

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:405  
ANSWERED ON:23.04.2010  
DIFFERENTIAL RATE OF INTEREST SCHEME  
Singh Shri Sukhdev

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the scheduled commercial banks are extending financial assistance under the Differential Rate of Interest (DRI) scheme to the low income groups to enable them to undertake the productive ventures;
- (b) if so, the number of beneficiaries alongwith the financial assistance provided to them under the scheme during the last three years, State-wise and bank-wise;
- (c) the number of the beneficiaries under the Indira Awas Yojana (IAY) who have availed of bank loans under the Scheme, State-wise and bank-wise; and
- (d) the steps taken by the Government to make the DRI scheme more effective in extending the financial assistance to low Income groups?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (A) TO (D) OF LOK SABHA STARRED QUESTION NO.405 TO BE ANSWERED ON 23-03-2010 TABLED BY SHRI SARDAR SUKHDEV SINGH LIBRA REGARDING DIFFERENTIAL RATE OF INTEREST SCHEME.

(a): Yes, Sir. Banks, including public and private sector banks, provide financial assistance under Differential Rate of Interest (DRI) Scheme. This is upto Rs. 15,000/- for productive purposes and Rs. 20,000/- for housing purposes. The rate of interest is 4% per annum.

(b): Based on information furnished by Reserve Bank of India (RBI), State-wise details of number of accounts and the amount outstanding under DRI scheme by scheduled commercial banks, as on last reporting Friday of March 2007, 2008 and 2009, are at Annexure-I. Bank-wise details are at Annexure-II.

(c): As per reports of Public Sector Banks (PSBs), the number of Indira Awas Yojana (IAY) beneficiaries who have been provided loan by PSBs (bank-wise), under DRI Scheme, as on 31-12-2009 number of accounts disbursed during the year 2009-10 (upto December, 2009), is at Annexure-III.

(d): With a view to make the DRI scheme more effective and enhance credit flow under the scheme, the following steps have been taken by the Government:

(i) The limit of loan amount under the Scheme has been increased to Rs. 15000/- per beneficiary and the limit of the housing loan amount to Rs. 20,000/- per beneficiary in 2007. Accordingly, RBI had issued a circular dated June 13, 2007, impressing upon the banks to achieve the prescribed targets under the scheme.

(ii) The borrower's income eligibility criteria has been revised in 2008 from Rs. 6,400/- to Rs. 18,000/- per annum in rural areas and from Rs. 7,200/- to Rs. 24,000/- per annum in urban or semi-urban areas;

(iii) With effect from 2008-09, the scheme has been made applicable to the IAY beneficiaries. Loan upto Rs. 20,000/- can be availed by IAY beneficiaries under DRI Scheme.