

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 1248

ANSWERED ON MONDAY, JULY 28, 2025/ SRAVANA 6, 1947 (SAKA)

Disbursal of Loan on Lowest Interest Rate to SCs/STs

1248. DR. ALOK KUMAR SUMAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Government has made provision for disbursement of loan at lowest interest rate to Scheduled Castes and Scheduled Tribes people for the promotion of their economic strata;
- (b) if so, the details thereof;
- (c) whether it is also a fact that Scheduled Caste and Scheduled Tribe persons are not availing there facilities due to lowest paying capacity, if so, the measures taken by the Government in this regard;
- (d) whether the Government has made any categorization for special consideration to the Scheduled Castes and Scheduled Tribes for availing the loan facilities for their overall development; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e): The Reserve Bank of India (RBI) has informed that it has deregulated the interest rate on advances sanctioned by Scheduled Commercial Banks (SCBs) and interest rates on advances are determined by banks with the approval of their respective Board, subject to broad regulatory framework issued in this regard by RBI.

There are several Centrally Sponsored Schemes (CSS) under which significant reservation/relaxation in credit/ financial assistance is extended by banks/corporations to

persons from Scheduled Castes (SC) and Scheduled Tribes (ST) communities. These include, *inter alia*,—

- (i) Differential Rate of Interest (DRI) Scheme at a concessional interest rate of 4% per annum, with 40% of beneficiaries from SC/ST communities having easier eligibility and higher permissible loan amount;
- (ii) Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) has a provision for subvention on interest rates with adequate coverage of vulnerable sections of the society such that 50% of the beneficiaries are SCs/STs.
- (iii) Stand-Up India scheme, in which banks extend loans between ₹10 lakh and ₹1 crore at low interest rate to SC/ST and women borrowers for setting up greenfield enterprise;
- (iv) Financial assistance for income generating schemes for SCs, by National Scheduled Castes Finance and Development Corporation (NSFDC), through Channel Partners (State Channelising Agencies/Banks), on concessional interest rates, under various schemes *viz.*, Micro Finance Scheme Term Loan Scheme, Educational Loan Scheme, Udyam Nidhi Yojna and Aajeevika Micro finance Yojana etc.;
- (v) Financial assistance for income generating schemes for STs by National Scheduled Tribes Finance and Development Corporation (NSTFDC), through various agencies at concessional rate of interest under various schemes *viz.*, Adivasi Mahila Sashaktikaran Yojana, Micro Credit Scheme for Self Help Groups, Adivasi Shiksha Rrinn Yojana and Term Loan Scheme;

Further, under RBI's Priority Sector Lending (PSL) targets for all commercial banks, including nationalised banks and Primary (Urban) Co-operative Banks, a sub-target of 15% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBSE) for RRBs and 12% of ANBC or CEOBSE for all other bank categories, has been prescribed for lending to Weaker Sections which includes, *inter alia*, persons from SC/ST communities.

RBI has also, from time to time, issued guidelines/instructions to banks for ensuring credit flow to SCs/STs and for reviewing the measures taken to enhance the flow of credit to SC/ST borrowers on a quarterly basis. The review also considers the progress made in lending to these communities directly or through the State Level SC/ST Corporations for various purposes
