

300 crore interest subsidy - Programme description

Government of Kerala introduced an interest subvention scheme in 2016 to promote Bank Linkage Program among Kudumbashree Neighbourhood Groups. Under this scheme all NHGs are eligible for interest subvention to avail the loan facility at an interest rate of 4% on credit upto Rs 3 lakhs. Also interest subsidy schemes extended to cope up with certain situations like flood and Covid19. Particular schemes Resurgent Kerala Loan Scheme (RKLS) and Chief Minister Helping Hand Loan Scheme (CMHHLs) were designed so that Kudumbashree NHGs get loan at 9% and Government will pay the interest portion of the loans taken by NHGs. Rs 1680 crores were provided as loan in RKLS scheme and Rs 2000 crore loan is being given in CMHHLs scheme. Rs131 crore is given as first installment interest subsidy and the second installment will come to around 125 crore. The requirement for the second installment interest is being verified from Head office. Rs 1821 crore is given as CMHHLs Loan so far and the scheme may be extended upto Sept 30. Rs 190 crore is required for paying the interest portion of CMHHLs loan. Also interest subsidy for normal linkage loans is Rs 60 crore. Hence a total of Rs 300 crore can be given to Kudumbashree members through the aforesaid interest subsidy schemes within 100 days.