F. No. 1-4/2020-Cr.I

Government of India

Ministry of Agriculture & Farmers' Welfare

Department of Agriculture & Farmers' Welfare

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Krishi Bhawan, New Delhi

Dated: 16th June 2025

To,

1. The Chief General Manager, FIDD,
   Reserve Bank of India, Central Office Building,
   10th Floor, Shahid Bhagat Singh Road, Mumbai – 400 001.

2. The Chief General Manager, CPD,
   NABARD, 2nd floor, C Wing, C-24, G Block, Bandra Kurla Complex,
   Bandra (East), Mumbai – 400 051.

Subject: Continuation of Interest Subvention component of the Modified Interest Subvention Scheme (MISS) for the FY 2025-26 – reg.

Madam/Sir,

In continuation of, and in partial amendment to, this Department's earlier communication of even number dated 29.04.2024, I am directed to convey the approval of the Government for the continuation of the Modified Interest Subvention Scheme (MISS) for the financial year 2025–26, along with the provision of upfront interest subvention of 1.5% per annum on short-term loans (STL) up to ₹3.00 lakh per borrower per annum for agriculture and allied activities, disbursed through Kisan Credit Card (KCC), to the lending institutions, subject to the following stipulations:

i. In order to provide STL for agriculture and allied activities availed through KCC upto ₹ 3 lakh to farmers at a concessional interest rate of 7% per annum, it has been decided to provide interest subvention to lending institutions viz. Public Sector Banks (PSBs), Private Sector Commercial Banks (in respect of loans given by their rural and semi urban branches only), Small Finance Banks, Regional Rural Banks (RRBs), Cooperative Banks and computerized Primary Agriculture Cooperative Societies (PACS) ceded with the scheduled

commercial banks on use of their own resources. This interest subvention will be calculated on the loan amount from the date of its disbursement/drawl/ renewal upto the date of actual repayment of the loan by the farmer or upto the tenure/ due date/ renewal date of the loans fixed by the Banks/RRBs/Cooperatives/PACS, whichever is earlier, **subject to a maximum period of one year**. The applicable rate of interest for Interest Subvention and lending rate to the farmers for the above said financial years will be as under:

Financial Year	Lending rate to the farmers	Rate for Interest Subvention to the lending financial institutions
2025-26	7%	1.5%

ii. To provide an additional interest subvention of 3% per annum to such of those farmers repaying on time i.e. from the date of disbursement/drawl/renewal of the loans/upto the actual date of repayment/tenure/due date/ repayment date fixed by the banks for repayment of such loan/s, whichever is earlier, subject to a maximum period of one year. This also implies that the farmers paying promptly would get short term agri loans @ 4% per annum during the year 2025-26. This benefit would not accrue to those farmers who repay their agri loans after one year of availing such loans.

iii. This guideline for extending benefit of IS and PRI on Short Term Loans issued through KCC (i.e. crop loan along with allied activities including Animal Husbandry, Dairy, Fisheries, Bee Keeping etc.) are available on an overall limit of ₹3 lakh per annum and subject to a maximum sub-limit of ₹2 lakh per farmer involved in allied activities related to Animal Husbandry, Dairy, Fisheries, Bee Keeping etc. within the prescribed limit of ₹ 3.00 lakh for MISS.

iv. NABARD is also subvented to the extent of the difference between its cost of funds and the refinance rate to eligible rural financial institutions for lending the farmers at interest rate of 7% through KCC. For the period 2025-26, the subvention to NABARD on account of refinance to Cooperative Banks and RRBs will depend upon its cost of funds.

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v. In order to discourage distress sale by farmers and to encourage them instead to store their produce in warehouse, the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period upto six months of post-harvest of the crop on the produce stored in warehouse accredited with Warehousing Development Regulatory Authority (WDRA) against negotiable warehouse receipts, at the same rate as is available on agri loan through KCC from the date of pledge .

vi. 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 as per extant policy laid down by the RBI.

vii. However, to provide relief to the 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 Inter-Ministerial Central Team (IMCT) and Sub Committee of National Executive Committee (SC-NEC).

2. Since the launch of the Kisan Rin Portal (KRP) in September 2023, all financial institutions (FIs) have been instructed to process claims exclusively through digital mode. FIs are required to capture and report detailed, category-wise data of individual farmer beneficiaries under the scheme on the KRP for the settlement of audited MISS claims. All concerned rural financial institutions must ensure timely uploading of these claims on KRP, as per date notified from time to time.
3. Claims in respect of computerized PACS ceded with Scheduled Commercial Banks will be submitted to RBI by the respective banks through KRP.

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4. **The following additional guidelines are issued for strict compliance by all concerned stakeholders:**

I. **One Farmer–One KCC norm:**

The principle of "One Farmer–One KCC" shall be strictly adhered to. Accordingly, only one Kisan Credit Card (KCC) account shall be permitted per individual. A pre-sanction validation module for identifying existing KCC borrowers is being deployed on the Kisan Rin Portal (KRP) for financial institutions. In the interim, banks shall obtain an undertaking from each applicant, prior to disbursement, affirming that he/she does not possess any other KCC account.

II. **Ineligibility for Duplicate KCC Accounts:**

In case multiple KCC accounts are detected for a beneficiary, the claim of Banks/FI/Cooperative society for such beneficiary for IS/PRI would not be entertained. However, considering the priority accorded to the cooperative sector and that it may take some time for cooperative societies/banks to carry out the deduplication exercise, it is recommended that during 2025-26, if such multiple KCC accounts include an account in cooperative society/bank, then only such account in cooperative society/bank may be considered for providing benefits under the scheme. It is further clarified that only one MISS benefit will be available on one land parcel.

III. **Mandatory Aadhaar Authentication:**

Aadhaar seeding and authentication are mandatory for availing benefits under the scheme. All lending institutions must ensure that e-KYC is completed for every farmer to enable seamless access to scheme benefits.

IV. **Accurate Reporting of Social Category:**

Banks shall report the social category of the borrower (SC/ST) strictly based on the self-declaration provided in the KCC application form. No additional documentation shall be demanded for this purpose. It must be ensured that SC/ST beneficiaries are correctly classified under their respective categories.

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V. **Accurate Crop Reporting on KRP:**

Field functionaries must exercise due diligence in accurately reporting the crops sown on the Kisan Rin Portal (KRP). As KRP is now integrated with the Digital Crop Survey and PMFBY platforms, discrepancies may result in validation errors at a later stage.

VI. **Periodic Crop Detail Updates:**

Since KCC loans are valid for a period of five years, field functionaries shall update crop details before each cropping season after field visits. Sanctioned credit limits must be based on the appropriate Scale of Finance as applicable to the crops being cultivated.

VII. **Comprehensive Uploading on KRP:**

All KCC accounts—regular/operative, overdue, and Non-Performing Assets (NPAs)—must be linked to and uploaded on the Kisan Rin Portal, as per classification norms prescribed by RBI from time to time.

VIII. **Informed Decision on Crop Insurance Opt-Out:**

It has been observed that loan officers routinely obtain 'opt-out' declarations for PMFBY/crop insurance during KCC processing. Banks must ensure that this is not treated as a default practice. The loan officer must clearly explain the implications of opting out, and obtain informed and voluntary consent from the borrower to ensure proper risk coverage at the time of new KCC and also at each renewal.

IX. **Gap Between Loan Repayment and Renewal:**

To prevent evergreening of loans, banks shall institute a mandatory minimum gap of seven (7) days between the repayment of loans from the previous crop cycle and the renewal or sanction of loans for the subsequent cycle.

X. **Drawl in installments :**

For avoiding diversion of loan for non agriculture purposes and to ensure farmer retains available credit for inputs in each cropping season full drawl of sanctioned credit limit in one go should be avoided and banks should give drawl permission in installments preferably three with a reasonable gaps between each instalment.

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XI. **Mandatory Issuance of RuPay KCC Cards**:

All banks should ensure that a RuPay Kisan Credit Card is issued to every KCC account holder. This facilitates digital transactions for input purchases and other farming-related expenses, enhances transparency, and supports the digital inclusion efforts in agriculture.

XII. **Adherence to Digital Claim Submission Guidelines:**

Banks, Financial Institutions (FIs), and Cooperative Societies shall strictly follow the operational instructions issued from time to time regarding the digital claim submission process via the Kisan Rin Portal.

5. In accordance to the instructions as above, the RBI and NABARD, the nodal agencies for implementation of Interest Subvention Scheme are requested to issue instructions to PSBs, Private Sector Scheduled Commercial Banks, Small Finance Banks, RRBs, Cooperative Banks and Computerized PACS ceded with Scheduled Commercial Banks (SCBs) about the continuation of Interest Subvention scheme in its modified form for financial year 2025-26.

6. All the Lending Institutions are requested to send a copy of all the instructions/circulars related to STL for Agriculture and allied activities/KCC and MISS to Joint Secretary (Credit), Department of Agriculture & Farmers Welfare, Krishi Bhawan, New Delhi -110001.

Yours sincerely,

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(Anil Kumar Meena)
Under Secretary (Credit)
Tel. No. 011-23385957

Copy to:

1. Secretary (Expenditure), Department of Expenditure, North Block, New Delhi.
2. Secretary, Department of Financial Services, Jeevandeep Building, Parliament Street, New Delhi.
3. Secretary, Department of Economic Affairs (DEA), North Block, New Delhi.

4. Secretary, Department of Food & Public Distribution, Krishi Bhawan, New Delhi.
5. CGM, RBI, HO, Mumbai.
6. Chairman, NABARD, HO, Mumbai.
7. Chairman, Warehousing Development & Regulatory Authority (WDRA), New Delhi
8. CMDs of all Public Sector Banks.
9. The Vice President (Agriculture), India Banks' Association (IBA), Mumbai
10. Chief Controller of Accounts, PAO, Department of Agriculture & Farmers Welfare (DA&FW).
11. Integrated Finance Division (IFD), DA&FW.

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