



Extension of Modified Interest Subvention Scheme

Source: PIB

The **Union Cabinet** has approved the continuation of the **Modified Interest Subvention Scheme (MISS)** for **FY 2025-26**.

- Under this scheme, **1.5% interest subvention** will continue to be provided to banks for short-term crop loans up to **Rs 3 lakh** issued through the **Kisan Credit Card (KCC) platform**.

Modified Interest Subvention Scheme (MISS)

- **About:** Launched in **2006-07** as **Interest Subvention Scheme**.
 - **MISS** is a **Central Sector Scheme** under the **Ministry of Agriculture and Farmers' Welfare (MoA&FW)**.
 - It provides **concessional short-term credit** for **agriculture and allied activities** via **KCC**.
 - While **loans are sanctioned at 7% interest**, a **3% Prompt Repayment Incentive (PRI)**, given for **prompt and timely repayment of loans** reduces the **effective rate to 4%**, making credit more affordable.
- **Implementation:** Jointly implemented and monitored by **RBI** and **NABARD** with **Public Sector Banks, RRBs, Cooperative Banks** and **Private Sector Banks**.
- **Key Features:**
 - **Revolving credit** facility under **KCC** for up to **5 years** with flexible withdrawals.
 - **Collateral-free loans** up to **Rs 2 lakh**.
 - **Interest relief** up to **1 year** during natural calamities, extendable to **5 years** for severe disasters.
 - Targets **small and marginal farmers**, who account for **76%** of agri-credit accounts.
 - The government launched the **Kisan Rin Portal (KRP)** to digitally track interest subvention claims.
- **Kisan Rin Portal (KRP)**
 - Launched in **2023** collaboratively by **MoA&FW, Ministry of Finance, RBI, and NABARD**.
 - **KRP** aims to **track interest subvention claims digitally**, ensuring **faster disbursement, greater transparency, and accountability**, benefiting both **farmers** and **banks**.

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