

**STATE LEVEL BANKERS' COMMITTEE KARNATAKA
CONVENOR**

Corporate Office: Gandhinagar, Bangalore: 560009
Ph : 22343490 E Mail: blrslbc@syndicatebank.co.in. FAX: 22343489

Ref : 066/2014/2944/SLBC/F-278

Date : Jan. 25, 2014

- 1) The Heads of Controlling Offices of Commercial Banks.
- 2) The Chairmen of RRBs.
- 3) The MDs of Cooperative Banks. 24950
- 4) The Lead District Managers.

Dear Sir,

VERY IMPORTANT

31 JAN 2014

**Sub : Payment of Subsidy directly to the Farmers' Accounts
under different schemes of Dept of Agriculture, GoK**

Ref : Dept of Agriculture letter dated 24.1.2014

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We invite your kind personal attention to captioned subject matter. The Commissioner of Agriculture had convened a meeting of major Bankers on 10.1.2014 to deliberate on the modalities of direct transfer of benefits to the farmers' accounts under State Govt funded Schemes pertaining to Agriculture Dept. The core objective is to remit the farmers' share and Government's subsidy component to the supplier of the farm machinery / equipment to ensure end utilization, which helps in improving the Farm Productivity and asset creation.

The gist of the minutes of the meeting is as under.

1. The Beneficiary should compulsorily have bank account.
2. Assistant Director of Agriculture (ADA) will scrutinize the application submitted by the beneficiary in the prescribed format, issue acknowledgement and inform the branches / bank and recommend the farmer's share to be remitted to purchase farm machinery / micro-irrigation system. The beneficiary will remit his/her share to the bank account.
3. Head offices of all banks need to issue further directions to their respective branches, stating not to tag the farmer's share / subsidy amount to any outstanding loan due by the beneficiary in the concerned bank branch.
4. The Bankers should block the farmer's share amount (not to allow withdrawal) remitted to his account to purchase the Farm Machinery/Micro-Irrigation system.
5. The bank should intimate the details of farmers' share remitted to their a/cs to the concerned ADA.

ADDY (HRS)

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6. The ADA will issue a letter along with authorization letter from the beneficiary to the concerned bank branches for transferring the farmer's share to the concerned manufacturer/suppliers account.
7. The ADA will place the indent to the concerned manufacturer/supplier to supply the farm machinery/micro-irrigation system to the beneficiary through Department after taking the same into stock.
8. The physical verification will be done by the department officials, obtain satisfactory certificate from the beneficiary and billing will be done for disbursement of government subsidy portion.
9. The Dept. should enclose a letter along with Treasury / Bank cheque stating to credit the subsidy amount to beneficiary's account.
10. The subsidy amount should be remitted to manufacturer / authorized dealer's account after realizing subsidy amount in the beneficiary's account as per the consent letter of ADA.

Copy of the application form, Acknowledgment letter by the Dept. of Agriculture, Recommendation letter (farmer's share) and Recommendation letter (Govt.'s share) are enclosed for your kind perusal (*+ Authorization letter*)

Please acknowledge receipt and do the needful.

Yours faithfully,


(K. Santhosh Kamath)
Convener-SLBC &
GM, Syndicate Bank

Encl : a.a. 

✓ cc : The Commissioner,
Commissionerate of Agriculture,
Govt. of Karnataka,
Seshadri Road,
Bangalore - 560 001.

- for information.