

# **KNOW ABOUT**

*Interest Subvention for SC SHGs*

*Interest Subvention for SC Individuals*

# **UNDER VISVAS YOJANA**

2020-21

**National Scheduled Castes Finance & Development  
Corporation (NSFDC)**

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

## Eligibility & Benefits under the scheme

### Interest Subvention for SHGs

**1. What are the key features of this scheme?**

All SHGs with 100% SC members will be eligible for interest subvention @ 5% to avail the loan/credit upto Rs 4 lakhs

**2. Are all SHGs eligible for interest subvention?**

Only SHGs with 100% SC members with Standard Accounts are eligible to benefit under this interest subvention scheme.

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

All SHG members must have annual family income up to Rs. 3.00 Lakh.

**4. What certifications are required to establish income and caste eligibility criteria of SHG members 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
- AAY card holders and other individuals facing three or more Deprivations in terms of SECC-2011, as per records available at the relevant BDO Office.
- All SC beneficiaries involved in Agricultural activities and getting coverage under the PM Kisan shall be eligible for coverage under Interest Subvention.

**Caste Certification** : The applicant should belong to a caste covered under the Scheduled Castes list as notified by State/Central Government from time to time. Relevant Caste Certificate issued by relevant authority of District Administration is admissible at LI to establish caste eligibility.

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

SHGs availing interest subvention under any other scheme are **not** eligible to avail interest subvention under this scheme. However, SHG that have availed only capital subsidy under any other scheme are eligible for interest subvention.

**6. 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.

**7. How will the interest subvention amount be credited?**

Interest Subvention amount will be credited in the operating account of eligible SHG provided by the Lending Institution who has signed MoA (hereinafter all such Lending Institutions have been referred to as LI) with NSFDC from where loan/credit has been availed.

**8. Where will the interest subvention amount be credited?**

Interest Subvention amount will be credited in the operating account of SHG provided by the LI from where loan/credit facility has been availed.

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

Yes.

**10. Are only government agency promoted SHG eligible for interest subvention?**

Currently all SHGs with 100% SC members and registered with NRLM/NULM/NABARD with atleast two years credit history are eligible for interest subvention benefit.

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

No.

**12. 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 with 100% SC members and registered with NRLM/NULM/NABARD having atleast two years credit history are eligible for interest subvention benefit provided the loan has been taken for income generating activities.

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

Currently the subvention benefit will be provided to only those SHGs whose claims will be submitted by the LI.

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

The scheme is effective from 01 April 2020. All outstanding loans to SHGs whose data will be shared by LI on or after 01 April 2020 will be eligible for subvention benefit at 5%.

**15. Is subvention benefit at 5% available to SHGs Standard Accounts ?**

Yes

**16. Is interest subvention available only for fresh loans issued during the year 2020-21?**

All outstanding loans to SC SHGs on or after 01 April 2020 will be eligible for interest subvention.

**17. If an SHG borrow more than Rs 4 lakh as loan, will the SHG be eligible for interest subvention?**

No

**18. How do we identify an account as Standard Account?**

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

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

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

**20. Which are the districts selected for implementation of the scheme?**

The scheme is available for the eligible SHGs all across India.

## Interest Subvention for SC Individuals

**1. What are the key features under the scheme?**

All SC individuals with annual family income up to Rs. 3.00 Lakh will be eligible for interest subvention @ 5% on loans up to Rs 2 lakhs.

**2. Are those individuals who are in State list of SC also eligible for interest subvention under the scheme?**

Yes.

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

SC individual must have annual family income up to Rs. 3.00 Lakh.

**4. 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
- AAY card holders and other individuals facing three or more Deprivations in terms of SECC-2011, as per records available at the relevant BDO Office.
- All SC beneficiaries involved in Agricultural activities and getting coverage under the PM Kisan shall be eligible for coverage under Interest Subvention.

**Caste Certification** : The applicant should belong to a caste covered under the Scheduled Castes list as notified by State/Central Government from time to time. Relevant Caste Certificate issued by relevant authority of District Administration is admissible at LI to establish caste eligibility.

**5. Are SC individuals who are availing subsidy under any other scheme eligible under this scheme?**

Individuals availing interest subvention under any other scheme are **not** eligible to avail interest subvention under this scheme. However, individuals who have availed only capital subsidy under any other scheme are eligible for interest subvention.

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

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

**7. How will the interest subvention amount be credited?**

Interest Subvention amount will be credited into the Aadhar Seeded operating account of eligible SC individuals.

**8. Where will the interest subvention amount be credited?**

Interest Subvention amount will be credited into the Aadhar Seeded operating account of eligible SC individuals.

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

Yes

**10. How do we identify an account as Standard Account?**

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

**11. Is interest subvention available only for fresh loans issued during the year 2020-21 ?**

All outstanding loans to SC individuals on or after 01 April 2020 will be eligible for interest subvention.

**12. If an SC individual borrow more than Rs 2 lakh as loan, will the individual be eligible for interest subvention?**

No





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