

राष्ट्रीय कृषि और ग्रामीण विकास बैंक  
सुक्ष्म ऋण नवप्रवर्तन विभाग  
प्रधान कार्यालय, प्लॉट सं.24, जी ब्लॉक,  
बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051  
टेलि : +91 22-26530084 फैक्स : +91 22-2652 8141  
ईमेल : mcid@nabard.org वेबसाईट : www.nabard.org



National Bank for Agriculture and Rural Development  
Micro Credit innovation Department  
Head Office: Plot No.24, 'G' Block,  
Bandra Kurla Complex, Bandra (E), Mumbai-400 051  
Tel:+91 22 26530084 • Fax: +91 22 2652 8141  
E-mail: mcid@nabard.org • Website: www.nabard.org

**Ref.No.NB.MCID/ 1449 /NRLM-Policy/ 2016-17**

**Circular No: 186 / MCID-05 / 2016**

**05 August 2016**

**The Managing Director  
All State Cooperative Banks**

Dear Sir

**Interest Subvention Scheme for Women SHGs – Year 2016-17 (for Cooperative Banks)**

Please find enclosed the detailed guidelines for operationalisation of Interest Subvention Scheme for the year 2016-17 under NRLM, finalised by Ministry of Rural Development, Government of India, as outlined in Annexure I. Banks are requested to follow the instructions for operationalization of Interest Subvention Scheme.

2. The detailed guidelines on the availability of concessional refinance from NABARD for financing the Women SHGs under the scheme will be issued separately.

3. Banks may submit the interest subvention claims for Category-I districts (list of 250 districts in Annexure II) in prescribed forms (Annexure III & III A) upto the first quarter ended 30 June 2016, immediately.

Yours faithfully

**G R Chintala  
Chief General Manager**

**Encl: As above**

**Endt.No.NB.MCID/ 1450 /NRLM-Policy/2016-17 of date**

Copy forwarded for information and necessary action to:

- i. The Secretary to the Government of India, Department of Financial Services, Ministry of Finance, Jeevan Deep Building, Parliament Street, New Delhi 110 001.
- ii. The Secretary to the Government of India, Ministry of Rural Development, Krishi Bhavan, New Delhi - 110 001.
- iii. The Joint Secretary / Mission Director, Aajeevika, National Rural Livelihood Mission (NRLM), Ministry of Rural Development, Government of India, 6th Floor, Hotel Samrat, Kautilya Marg, Chanakyapuri, New Delhi - 110 021.
- iv. The Secretary to the Government of India, Ministry of Agriculture and Irrigation, Department of Agriculture and Cooperation, Government of India, Krishi Bhavan, New Delhi - 110 001.
- v. The Chief General Manager, F.I.D.D., Reserve Bank of India, Central Office, 10th Floor, Central Building, P.B No. 10014, Mumbai - 400 001.
- vi. The Executive Assistant to Chairman, NABARD Head Office, Mumbai.
- vii. The Executive Assistant to DMD (HRD) & EA to DMD (RA), NABARD Head Office, Mumbai.
- viii. The Chief General Manager / General Manager / Officer-in-Charge, NABARD, Regional Office with the request to bring the contents of the circular to the notice of Registrar of Co-operative Societies of the State/DCCBs operating in the State.
- ix. The Chief General Manager, NABARD, All HO Departments, Mumbai.
- x. The Director, Bankers' Institute of Rural Development (Society), Lucknow.
- xi. The Joint Director(s), Bankers' Institute of Rural Development, Mangaluru & Bolpur.
- xii. The Principal, College of Agricultural Banking (CAB), Pune.
- xiii. The Principal, National Bank Staff College (NBSC), Lucknow.

**Kaushal Kishore**

**Deputy General Manager**

**Ministry of Rural Development, Government of India**  
**Guidelines for Interest subvention scheme for Women SHGs – Year 2016-17**

**I Interest subvention scheme on credit to Women SHGs during the year 2016-17: Cooperative Banks in 250 districts**

- 1 All Women SHGs will be eligible for interest subvention on credit up to ₹3 Lakh. SHGs availing capital subsidy under SGSY in their existing credit outstanding, will not be eligible for the benefit under this scheme.
- 2 Cooperative Banks will lend to all the Women SHGs in Rural areas at the rate of 7% in the 250 districts (*Annexure II provides the names of these districts*).
- 3 Cooperative Banks will be subvented to the extent of difference between the maximum lending rates and 7% (subject to a maximum of 5.5% p.a.), for the FY 2016-17. This subvention will be available to all the Cooperative Banks on the condition that they make SHG credit available at 7% per annum in the 250 districts.
- 4 Further, the SHGs will be provided with an additional 3% subvention on prompt repayment of loans. For the purpose of the Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered as prompt payee if it satisfies the following criterion as specified by 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 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 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.

- 5 The Scheme is limited to Women SHGs in Rural Areas only.
- 6 The Interest Subvention Scheme for Cooperative Banks in these districts will be operationalised by NABARD in a manner similar to the short term crop loan scheme.
- 7 All Cooperative Banks which are operating on the Core Banking Solutions (CBS) can

avail the interest subvention under the Scheme.

- 8 In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, all Cooperative Banks are required to submit their claims to the respective Regional Offices of NABARD on a quarterly basis as at June 30, 2016, September 30, 2016, December 31, 2016 and March 31, 2017. The claims for the last quarter ending March 2017 should be accompanied with a Statutory Auditor's Certificate (in original) certifying the claims for the Financial Year 2016-17 as true and correct.
- 9 Cooperative Banks may submit their consolidated claims pertaining to 3% additional subvention on disbursements made during the entire year 2016-17 to respective Regional Offices of NABARD latest by June 30, 2017, duly audited by Statutory Auditors certifying the correctness.
- 10 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 respective Regional Offices of NABARD latest by June 30, 2017 duly audited by Statutory Auditors certifying the correctness.
- 11 Any corrections in claims by Cooperative Banks shall be adjusted from later claims based on auditor's certificate.
- 12 The interest subvention will be available on Cooperative Banks own fund involved excluding NABARD refinance at concessional rate.
- 13 The claims for interest subvention are to be submitted in the format as per Annexure III, IIIA, IV & IV A.

## **II Interest Subvention Scheme for the Category II Districts (other than 250 districts)**

For the Category-II districts, comprising of districts other than the above 250 districts, all Women SHGs under NRLM will be eligible for interest subvention to avail the loan facility at an interest rate of 7% per annum. The funding for this subvention will be provided to the State Rural Livelihoods Missions (SRLMs) from the allocation for 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%, subject to a maximum of 5.5%, for the financial year 2016-17 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 Cooperative Banks will 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:**

1. All Women SHGs are regarded as SHGs under NRLM, will be eligible for interest subvention on credit upto ₹3 Lakh at the rate of 7% per annum on prompt repayment.
2. This scheme will be implemented by the State Rural Livelihood Missions (SRLMs). SRLM will provide interest subvention to the eligible SHGs who have accessed loan from 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.
3. The SHGs will be subvented to 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.
4. 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:**

- 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 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.

- 5 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.
- 6 The SRLM would submit the Quarterly Utilisation Certificate indicating subvention amounts transferred to the Loan accounts of the eligible SHGs.

**III** The States with the specific interest subvention schemes have been advised to harmonize their guidelines with the Central Scheme.

-----

**Annexure II****List of 250 eligible (Category-I) districts for the Interest Subvention on the loan at 7% and additional interest Subvention of 3% on the prompt repayment**

<b>Sr. No.</b>	<b>Name of the State</b>	<b>Districts</b>	<b>No. of Districts</b>
1	Andaman & Nicobar Islands	North & Middle Andaman Dist.	1
2	Andhra Pradesh	East Godavari	6
3		Guntur	
4		Krishna	
5		Srikakulam	
6		Vijayanagaram	
7		Vishakapattanam	
8	Arunachal Pradesh	East Kameng	4
9		East Siang	
10		Lohit	
11		Papumpare	
12	Assam	Chirang	8
13		Dhemaji	
14		Hailakandi	
15		Jorhat	
16		Karbi Anglong	
17		Nagaon	
18		Sonitpur	
19		Tinsukia	
20	Bihar	Arwal	17
21		Aurangabad	
22		Gaya	
23		Jamui	
24		Jehanabad	
25		Kaimur	
26		Khagaria	
27		Madhepura	
28		Munger	
29		Nalanda	
30		Nawada	
31		Paschim Champaran	
32		Poorvi Champaran (Motihari)	
33		Rohtas	
34		Saharsa	
35		Sitamarhi	
36		Supaul	
37	Chhattisgarh	Baloda Bazar	18
38		Balrampur	
39		Bastar	

<b>Sr. No.</b>	<b>Name of the State</b>	<b>Districts</b>	<b>No. of Districts</b>
40		Bijapur	
41		Dantewada	
42		Dhamtari	
43		Gariyaband	
44		Jashpur	
45		Kanker	
46		Kawardha	
47		Kondagaon	
48		Koriya	
49		Narayanpur	
50		Raigarh	
51		Rajnandgaon	
52		Sarguja	
53		Sukma	
54		Surajpur	
55	Goa	North Goa	1
56	Gujarat	Banaskantha	7
57		Chhota udepur	
58		Junagadh	
59		Mahisagar	
60		Mehsana	
61		Panchmahal	
62		Vadodara	
63	Haryana	Bhiwani	6
64		Jhajjar	
65		Jind	
66		Karnal	
67		Mahendargarh	
68		Mewat	
69	Himachal Pradesh	Kangra	4
70		Mandi	
71		Shimla	
72		Una	
73	Jammu & Kashmir	Budgam	6
74		Ganderbal	
75		Kishtwar	
76		Kupwara	
77		Poonch	
78		Udhampur	
79	Jharkhand	Bokaro	20
80		Chatra	
81		Dumka	

<b>Sr. No.</b>	<b>Name of the State</b>	<b>Districts</b>	<b>No. of Districts</b>
82		Garhwa	
83		Giridih	
84		Godda	
85		Gumla	
86		Hazaribagh	
87		Khunti	
88		Kodarma	
89		Latehar (N)	
90		Lohardaga	
91		Pakkur	
92		Palamu	
93		Paschim Singhbhum	
94		Purbi Singhbhum	
95		Ramgarh	
96		Ranchi (Rural)	
97		Saraikela (N)	
98		Simdega (N)	
99	Karnataka	Bijapur	8
100		Chamrajnagar	
101		Chitradurga	
102		Gadag	
103		Gulbarga	
104		Koppal	
105		Mysore	
106		Tumkur	
107	Kerala	Idukki	4
108		Mallapuram	
109		Palakkad	
110		Wayanad	
111	Madhya Pradesh	Alirajpur	20
112		Annupur	
113		Badwani	
114		Balaghat	
115		Chahatapur	
116		Chhindwara	
117		Damoh	
118		Dhar	
119		Dindori	
120		Jhabua	
121		Mandala	
122		Panna	
123		Sagar	
124		Seoni	
125		Shahdol	



<b>Sr. No.</b>	<b>Name of the State</b>	<b>Districts</b>	<b>No. of Districts</b>
126		Sheopur	
127		Sidhi	
128		Singrauli	
129		Tikamgarh	
130		Umaria	
131	Maharashtra	Beed	13
132		Chandrapur	
133		Gadchiroli	
134		Gondia	
135		Jalna	
136		Nandurbar	
137		Osmanabad	
138		Ratnagiri	
139		Sindhudurg	
140		Solapur	
141		Thane	
142		Wardha	
143		Yavatmal	
144	Manipur	Chandel	2
145		Imphal East	
146	Meghalaya	South West Khasi Hills	3
147		West Garo Hills	
148		West Khasi Hills	
149	Mizoram	Aizawl	3
150		Lunglei	
151		Serchhip	
152	Nagaland	Kiphire	5
153		Longleng	
154		Mon	
155		Peren	
156		Tuensang	
157	Odisha	Angul	22
158		Balangir	
159		Balasore	
160		Bhadrak	
161		Cuttack	
162		Debagarh	
163		Gajapati	
164		Ganjam	
165		Jajpur	
166		Kalahandi	
167		Kandhamal	

<b>Sr. No.</b>	<b>Name of the State</b>	<b>Districts</b>	<b>No. of Districts</b>
168		Kendujhar	
169		Koraput	
170		Malkangiri	
171		Mayurbhanj	
172		Nabarangpur	
173		Nayagarh	
174		Nuapada	
175		Rayagada	
176		Sambalpur	
177		Sonapur	
178		Sundargarh	
179	Puducherry	Puducherry	1
180	Punjab	Bathinda	6
181		Ferozepur	
182		Gurdaspur	
183		Patiala	
184		Sangrur	
185		Tarn Taran	
186	Rajasthan	Ajmer	9
187		Alwar	
188		Banswara	
189		Baran	
190		Dausa	
191		Dholpur	
192		Dungarpur	
193		Jhalawar	
194		Udaipur	
195	Sikkim	East Sikkim	2
196		South Sikkim	
197	Tamil Nadu	Cuddalore	9
198		Dharmapuri	
199		Dindigul	
200		Nagapattinam	
201		Thanjavur	
202		Thiruvannamalai	
203		Trichy	
204		Vellore	
205		Vilupuram	
206	Telangana	Adilabad	5
207		Karimnagar	
208		Khammam	
209		Mahabubnagar	

<b>Sr. No.</b>	<b>Name of the State</b>	<b>Districts</b>	<b>No. of Districts</b>
210		Warangal	
211	Tripura	Dhalai	3
212		North Tripura	
213		West Tripura	
214	Uttar Pradesh	Agra	25
215		Aligarh	
216		Allahabad	
217		Ambedkarnagar	
218		Auraiya	
219		Azamgarh	
220		Badaun	
221		Bahraich	
222		Banda	
223		Barabanki	
224		Basti	
225		Bijnor	
226		Chandauli	
227		Deoria	
228		Etawah	
229		Gorakhpur	
230		Hamirpur	
231		Hardoi	
232		Jalaun	
233		Lakhimpur Kheri	
234		Lucknow	
235		Mirzapur	
236		Sonbhadra	
237		Unnao	
238		Varanasi	
239	Uttarakhand	Bageshwar	4
240		Chamoli	
241		Pithoragarh	
242		Pohri Garhwal	
243	West Bengal	Alipurduar	8
244		Bankura	
245		Birbhum	
246		Coochbehar	
247		Paschim Medinipur	
248		Purba Medinipur	
249		Purulia	
250		South 24 Parganas	
<b>All India</b>			<b>250</b>
			<b>250</b>

**Annexure III****Claim for Interest Subvention on loans to Women SHGs at 7% per annum, for the credit upto ₹3 Lakhs, for the year 2016-17**

Name of the Bank: \_\_\_\_\_

Period of Claim: Quarterly/half-yearly/annually (please tick whichever is applicable)

(From ..... to .....)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (₹)</b>
1	Amount of Women SHG Loans disbursed from ___-___-20___ to ___-___-20___) upto ₹3.00 Lakh per SHG with interest at 7% p.a.	
2	No. of such accounts	
3	Sum Total Product of Women SHG loan outstanding for the period where loan disbursed was upto ₹3.00 Lakh with interest at 7% p.a. <b>(Product = Amount Outstanding X Days Outstanding)</b>	
4	Sum Total Product of concessional refinance availed by Bank from NABARD for the same period against the Women SHG loans.	
5	Sum Total Product of amount eligible for interest subvention for the period in respect of loans disbursed by the Bank out of their own resources. <b>(Sr. No. 3-4)</b>	
6	Amount of ___% (subject to a maximum of 5.5% p.a.) Interest Subvention now claimed for the above period. <b>(Sr. No. 5 x (maximum lending rate-7%)/36500)</b>	

We certify having disbursed the loans to Women SHGs in the notified 250 Category-I districts (as indicated at 1 above) at 7% p.a. We, further, certify that the amount of interest subvention for year 2016-17 being claimed as above have been correctly calculated in conformity with NABARD Circular letter No.NB.MCID/1449/NRLM-policy/2016-17 dated 05 August 2016. We undertake that in the event of any inaccuracy / discrepancy detected later during internal / statutory audit or statutory inspection of our Bank by NABARD or otherwise, we shall immediately refund to NABARD any excess amount of interest subvention claim received by us. The detailed information of claim is available with us and same would be made available for verification / inspection as and when desired by NABARD.

**Signature of Authorised Signatory****Name** : \_\_\_\_\_**Designation** : \_\_\_\_\_**Seal of Bank** : \_\_\_\_\_**Date:** \_\_\_\_\_

**STATUTORY AUDITOR'S CERTIFICATE**

1. Certified that \_\_\_\_% interest subvention claim of ₹\_\_\_\_\_ (Rupees \_\_\_\_\_) for the period from 01<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 referred by bank as above has been worked out by bank as per instructions contained in NABARD Circular letter No.NB.MCID/1449/NRLM-policy/2016-17 dated 05 August 2016. Above claim has been verified to my satisfaction from the records made available by the Bank and is duly audited by me and is found to be correct.

2. It is further certified that the lending interest rate on Women SHG loans (upto ₹3.00 Lakh) sanctioned and disbursed by the Bank is 7% p.a. during the year 2016-17.

**Signature of Statutory Auditor**

**Name** : \_\_\_\_\_

**Designation** : \_\_\_\_\_

**Seal of Auditor** : \_\_\_\_\_

**Date:** \_\_\_\_\_

**Annexure IV**

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

Name of the Bank: \_\_\_\_\_

Statement for claims for the period \_\_\_\_\_ to \_\_\_\_\_: Loans disbursed/outstanding upto ₹3 Lakhs

New accounts opened during the period ..... to .....		Outstanding as at ..... (end of previous period)		Total Outstanding as at .....		Regular / eligible Women SHGs		Amount of interest subvention
Accounts	Amount (₹)	Accounts	Amount (₹)	Accounts	Amount (₹)	Accounts	Amount (₹)	Amount (₹)

We certify that the above Women SHG loans in Category-I districts were satisfying the criteria of prompt payee accounts 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 was minimal human intervention while submitting the additional interest subvention claim from the branch level onwards.

**Signature of Authorised Signatory**

**Name** : \_\_\_\_\_

**Designation** : \_\_\_\_\_

**Seal of Bank** : \_\_\_\_\_

**Date:** \_\_\_\_\_

**Annexure IV A**

**STATUTORY AUDITOR'S CERTIFICATE ADDITIONAL INTEREST SUBVENTION CLAIM**

Certified that 3% additional interest subvention claim of ₹\_\_\_\_\_ (Rupees\_\_\_\_\_ ) for the period from 01<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 referred by bank as above has been worked out by Bank as per instructions contained in NABARD Circular letter No.NB.MCID/1449/NRLM-policy/2016-17 dated 05 August 2016. The above indicated amount has been directly credited to the eligible SHG accounts. Above claim has been verified to my satisfaction from the records made available by the Bank and is duly audited by me and is found to be correct.

**Signature of Statutory Auditor**

**Name** : \_\_\_\_\_

**Designation** : \_\_\_\_\_

**Seal of Auditor** : \_\_\_\_\_

**Date:** \_\_\_\_\_