

KNOW ABOUT

Interest Subvention for SHGs & Individuals

UNDER VISVAS YOJANA

2024-25

**Ministry of Social Justice & Empowerment
Government of India, New Delhi**

A. Eligibility & Benefits under the scheme

Interest Subvention for SHGs

1. What is the target group under the scheme?

Scheduled Caste (SC) and Other Backward Class (OBC) members with Annual Family Income upto Rs 3.00 lakh and Safai Karamcharis (including identified manual scavengers, waste pickers and their dependants) (SK). No income criteria will be applicable in case of SK.

2. What are the key features of this scheme?

SHGs with atleast 70% members from the target group will be eligible for interest subvention @ 5% to avail the loan/credit upto Rs 10 lakhs

3. Who are the implementing agencies (IAs) for this scheme?

National Scheduled Castes Finance & Development Corporation for SHGs with atleast 70% members belonging to SC

National Backward Classes Finance & Development Corporation for SHGs with atleast 70% members belonging to the target group

National Safai Karamcharis Finance & Development Corporation for SHGs with atleast 70% members belonging to SK

4. Are all SHGs eligible for interest subvention?

Eligible SHGs having standard loan account are eligible for interest subvention benefit under this scheme.

5. Is there any income criterion to avail interest subvention under this scheme?

SC and OBC SHG members must have annual family income upto Rs. 3.00 Lakh. However, in the case of SK SHG members no income criteria are applicable.

6. What certifications are required to establish income and caste eligibility criteria of SHG members at Lending Institutions?

Following may be considered by Lending Institution to establish **income criteria**: -

- President/Secretary/ Chief Office Bearer of SHG can submit a declaration confirming the annual family income of each member to be upto Rs. 3.00 Lakh. However, no income ceiling will be applicable for members belonging to Safai Karamcharis (including identified Manual Scavengers, Waste pickers, and their dependents).

Caste Certification: President/Secretary/ Chief Office Bearer of SHG can submit declaration that SHG has atleast 70% members belonging to the Target Group.

7. What steps may LIs take to further ensure SHG's eligibility?

Simultaneously, LIs may develop their internal methodologies for conducting random sampling to verify income and caste eligibility of the SHGs in comparison to the assertions made by their President/Secretary/Office Bearer.

8. Are SHGs that are availing subsidy under any other scheme eligible under this scheme?

Interest subvention will be provided to SHGs only for loans/credit limits (or their portion) for which no other interest subvention is being claimed. SHGs that have availed only capital subsidy under any other scheme are also eligible for interest subvention.

9. Will SHGs who have availed loans under NRLM be also benefitted?

Such SHGs fulfilling eligibility conditions will be provided interest subvention only for their portion of loan for which no other interest subvention is being claimed.

10. In case of NRLM SHGs, will the loan limit of Rs 10.00 lakh be above the limit prescribed under Interest Subvention Scheme for Women SHGs under DAY NRLM (currently loans upto Rs 5.00 lakh are subvented for NRLM SHGs) i.e. applicable limit will be Rs 15.00 lakh?

No. Subvention under VISVAS will be provided for loans (or their portion) for which no other interest subvention is being claimed

within the max. loan limit of Rs 10.00 lakh only for SHGs.

11. Can SHGs who have availed loan/credit for consumption purpose benefit under the scheme?

No. Only SHGs who have taken loan/credit **for income generating purpose** will be provided benefit under this scheme.

12. How will the interest subvention amount be credited?

Interest Subvention amount will be credited in the operating account of eligible SHGs provided by the Lending Institution.

13. Can a SHG from urban areas benefit under the scheme?

Yes.

14. Are only government agencies promoted SHG eligible for interest subvention?

Currently all SHGs with atleast 70% members belonging to the target group will be eligible for interest subvention benefit.

15. Does the SHG need to be member of a registered SHG-Federation to be eligible for interest subvention?

No.

16. Are SHGs promoted for specific activities like women farmers' association; irrigation tank management association; women action group sect eligible for interest subvention?

Yes, all Women SHGs fulfilling the eligibility conditions are eligible for interest subvention benefit provided the loan/credit has been taken for income generating activities.

17. Can SHGs who have taken loan from private banks benefit under the scheme?

Yes, provided the Private Bank has signed MoA with implementing agencies i.e. NSFDC, NBCFDC or NSKFDC.

18. From which date will the SHG get subvention benefit at 5%?

The scheme is effective from 01 April 2024. All outstanding loans/credit to SHGs whose data will be shared by LI on or after 01

April 2024 will be eligible for subvention benefit at 5%.

19. Is subvention benefit at 5% available to SHGs only on Standard Accounts?

Yes

20. Is interest subvention available only for fresh loans issued during the year 2024-25?

All eligible SHGs having outstanding loans on 01 April 2024 will be eligible for interest subvention. Additionally, fresh loans provided to eligible SHGs during the scheme period i.e. 2024-25 & 2025-26 will also be subvented.

21. If an SHG borrows more than Rs 10 lakh as loan, will the SHG be eligible for interest subvention?

No. Since the maximum loan limit for SHG under VISVAS is Rs 10.00 lakh.

22. How do we identify an account as Standard Account?

LIs may use the definition of Standard Accounts as per the guidelines of RBI.

23. If an SHG is not a Standard Account during the current month but subsequently clears all over dues and becomes a Standard Account, will SHG be eligible for interest subvention ?

The subvention amount will only be paid for the period for which the loan account is Standard Account.

24. Which are the districts selected for implementation of the scheme?

The scheme is available for the eligible SHGs across India.

Interest Subvention for Individuals

1. What are the key features under the scheme ?

Individual members belonging to the target group (SC, OBC and Safai Karamcharis (SK-including identified manual scavengers, waste pickers and their dependants)) will be eligible for interest subvention @ 5% on loans upto Rs 5 lakhs

2. Is there any income criterion to avail interest subvention under this scheme?

SC and OBC individual must have annual family income upto Rs. 3.00 Lakh. In case of SK no income criteria is applicable.

3. What certifications are required to establish income criteria at Lending Institutions?

Either of the following certifications may be considered by Lending Institution to establish **income criteria**:-

- Valid Annual Income Certificate issued by the competent authority of the State Government
- Antyodaya Anna Yojana (AAY) or Below Poverty Line (BPL) Card Holders or individuals facing three or more deprivations as per SECC-2011 will be considered eligible.
- Eligible Beneficiaries involved in Agricultural activities and getting coverage under the PM Kisan shall be eligible for coverage under Interest Subvention.
- Annual family income certificate may be considered on self-certification of the beneficiaries with endorsement of the same by any Gazetted Officer notified by State/Central Government.
- In case of loan being applied at Bank, Self-Certification duly assessed and endorsed by Branch Manager can be used for establishing the income eligibility.
- For Landless agriculture labor, marginalized farmers (those with

up to One-hectare land holding) and small farmers (those with up to Two-hectare land holding), as assessed by the Banks through their standard processes and belonging to the Scheduled Castes/Backward Classes will be automatically treated as part of the target group as per following considerations: -

- Landless agriculture labour and marginalized farmers with land holding less than One hectare will be deemed as having annual family income upto Rs.1.50 Lakh per annum.
- Small farmers i.e. those with land holding between One and Two hectares will be deemed as having annual family income upto Rs.3.00 Lakh per annum.

4. Are individuals who are availing subsidy under any other scheme eligible under this scheme?

Interest subvention will be provided to individuals only for loans (or their portion) for which no other interest subvention is being claimed. Individuals who have availed only capital subsidy under any other scheme are also eligible for interest subvention.

5. Can individuals who have availed loan/credit for consumption purpose benefit under the scheme ?

No. Eligible individuals who have taken loan/credit for income generating purpose will only be provided benefit under this scheme.

6. How will the interest subvention amount be credited?

Interest Subvention amount will be credited in the Aadhaar seeded account of eligible individuals through PFMS.

7. Is subvention benefit at 5% available to individual Standard Accounts?

Yes

8. How do we identify an account as Standard Account?

The criteria for identifying the Standard Accounts is defined by RBI.

9. Is interest subvention available only for fresh loans issued during the year 2024-25 ?

Eligible individuals having outstanding loans on 01 April 2024 will be eligible for interest subvention. Additionally, fresh loans provided to eligible individuals during the scheme period i.e. 2024-25 & 2025-26 will also be subvented.

10. If an eligible individual borrow more than Rs 5 lakh as loan, will the individual be eligible for interest subvention?

No

11. If an individual's account is not Standard during the current month but subsequently clears all over dues and becomes a Standard Account, will individual be eligible for interest subvention?

The subvention amount will only be paid for the period for which the loan account is Standard.

B. Processing, Claims & Settlement of interest subvention for SHGs/Individuals

1. How can Lending Institutions submit claims for interest subvention?

LIs will upload the data of eligible beneficiaries at VISVAS Module to be hosted at PM-SURAJ Portal.

2. How will the interest subvention amount be disbursed to SHGs/Individuals?

The successful data uploaded by LIs will be processed by IAs for transfer of subvention amount directly into beneficiaries' account through PFMS.

3. What other documents does LI need to submit for submission of claims?

LI will have to submit Annexure-1 & 2 for SHG claims and Annexure-3&4 for Individual claims to IAs periodically.

4. What account number of SHG/Individual is to be provided for transfer of subvention amount?

Standard operating account of SHG is to be provided for transfer of subvention amount. In case of individuals subvention amount will be transferred into Aadhaar seeded account through PFMS.

5. What activities are allowed for subvention eligibility of SHGs or Individuals?

Loans taken for income generating activities are only eligible for subvention claims.

6. Who will transfer the subvention amount in beneficiaries' account?

After the data will be submitted by LI at VISVAS portal, the same will be processed online by respective IA and the transfer of subvention will happen directly into beneficiaries' account.

7. What will be the interest charged on loans sanctioned?

LIs will continue to charge their interest rate as per their lending policy. However, the subvention amount will be limited to 5% p.a. only.

8. What are the loan limits for eligibility of subvention amount?

SHG loans upto Rs.10.00 Lakh and Individual Loans upto Rs. 5.00 Lakh fulfilling eligibility norms will be eligible for subvention amount. **Any Loans above these maximum limits will not be eligible for subvention.**

9. How frequently should claims be submitted to VISVAS module?

LIs are expected to submit their claims on a quarterly basis to VISVAS module.

10. Will the beneficiary be informed after transfer of subvention amount?

Yes. SMS will be sent on successful credit of amount to beneficiaries' mobile number provided by LI at the time of submission of claim.

11. Does LI need to calculate the subvention amount for eligible beneficiaries?

No. Subvention amount will be calculated by the system automatically.

12. Where can LI get the format for submission of claims?

The format will be shared with LIs and the same will be available on VISVAS module also.

13. How will LI get the login for VISVAS module for submission of claims?

The login will be provided to authorized personnel of LI after submission of request for creation of maker and checker by LI to respective IA.



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