

**Ministry of Minority Affairs  
Scholarship Division**

**Updation of Chapter under RTI Proactive Disclosure**

**CHAPTER- XII**

The manner of execution of subsidy programmes, including the amounts allocated and the details of beneficiaries of such programmes.

**PADHO PARDESH- SCHEME OF INTEREST SUBSIDY ON EDUCATIONAL LOANS FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO THE MINORITY COMMUNITIES**

- A. The Scheme was launched on 26 February 2014.
- B. The objective of the scheme is to award interest subsidy to meritorious students belonging to economically weaker sections of notified minority communities i.e. Muslim, Christian, Sikh, Buddhist, Jain & Parsi, so as to provide them better opportunities for higher education abroad and enhance their employability.
- C. The salient features of the scheme are as under:-
1. The interest subsidy under the scheme is available to the eligible students only once, either for Masters or M.Phil or Ph.D levels, for which the student should have secured admission in the approved courses abroad.
  2. Interest payable by the students availing of the education loans of the IBA for the period of moratorium (i.e. course period, plus one year or six months after getting job, whichever is earlier) as prescribed under the Education Loan Scheme of the IBA, shall be borne by the Government of India. After the period of moratorium is over, the interest on the outstanding loan amount shall be paid by the student, in accordance with the existing Educational Loan Scheme as may be amended from time to time. The Candidate will bear the Principal installments and interest beyond the moratorium period.
  3. Loan amount of up to Rs.20.00 lakh is eligible under the Scheme for payment of subsidy.
  4. Total income from all sources of the candidate or his/ her parents/ guardians shall not exceed Rs. 6.00 lakh per annum.
  5. One beneficiary from a family and one time award.

6. 35% slots have been earmarked for girl students.
7. The interest subsidy is credited to the loan account of the student under DBT mode.
8. The Scheme is implemented through the Canara Bank.

D. 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 Rs. 7.50 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 01st April, 2022 onward.

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