

GOVERNMENT OF INDIA
MINISTRY OF MINORITY AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 761
ANSWERED ON 02.12.2024

BUDGET REDUCTIONS IN KEY SCHEMES

761. SHRI MALLIKARJUN KHARGE:

Will the Minister of MINORITY AFFAIRS be pleased to state:

- (a) the reasons for significant budget reduction in key schemes such as Coaching and Allied Schemes for Minorities, Interest Subsidy on Educational Loans for Overseas Education for Minorities, and Education Scheme for Madrasas and Minorities;
- (b) the manner in which Government justifies these reductions in light of their potential impact on the educational and economic upliftment of minority communities;
- (c) the steps being taken to mitigate the adverse effects of these budget cuts, if so, the details thereof; and
- (d) whether Government is considering a review and restoration of funding for these critical programs in the upcoming budget cycles?

ANSWER

THE MINISTER OF MINORITY AFFAIRS

(SHRI KIREN RIJU)

- (a) The Government has taken a decision to discontinue the (i) Free Coaching and Allied Schemes for Minorities and (ii) Interest Subsidy on Education loans for overseas Education for Minorities (Padho Pardesh) from the financial year 2022-23 onwards. The discontinuation of Free Coaching and Allied Schemes for Minorities was in line with approach of the new Education Policy 2020. No fresh targets were allocated under the Scheme from 2022-23 onwards. Further, presently only committed liabilities are being processed. Accordingly, the budget under the scheme was rationalised for subsequent years. It has also been observed that benefits of interest subsidy that got accrued to the beneficiaries under the Padho Pardesh scheme were limited and also that there is an overlap with other similar schemes being implemented by other Ministries viz. Ministry of Social Justice and Empowerment, Ministry of Tribal Affairs, which are applicable to eligible minority students as well. In view of the aforesaid overlap, limited benefits and ease of availing education loans on low rate of interest, it has been decided to discontinue Padho Pardesh scheme from 2022-23 onwards. However, existing beneficiaries of the Scheme as on 31.03.2022, will continue to receive the interest subsidy during the moratorium period on their education loan, subject to the compliance with the extant guidelines.

The “Scheme for Providing Education to Madarsas/Minorities (SPEMM)” was under implementation of the Department of School of Education & Literacy, Ministry of Education till 2020-21 and was transferred to Ministry of Minority Affairs for implementation. The scheme was approved for implementation upto 2021-22, and thus implemented by the Ministry for 2021-22 only. Accordingly, the budget under the scheme was rationalised for subsequent years.

- (b) & (c): 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.
- (d): There is no proposal for review and restoration of funding of the aforesaid programme in the Ministry so far.
