

**GOVERNMENT OF INDIA  
SOCIAL JUSTICE AND EMPOWERMENT  
LOK SABHA**

UNSTARRED QUESTION NO:3671  
ANSWERED ON:16.08.2000  
INCREASED INTEREST OF LOAN FOR SC/ST  
BHAWANA GAWALI (PATIL)

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

- (a) whether the interest rate on the loan to be provided to the persons belonging to Scheduled Castes and Scheduled Tribes by the National Scheduled Castes/Scheduled Tribes Finance Development Corporation has been increased and the loan amount in different cases has been reduced for the present;
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) the corrective measures being taken by the Government in this regard?

**Answer**

MINISTER OF STATE OF THE MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT (SMT. MANEKA GANDHI)

(a)&(b) The interest rates and criteria of loan amount were revised as follows:- Interest Rates:

Prior to 1.4.99 Chargeable p.a. to SCA Beneficiary

Upto Rs. 5 lakhs	4%	6%
Above Rs. 5 lakhs	6%	8.5%

Revised Rates

Upto Rs. 5 lakhs	4%	7%
Above Rs. 5 lakhs	6%	9%

Interest Rate were revised to provide more margin to State Channelising Agencies for covering their administrative Costs.

Loan Amount

Prior to 01.04.99, NSFDC had earmarked 75% funds for projects costing upto Rs. 5.00 lakhs and 25% funds for project costing above Rs. 5 lakhs and upto Rs. 30.00 lakhs per unit. The allocation for low value schemes was raised to 90% w.e.f. 01.04.99 and only 10% funds have been kept for high value scheme. The allocation for low value Schemes has been increased with a view to give more coverage to low cost schemes and also to cover more beneficiaries within available resources.

(c) Rate of interest and loan amount was revised for assisting the SC/St beneficiaries in a better manner and for the benefit of State Channelising Agencies.