

GOVERNMENT OF INDIA
MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT
RAJYA SABHA
UNSTARRED QUESTION NO-3346
ANSWERED ON - 24/03/2021

SUBSIDY GIVEN ON LOANS

3346. LT.GEN. (DR.) D. P. VATS (RETD.)
SHRI HARNATH SINGH YADAV

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:-

- (a) whether there is any proposal for subsidy on loans given to underprivileged sections of the society;
- (b) if so, the details thereof; and
- (c) the details regarding the financial assistance provided to underprivileged sections under Priority Sector Lending during the last five years?

ANSWER

THE MINISTER OF STATE FOR SOCIAL JUSTICE AND EMPOWERMENT

(SHRI RATTAN LAL KATARIA)

(a) & (b) National Scheduled Castes Finance and Development Corporation (NSFDC) a Central Public Sector Enterprise (CPSE) under the aegis of Ministry of Social Justice & Empowerment, Government of India provides financial assistance in the form of loan, up to 90% of unit cost (except in Term Loan and Vocational Education and Training Loan Scheme, where it is 95% and 100% respectively) at concessional rate of interest, to persons belonging to Scheduled Castes, having annual family income up to Rs.3.00 lakhs, for income generating activities, to promote self-employment opportunities. The Schemes are implemented through State Channelizing Agencies (SCAs), nominated by respective State Government/UT, and other Channelizing Agencies like Regional Rural Banks (RRBs) and Public Sector Banks (PSBs), with whom the Corporation has signed MoA.

NSFDC does not provide any subsidy on loans. However, in Credit Based Schemes (except in Educational Loan Scheme and Vocational Education and Training Loan Scheme) implemented through SCAs, subsidy per unit @ Rs.10,000/- or 50% of the unit cost, whichever is less, is provided by the SCAs from Special Central Assistance to Scheduled Caste Sub-Plan (SCSP) to the Below Poverty Line (BPL) beneficiaries.

Further Under Central Sector Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS) there are following provisions for providing capital subsidy for self employment projects:-

- i. Manual scavengers and their dependants are provided capital subsidy upto 3.25 lakh for general projects as per the following details

| Range of Project cost | Admissible capital subsidy |
|----------------------------------------------------------|---------------------------------------------------------------------|
| For projects costing upto Rs. 2.00 lakh | 50% of the project cost |
| For projects above Rs. 2.00 lakh and upto Rs. 5.00 lakh | Rs. 1.00 lakh + 33.33% of the remaining project above Rs. 2.00 lakh |
| For projects above Rs. 5.00 lakh and upto Rs. 10.00 lakh | Rs 2.00 lakh + 25% of the remaining project above Rs. 5.00 lakh |

- ii. For projects involving purchase of machines/vehicles for cleaning of sewers and septic tanks, manual scavengers, sanitation workers and their dependants are provided capital subsidy upto Rs 3.25 lakh as per the following details:-

| Range of Project cost | Admissible capital subsidy |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| For projects costing upto Rs. 5.00 lakh | 50% of the project cost |
| For projects above Rs. 5.00 lakh | Rs. 2.50 lakh + 25% of the remaining project cost above Rs. 5.00 lakh-subject to maximum capital subsidy Rs 3.25 lakh |

The Ministry has also launched a scheme namely VISVAS (Vanchit Ikai Samooh aur Vargoko Arthik Sahayata) earlier named as Interest Subvention Scheme (ISS) for the benefit of Scheduled Castes and OBC Self Help Groups/Individual member with annual family income up to Rs. 3 Lakh.

All SHGs fulfilling eligibility will be eligible for interest subvention on loan/credit upto Rs. 4.00 Lakh at 5% interest per annum and all individual members will be eligible for interest subvention on loan upto Rs.2.00 Lakh at 5% interest per annum.

The expected target beneficiaries under the Scheme are more than 3.5 lakhs belonging to Other Backward Classes and Scheduled caste community.

(c) As per the Reserve Bank of India (RBI) letter No.RPCD.CO.DO.Plan.5716/04.09.01/2012-13 dated 05.12.2012, loans provided by NSFDC under Credit Based Schemes can be treated to be **under Priority Sector under 'weaker sections'**.

The details regarding the financial assistance provided to the NSFDC's target group, during the last five years under credit based Schemes is given below:

| Financial Year | Amount released (Rs./Crore) | Beneficiaries covered (Numbers) |
|-----------------------|------------------------------------|--------------------------------------------|
| 2015-16 | 378.94 | 71,915 |
| 2016-17 | 478.98 | 82,105 |
| 2017-18 | 600.88 | 1,08,340 |
| 2018-19 | 671.21 | 81,431 |
| 2019-20 | 681.50 | 83,970 |

The details of capital subsidy released to the manual scavengers and their dependents for self employment projects during the last five years are as follows:

| Financial Year | Amount released (Rs./Crore) | Beneficiaries covered (Numbers) |
|-----------------------|------------------------------------|--------------------------------------------|
| 2015-16 | 2.3894 | 365 |
| 2016-17 | 1.6287 | 196 |
| 2017-18 | 1.158 | 151 |
| 2018-19 | 1.2648 | 151 |
| 2019-20 | 0.4971 | 108 |
