



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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RBI/2024-25/59

FIDD.CO.FSD.BC.No.8/05.02.001/2024-25

August 06, 2024

The Chairman/Managing Director/Chief Executive Officer  
All Public Sector Banks, Private Sector Banks and  
Small Finance Banks

Madam/Dear Sir,

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2024-25**

Please refer to our [circular FIDD.CO.FSD.BC.No.13/05.02.001/2022-23](http://www.rbi.org.in/circular/FIDD.CO.FSD.BC.No.13/05.02.001/2022-23) dated November 23, 2022 conveying the decision of the Government of India for continuation of the Modified Interest Subvention Scheme for short term loans for agriculture and allied activities for the years 2022-23 and 2023-24.

2. In this regard, it is advised that Government of India has approved the continuation of the Modified Interest Subvention Scheme (MISS) for the financial year 2024-25 with the following stipulations:

- (i) In order to provide short term crop loans and short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. upto an overall limit of ₹3 lakh to farmers through KCC at concessional interest rate during the year 2024-25, it has been decided to provide interest subvention to lending institutions

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हिंदी आसान है, इसका प्रयोग बढ़ाइये

“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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viz. Public Sector Banks (PSBs) and Private Sector Banks (in respect of loans given by their rural and semi-urban branches only), Small Finance Banks (SFBs) and computerized Primary Agriculture Cooperative Societies (PACS) ceded with Scheduled Commercial Banks (SCBs), on use of their own resources. This interest subvention will be calculated on the loan amount from the date of disbursement/drawal up to the date of actual repayment of the loan by the farmer or up to the due date of the loan fixed by the banks, whichever is earlier, subject to a maximum period of one year. The applicable lending rate to farmers and the rate of interest subvention for the financial year 2024-25 will be as follows:

| <b>Financial Year</b> | <b>Lending rate to farmers</b> | <b>Rate of Interest Subvention to Lending Institutions</b> |
|-----------------------|--------------------------------|------------------------------------------------------------|
| 2024-25               | 7%                             | 1.50%                                                      |

- (ii) An additional interest subvention of 3% per annum will be provided to such of those farmers repaying in time, i.e., from the date of disbursement of the loan/s upto the actual date of repayment or upto the due date fixed by the banks for repayment of such loan/s, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers repaying promptly as above would get short term crop loans and/or short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. @ 4% per annum during the financial year 2024-25. This benefit would not accrue to those farmers who repay their agri loans after one year of availing such loans.
- (iii) Interest subvention and prompt repayment incentive benefits on short term crop loans and short term loans for allied activities will be available on an overall limit of ₹3 lakh per annum subject to a maximum sub-limit of ₹2 lakh per farmer in respect of those farmers involved only in activities related to animal husbandry, dairy, fisheries, bee keeping etc. The limit for crop loan component will take priority for interest subvention and prompt repayment incentive benefits and the residual amount will be considered towards allied activities including animal

husbandry, dairy, fisheries, bee keeping etc. subject to the cap as mentioned above. ([Illustrations](#))

- (iv) In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses, the benefit of interest subvention under KCC will be available to small and marginal farmers for a further period of upto six months post the harvest of the crop against negotiable warehouse receipts on the produce stored in warehouses accredited with Warehousing Development Regulatory Authority (WDRA), at the same rate as applicable to the crop loan.
- (v) 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.
- (vi) However, to provide relief to farmers affected due to severe natural calamities, the applicable rate of interest subvention for that year will be made available to banks for first three years/entire period (subject to a maximum of five 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 recommendations of the Inter-Ministerial Central Team (IMCT) and Sub Committee of National Executive Committee (SC-NEC).
- (vii) To ensure hassle-free benefits to farmers under the MISS, Aadhar linkage would continue to be mandatory for availing the above-mentioned short-term loans in 2024-25.

3. Banks are advised to capture the requisite category wise granular data of individual farmer beneficiaries under the scheme and report the same on Kisan Rin Portal (KRP) to settle the audited MISS claims for the year 2024-25.

4. The claims in respect of computerized PACS ceded with SCBs may be uploaded separately by the respective banks, with the certification that interest subvention/prompt repayment incentive is being claimed on loans for which no refinance has been availed from NABARD, duly certified by the banks' Statutory Auditors, through KRP module.

5. Banks are advised to take necessary action to upload the claims/additional claims duly certified by their Statutory Auditors as true and correct, on KRP module for FY 2024-25 latest by June 30, 2025.

Yours faithfully,

(R. Giridharan)  
Chief General Manager

## **Illustrations**

### **Illustration I**

Overall KCC limit - ₹2.5 lakh

Limit under Crop loan - ₹1.5 lakh

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹1 lakh

IS and PRI benefit will be available on overall ₹2.5 lakh i.e.

- ₹1.5 lakh -Crop loan + ₹1 lakh- Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

### **Illustration II**

Overall KCC limit - ₹3 lakh

Limit under Crop loan - ₹0.5 lakh

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹2.5 lakh

IS and PRI benefit will be available on overall ₹2.5 lakh i.e.

- ₹0.5 lakh - Crop loan + ₹2 lakh - Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

### **Illustration III**

Overall KCC limit - ₹4 lakh

Limit under Crop loan - ₹1.75 lakh

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries– ₹2.25 lakh

IS and PRI benefit will be available on overall ₹3 lakh i.e.

- ₹1.75 lakh -Crop loan + ₹1.25 lakh - Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

### **Illustration IV**

Overall KCC limit - ₹4.5 lakh

Limit under Crop loan - ₹2 lakh

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹2.5 lakh

IS and PRI benefit will be available on overall ₹3 lakh i.e.

- ₹2 lakh - Crop loan + ₹1 lakh - Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries

### **Illustration V**

Overall KCC limit - ₹4 lakh

Limit under Crop loan - ₹3.15 lakh

Sub-limit under Animal Husbandry and/or Dairy and/or Bee keeping and/or Fisheries – ₹0.85 lakh

IS and PRI benefit will be available on overall ₹3 lakh for crop loan component only

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