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Government of India
Ministry of Agriculture and Farmers Welfare
Department of Agriculture and Farmers Welfare

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CIRCULAR

Agriculture Infrastructure Fund (AIF) scheme was launched with an objective to mobilize a medium - long term debt financing facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country.

The scheme provides that, interest subvention of 3% per annum will be available for a maximum up to a limit of ₹ 2 crore for 7 years including a moratorium period of up to 2 years. In case of loans beyond ₹ 2 crore, interest subvention will be limited up to ₹ 2 crore only.

For the benefit of all lending institutions, this department clarifies the following on the treatment of AIF Loans when the quantum of loan exceeds the mandatory limit of Rs 2.00 cr under Agriculture Infrastructure Fund (AIF) Scheme:

- In case where the loan amount exceeds Rs 2.00 cr, the AIF component should be clearly segregated under the eligible AIF limit for the purpose of calculation of interest and appropriation of subvention amount. (Either two loan accounts OR one account with two components may be created).
- When EMI / periodical loan installment is collected, it should be proportionately distributed between both the AIF and Non-IF components on the basis of the quantum of loan in each component.
- As and when Interest subvention is received, such an amount should be credited to the AIF component of the Loan. Under no circumstances the AIF Interest subvention should be appropriated to non-AIF component of the Loan.
- After the eligible duration of 7 years for the purpose of allowing AIF Scheme benefits, the AIF component shall be deprived of the AIF character for the purpose of availing the Scheme benefits.

Concerned lending institution/s shall be held liable for any lapse in this regard.



(K.R. Meena)
Director(AIF)

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To,
All lending institutions under AIF Scheme.