

NOTICE
(15.12.2022)

The Ministry of Minority Affairs, Government of India has been implementing the Padho Pardesh Scheme for providing subsidy on the interest payable during the period of moratorium on the educational loan, obtained by students belonging to the notified minority communities, for overseas studies.

In recent years the Government has eased the norms and made various educational loans available easily to all students through Public Sector Banks. As a result educational loan up to ₹ 7.5 lakh sanctioned without any collateral security and third party guarantee by a lending institution to the eligible borrower for higher education as per "Indian Banks' Association Model Educational Loan Scheme for pursuing Higher Education in India and Abroad" is covered under the 'Credit Guarantee Fund Scheme for Educational Loans' of Department of Higher Education. In addition to this, the National Minorities Development & Finance Corporation (NMDFC), a PSU under Ministry of Minority Affairs, also provides educational loan for education abroad, at lower rate of interest, exclusively to students belonging to minority communities. It has also been observed that benefits of interest subsidy that get accrued to the beneficiaries under the Padho Pardesh scheme are limited and also that there is an apparent overlap with other similar schemes being implemented by other Ministries which are applicable to eligible minority community students as well.

In view of the aforesaid overlap, limited benefits and ease of availing education loans on lower rate of interest, it has been decided to discontinue Padho Pardesh Scheme from 2022-23 onward. However, existing beneficiaries of the Scheme as on 31.03.2022, will continue to receive the interest subsidy during the moratorium period on their educational loan, subject to the compliance with the extant guidelines.
