

KNOW ABOUT

Interest Subvention for OBC SHGs

Interest Subvention for OBC Individuals

UNDER VISVAS YOJANA

2020-21

**National Backward Classes Finance & Development
Corporation (NBCFDC)**

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

A. Eligibility & Benefits under the scheme

Interest Subvention for SHGs

1. What are the key features of this scheme?

All SHGs with 100% OBC 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% OBC 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 less than 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 OBC 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 Other Backward Classes list as notified by State/Central Government from time to time. Relevant Caste Certificate issued by relevant authority of District Administration is admissible at Lending Institutions (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 NBCFDC 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% OBC 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% OBC 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 only on Standard Accounts ?

Yes

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

All outstanding loans to OBC 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 OBC Individuals

1. What are the key features under the scheme ?

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

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

Yes

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

OBC individual must have annual family income less upto 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 OBC 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 Other Backward Classes 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 OBC 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 OBC individuals who have availed loan/credit for consumption purpose benefit under the scheme ?

No. Only OBC 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 in the operating account of eligible OBC individuals provided by the Lending Institution who has signed MoA (hereinafter all such Lending Institutions have been referred to as LI) with NBCFDC 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 eligible OBC individual provided by the LI from where loan facility has been availed.

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 OBC individuals on or after 01 April 2020 will be eligible for interest subvention.

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

No

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

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

The submission of data by LI will be done at portal developed by Nodal Bank. For the Financial Year 2020-21, ICICI Bank has been selected as the Nodal Bank. All Lis have to submit the data of eligible beneficiaries in prescribed format at the portal only.

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

The following steps will be followed in the disbursement of interest subvention amount:-

- LI will upload the data of eligible SHGs/Individuals in prescribed format at VISVAS portal
- Data submitted will be checked at portal by NBCFDC
- Successful data will be sent to PFMS for Account number verification
- Post verification of accounts subvention amount will be transferred directly into beneficiaries' accounts

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 NBCFDC.

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

Standard operating account of SHG/Individual needs to be provided for transfer of subvention amount.

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 NBCFDC and the transfer of subvention will happen directly into beneficiaries' account provided by LI.

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

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

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

SHG loans upto Rs.4.00 Lakh and Individual Loans upto Rs. 2.00 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 portal?

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

10. Will beneficiary be informed after subvention amount is transferred?

Yes. A bilingual message 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?

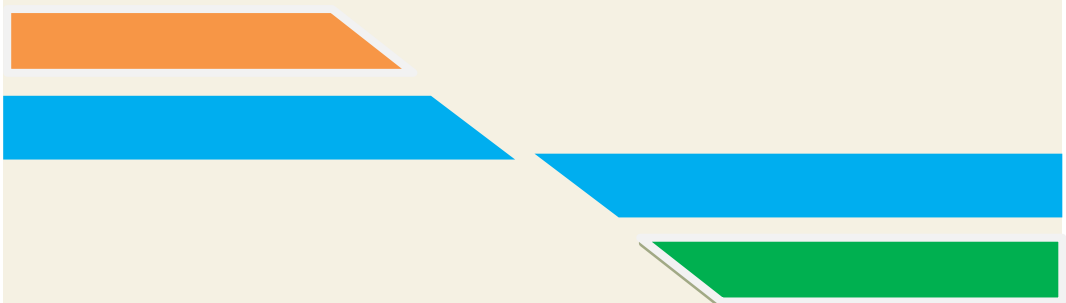
No. After submission of claim file in VISVAS portal by LI, subvention amount will be calculated by the portal automatically.

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 portal also.

13. How will LI get the login for VISVAS portal 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 NBCFDC.



**National Backward Classes Finance &
Development Corporation (NBCFDC)**

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