana
		4	Junagadh
		5	Vadodara
		6	Banaskantha
		7	Panchmahal
7	JHARKHAND	1	Pakur
		2	Dumka
		3	Godda
		4	Bokarao
		5	Chatra
		6	Garhwa
		7	Giridh
		8	Gumla
		9	Hazaribagh
		10	Khunti
		11	Kodarma
		12	Latehar(N)
		13	Lohardaga
		14	Paschim Singhbhum
		15	Palamu
		16	Purbi Singhbhum
		17	Ramgarh
		18	Ranchi(Rural)
		19	Saraikela(N)
		20	Simdega(N)
8	KARNATAKA	1	Bijapur
		2	Chamrajnagar
		3	Chitradurga
		4	Gulbarga
		5	Mysore
		6	Tumkur

		7	Gadag
		8	Koppal
9	MADHYA PRADESH	1	Sager
		2	Damoh
		3	Tikamgarh
		4	Panna
		5	Chahatapur
		6	Jhabua
		7	Dhar
		8	Annupur
		9	Balaghat
		10	Dindori
		11	Mandala
		12	Seoni
		13	Shahdol
		14	Sidhi
		15	Umaria
		16	Chhindwara
		17	Singrauli
		18	Badwani
		19	Sheopur
		20	Alirajpur
10	MAHARASHTRA	1	Solapur
		2	Ratnagiri
		3	Thane
		4	Wardha
		5	Beed
		6	Sindhurdurg
		7	Chandrapur
		8	Gadchiroli
		9	Gondia
		10	Jalna
		11	Osmanabad
		12	Nandurbar
		13	Yavatmal
11	ODISHA	1	Angul
		2	Bhadrak
		3	Balasore
		4	Cuttack
		5	Balangir
		6	Devagarh
		7	Gajapati
		8	Ganjam
		9	Jaipur
		10	Kalahandi
		11	Kandhamal
		12	Kendujhar

		13	Koraput
		14	Malkangiri
		15	Mayurbhanj
		16	Nabarangpur
		17	Nayagarh
		18	Nuapada
		19	Rayagada
		20	Sambalpur
		21	Sonapur
		22	Sundargarh
12	RAJASTHAN	1	Dungarpur
		2	Banswara
		3	Dholpur
		4	Jhalawar
		5	Baran
		6	Ajmer
		7	Alwar
		8	Dausa
		9	Udaipur
13	TAMIL NADU	1	Cuddalore
		2	Nagapattinam
		3	Thanjaore
		4	Trichy
		5	Dindugal
		6	Vilupuram
		7	Vellore
		8	Thiruvannamalai
		9	Dharmapuri
14	UTTAR PRADESH	1	Agra
		2	Aligarh
		3	Auraiya
		4	Basti
		5	Bijnor
		6	Lakhimpur Kheri
		7	Unnao
		8	Varanasi
		9	Bara banki
		10	Gorakhpur
		11	Lucknow
		12	Chandauli
		13	Mirzapur
		14	Sonbhadra
		15	Badaun
		16	Hardoi
		17	Etwah
		18	Azamgarh
		19	Allahabad

		20	Ambedkarnagar
		21	Bahraich
		22	Deoria
		23	Jalaun
		24	Hamirpur
		25	Banda
15	WEST BENGAL	1	Alipurduar
		2	Purba Medinipur
		3	South 24 Parganas
		4	Bankura
		5	Medinipur West
		6	Coochbehar
		7	Birbhum
		8	Puruliya
16	TELANGANA	1	Mahabubnagar
		2	Adilabad
		3	Warangal
		4	Khammam
		5	Karimnagar
17	KERALA	1	Idukki
		2	Vayanadu
		3	Pallakkad
		4	Mallapuram
18	HARYANA	1	Mahendergarh
		2	Karnal
		3	Jind
		4	Mewat
		5	Bhiwani
		6	Jhajjar
19	HIMACHAL PRADESH	1	Kangra
		2	Una
		3	Shimla
		4	Mandi
20	JAMMU & KASHMIR	1	Kupwara
		2	Poonch
		3	Kistwar
		4	Ganderbal
		5	Budgam
		6	Udhampur
21	PUNJAB	1	Patiala
		2	Sangrur
		3	Bathinda
		4	Tarn Taran
		5	Gurdaspur
		6	Ferozepur
22	UTTRAKHAND	1	Pithoragarh
		2	Pohri Garwal

		3	Chamoli
		4	Bageshwar
23	MANIPUR	1	Chandel
		2	Imphal East
24	MEGHALAYA	1	West Garo Hills
		2	South West Khasi Hills
		3	West Khasi Hill
25	MIZORAM	1	Serchhip
		2	Aizwal
		3	Lunglei
26	NAGALAND	1	Kiphere
		2	Longleng
		3	Peren
		4	Tuensang
		5	Mon
27	TRIPURA	1	Dhalai
		2	West Tripura
		3	North Tripura
28	PUDUCHERRY	1	Puducherry
29	ANDAMAN & NICOBAR ISLANDS	1	North & Middle Andhman Dist
30	SIKKIM	1	South Sikkim
		2	East Sikkim
31	GOA	1	North Goa

**Weighted Average Interest Rate for 2016-17 of
Private Banks**

WAIC applicable for PSBs for the year 2016-17			
Sl. No	Name of the Bank	Weighted average interest charged (WAIC)	Interest to be subvented above 7% based on WAIC subject to a cap of 5.5%
1	Allahabad Bank	10.52	3.52
2	Andhra Bank	12.5	5.50
3	Bank of Baroda	9.65	2.65
4	Bank of India	13.27	5.50
5	Bank of Maharashtra	11.2	4.20
6	Canara Bank	11.15	4.15
7	Central Bank of India	10.5	3.50
8	Corporation Bank	11.65	4.65
9	Dena Bank	11.09	4.09
10	Indian Bank	11.95	4.95
11	Indian Overseas Bank	10.81	3.81
12	Oriental Bank of Commerce	11.45	4.45
13	Punjab National Bank	11.5	4.50
14	Punjab & Sindh Bank	11.62	4.62
15	State Bank of Bikaner & Jaipur	12.73	5.50
16	State Bank of Hyderabad	12.05	5.05
17	State Bank of India	12.25	5.25
18	State Bank of Mysore	10.6	3.60
19	State Bank of Patiala	10.78	3.78
20	State Bank of Travancore	11.49	4.49
21	Syndicate Bank	11.15	4.15
22	Uco Bank	10.7	3.700
23	Union Bank	10	3.00
24	United Bank of India	11.47	4.47
25	Vijaya Bank	13.93	5.50
26	IDBI	11.5	4.50
27	Bharatiya Mahila Bank	11.7	4.70

Sl. No.	Name of the Banks	weighted average Interest Charged(WAIC)	Interest to be subvented above 7% based on WAIC subjected to a cap of 5.50%
1	The Karur Vysya Bank	10.67	3.67
2	Kotak Mahindra	NA*	NA*
3	Dhan Laxmi	12.50	5.50
4	Tamil Nadu Mercantile Bank	12.65	5.50
5	Yes Bank	NA	NA
6	Indusind Bank	NA	NA
7	Axis Bank	12.48	5.48
8	HDFC	15.25	5.50
9	ICICI Bank	14.35	5.50
10	Lakshmi vilas Bank	12.45	5.45
11	J&K	12.50	5.50
12	City Union Bank	11.07	4.07
13	Karnataka Bank Ltd	11.50	4.50
14	DCB Bank	26.00	5.50
15	RBL Bank	18.00	5.50

Annexure III

Claim for Interest Subvention on loans to women SHGs at 7% per annum, for the credit up-to ₹ 3 Lakhs, for the year 2016-17

Name of Bank:

Statement for claims for the period to: Loans disbursed/outstanding up-to ₹ 3 lakhs

New loan accounts opened during the periodto		Outstanding as at (end of previous period)		Total outstanding as at		Amount of interest subvention
No of Accounts	Amount	No of Accounts	Amount	No of Accounts	Amount	Amount

We hereby certify that loans to women SHGs up-to 3 lakhs were charged Interest @ 7% per annum on the above disbursement/outstanding in the year 2016-17. We certify that the above claimed amount and the accounts are from the Category-I districts only and all the accounts claimed are eligible for interest subvention as per RBI guidelines. We also certify that there is no duplication in the claims and with minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Dated

Authorized Signatory

(This claim format, consolidated for the year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

Annexure IV

Claim for additional Interest Subvention @ 3% on the prompt repayment, for the credit up-to ₹ 3 Lakhs, for the year 2016-17

Name of Bank:

Statement for claims for the period to: Loans disbursed/outstanding upto ₹ 3 lakhs

New loan accounts opened during the periodto		Outstanding as at (end of previous period)		Total outstanding as at		Regular / eligible women SHGs		Amount of interest subvention
No of Accounts	Amount	No of Accounts	Amount	No of Accounts	Amount	No of Accounts	Amount	Amount

We certify that the above loans were repaid on time and the benefit of additional 3% interest subvention has been passed on to the women SHG's account, reducing the effective rate of interest to 4% for the prompt payee women SHGs. There is minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Dated

Authorized Signatory

(This claim format, consolidated for the year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

FINAL CERTIFICATE TO BE ISSUED BY THE MEMBER BANKS ON DAY-NRLM CLAIMS FOR THE YEAR 2016-17
(No and amount in actuals)

NAME OF THE BANK:

DAY-NRLM claim uploaded in CANARA BANK Web portal as on Date : For the month of March 2017

Regular Claim		Additional claim		Total Claim	
No of accounts	Amount	No of accounts	Amount	No of accounts	Amount

We certify that the above claimed accounts and amount are from the Category-I districts only and all the accounts claimed are eligible for interest subvention as per RBI guidelines. We also certify that there is no duplication in the claims and there is minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Date

Authorized signatory

Final Certificate to be issued by Private Banks on Interest Subvention Claims under DAY- NRLM for the year 2016-17

Name of Bank

Details of Claims uploaded on CANARA Bank web portal up to month – March 2017

Date:

Authorized Signatory