

PADHO PARDESH - SCHEME OF INTEREST SUBSIDY ON EDUCATIONAL
LOANS FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO
THE MINORITY COMMUNITIES
(Effective from 2013-14)



GOVERNMENT OF INDIA
MINISTRY OF MINORITY AFFAIRS

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1. BACKGROUND

The Prime Minister's New 15 Point Programme for the Welfare of Minorities was announced in June, 2006. It provides that the schemes for scholarships for meritorious students from minority communities will be formulated and implemented. The scheme of Interest Subsidy on educational loans for overseas studies will promote educational advancement of student from minority communities.

2. OBJECTIVE

. The objective of the scheme is to award interest subsidy to meritorious students belonging to economically weaker sections of notified minority communities so as to provide them better opportunities for higher education abroad and enhance their employability

3. SCOPE

This is a Central Sector Scheme to provide interest subsidy to the student belonging to the communities declared as minority communities in terms of section 2 (c) of National Commission for Minorities Act, 1992, on the interest payable for the period of moratorium for the Education Loans under the Scheme of Interest subsidy on Educational Loans for Overseas Studies to pursue approved courses of studies abroad at Masters and Ph.D levels.

4. CONDITIONS FOR INTEREST SUBSIDY

- i) The Scheme is applicable for higher studies abroad. The interest Subsidy shall be linked with the existing Educational Loan Scheme of Indian Banks' Association (IBA) and restricted to students enrolled for course at Masters, M.Phil and Ph.D levels.
- ii) The interest subsidy under the scheme shall be available to the eligible students only once, either for Masters or Ph.D levels. Interest subsidy shall not be available to those students who either discontinued the course mid- stream, due to any reason, or those who are expelled from the institutions on disciplinary or academic grounds.
- iii) If a student violates any condition of the scheme, the subsidy will be discontinued forthwith.
- iv) If a student is found to have obtained the subsidy by false statement/ certificates, the subsidy will be withdrawn/ cancelled forthwith and amount of the subsidy paid shall be recovered with panel interest, apart from taking criminal action as per law.

- v) The students obtaining benefits under this Scheme shall not be given the interest subsidy if he gives up Indian citizenship during the tenure of the loan.
- vi) The designated bank will maintained a separate account and records relating to the funds received from the ministry and these will be subject to inspection/ audit by the officers of the Ministry, or any other agency designated by the Ministry and C & AG.
- vii) The fund for interest subsidy from the 2nd year onwards will be released to the designated Bank after receiving the utilization certificate for the earlier releases as per provisions of GFR.
- viii) The designated Bank shall place all relevant details of financial and physical achievements on its website and implement the scheme as per the Memorandum of understanding to be signed between the designated Bank and Ministry of Minority Affairs.
- ix) The designated Bank will ensure that the students from the minority communities, who may also belong to SC/ ST/ OBC category, do not avail interest subsidy from other sources for the same purpose.
- x) The designated Bank will lay down the detail procedure for processing and sanctioning of interest subsidy to eligible students in consultation with Ministry of Minority Affairs.
- xi) The scheme will be evaluated at regular intervals by the Ministry or any other agency designated by the Ministry and the cost of the evaluation study will be borne by the Ministry.
- xii) The terms and conditions of the scheme can be changed at any time at the discretion of Ministry of Minority Affairs to improve procedure and achieve more effective implementation. However, there should not be financial implications.

5. ELIGIBILITY

- i) The student should have secured admission in the approved courses at Masters, M.Phil or Ph.D levels abroad for the courses shown at Para-13.
- ii) He/ She should have availed loan from a scheduled bank under the Education Loan Scheme of the Indian Banks Association (IBA) for the purpose.

6. INCOME CEILING

- i) Total income from all sources of the employed candidate or his/ her parents/ guardians in case of unemployed candidate shall not exceed Rs. 6.00 lakh per annum.
- ii) Income certificate should be submitted from the notified authority in the State/ Union Territory.

7. RECOMENDATORY COMMITTEE

- (i) Recommendatory Committee headed by Joint Secretary in-charge of the Scheme with representatives of Finance Division, representative of Nodal Bank and concerned Director/Deputy Secretary as convener will examine and recommend the applications for award of interest subsidy on quarterly basis.
- (ii) To the extent possible, the benefit of Interest Subsidy will be given to notified minority communities in the ratio of their population.
- (iii) Preference will be given to the girl candidates.

8. RATE OF INTEREST SUBSIDY

- (i) Under the scheme, interest payable by the students availing of the education loans of the IBA for the period of moratorium (i.e. course period, plus one year or six months after getting job, whichever is earlier) as prescribed under the Education Loan Scheme of the IBA, shall be borne by the Government of India.
- (ii) After the period of moratorium is over, the interest on the outstanding loan amount shall be paid by the student, in accordance with the existing Educational Loan Scheme as may be amended from time to time.
- (iii) The Candidate will bear the Principal installments and interest beyond moratorium period.

9. IMPLEMENTING AGENCIES

The scheme will be implemented by the designated Bank as per MoU between the Bank and Ministry of Minority Affairs.

10. ADMINISTRATIVE EXPENSES

- (i) A provision not exceeding 3% of the annual budget allocation for the scheme will be made to meet the administrative and allied costs viz. expenditure of the Ministry for office equipments including computers and accessories, advertisements, engagement of personnel, etc.
- (ii) This provision will also be used for evaluation and monitoring of the scheme, through outside reputed institutions/ agencies engaged by the Ministry of Minority Affairs, Government of India. Administrative cost of the Bank will be shared as per provision in the MoU.

11. MONITORING & TRANSPARENCY

- (i) The Ministry of Minority Affairs shall monitor the performance of the scheme.
- (ii) For this purpose, a web enabled monitoring mechanism shall be put in place by designated Bank.
- (iii) The Designated Nodal Bank will be required to furnish quarterly financial and physical progress reports to the Ministry.
- (iv) The designated Nodal Bank shall maintain year-wise details of the students receiving scholarship, indicating institute, location of the institute, class, gender, new or renewal, permanent address and parents address.
- (v) Designated Nodal Bank shall place relevant physical and financial details on their official website.

12. EVALUATION

The monitoring of the financial and physical performance of the scheme will be periodically evaluated by the assigning evaluation/ impact studies to reputed institutions/ agencies by the Ministry of Minority Affairs, Government of India.

13. * INDICATIVE SUBJECTS/ DISCIPLINES COVERED UNDER THE SCHEME (for Masters, M.Phil and Ph.D)

The subjects/ disciplines in which courses may be undertaken for the grant of interest subsidy are listed below:-

- 1. Arts/ Humanities/ Social Sciences
- 2. Commerce
- 3. Pure Sciences
- 4. Engineering
- 5. Bio- technology/ Genetic Engineering
- 6. Industrial Environmental Engineering
- 7. Nano- technology
- 8. Marine Engineering
- 9. Petro-chemical Engineering
- 10. Plastic Technology
- 11. Cryogenic Engineering
- 12. Mechatronics
- 13. Automation Robotics including artificial intelligence

14. Laser Technology
15. Low Temperature Thermal Dynamics
16. Optometry
17. Art Restoration Technology
18. Dock and Harbour Engineering
19. Imaging System Technology
20. Composite Materials Engineering including Decentralized power Distribution (for Solar Heat) system, Energy Storage Engineering, Energy conservation, Energy Efficient Habitat
21. Packaging Engineering/ Technology
22. Nuclear Engineering
23. Information Technology including Computer Engineering, Software, Software Quality assurance, Networking/ Connectivity Engineering, Communication system under Hazardous or Post-disaster conditions, Multi- media Communication
24. Industrial Safety Engineering
25. Agriculture & Agro Technology
26. Agronomy
27. Medical
28. Floriculture & Landscaping
29. Food Sciences & Technology
30. Forestry & Natural Resources
31. Horticulture
32. Plant Pathology
33. Energy Studies
34. Farm Power & Machinery
35. Veterinary Sciences
36. Soils & Water Management
37. Plant Breeding & Genetics
38. Small- scale Rural Technology
39. Ocean & Atmospheric Sciences
40. M.B.A
41. M.C.A
42. Any other Subject -----*

* Subject may be deleted or added by the Ministry from time to time as situation demands.



Indian Banks' Association

Frequently asked Questions (FAQs) related to the Scheme of Padho Pardesh

A: For Banks

1. Whether disbursements made during Financial Year 2013-14 in respect of loans sanctioned during earlier years will be eligible?

Answer: No, loan sanctioned and disbursed from 2013-14 onwards will only be eligible for interest subsidy.

2. If student has availed subsidy under any other scheme including the CSIS scheme for undergraduate courses, whether he/she will be eligible under this scheme?

Answer: Student will be eligible, as the interest subsidy under the Scheme is for pursuing Post Graduate Diploma, Post Graduate degree course/Masters, M.Phil & Ph.D. Further, those students, who have completed M.Tech in India but is now pursuing MBA abroad and these students have got subsidy under CSIS/ state subsidy scheme for the M.Tech course, are also be eligible in this Scheme.

3. Is Interest Subsidy guaranteed for all eligible applicants?

Answer: Initially the coverage of the Scheme will be flexible and will cover all eligible applicants to the extent possible.

4. As per Model Scheme of IBA, the maximum loan for study abroad is Rs.20 lakhs. Whether interest subsidy is admissible for loan amount disbursed above Rs.20.00 lakh?

Answer: Presently subsidy is restricted to the limits specified under IBA model scheme i.e. Rs 20.00 lakh only.

5. Whether latest income certificate only should be obtained or the income certificate obtained during earlier years/ at the time of availing loan can be taken?

Answer: Certificate obtained at the time of availing loan, will be sufficient.

6. Whether student is required to submit any certificate/document regarding minority community OR only declaration in the loan application to be taken as a proof.

Answer: Yes, Self-declaration in this regard is sufficient.

7. What is the 'Meritorious' element in the Scheme for eligibility for interest subsidy?

Answer: Those who have secured admission abroad and are eligible as per Scheme Guidelines will be considered as meritorious under the Scheme.

8. If the course pursued by the minority student is partly in India and partly abroad, shall be eligible for the interest subsidy?

Answer: Such students will be eligible for interest subsidy, if the Degree is awarded by Foreign University.



Indian Banks' Association

Frequently asked Questions (FAQs) related to the Scheme of Padho Pardesh

B: For Students

1. Who is eligible for this Scheme?

Answer. Students who belong to minority communities viz. Muslims Christians, Sikhs, Buddhists, Jains, and Parsis and want to pursue higher studies i.e. Masters, M.Phil & Ph. D level abroad.

2. What will be the time period for interest subsidy?

Answer. Interest subsidy will be granted for the period of moratorium (i.e. course period, plus one year or six months after getting job, whichever is earlier) as prescribed under the Education Loan Scheme of the Indian Banks Association (IBA).

3. What is the procedure to avail the benefit of the Scheme?

Answer. Student can avail the benefit of the Scheme by following the given procedure:-

- i) Student should have secured admission in the University Abroad for pursuing Post-graduate Diploma, Masters, M.Phil or Ph. D level courses with the overall family income of not more than Rs. 6.00 lakh per annum. Family income means gross parental income in case of unmarried students and gross income of spouse in case of married students.
- ii) Student should have to take the loan from any Scheduled commercial Bank and member urban Co-operative Banks etc. who is a member of Indian Banks Association.
- iii) Student should have the proof of belonging to a minority community (details at Q. No. 10).
- iv) Student should inform their lending Banks that Ministry of Minority Affairs has launched a new Scheme of Padho Pardesh – interest subsidy on educational loans for pursuing higher studies abroad and he/she is eligible under that particular Scheme. Then the lending Bank will feed the students information into the Portal of Padho Pardesh launched by Canara Bank which is the implementing Agency of this Scheme. The Portal will remain open for the period of two month in every quarter.

4. Whether Ministry gives educational loan under this Scheme?

Answer. No, Ministry does not give educational loan under this Scheme. The Scheme provides reimbursement of Interest accrued on the Education Loan taken by a student from Bank, which is a member of IBA for moratorium period (i.e. Course period + one year after completion of course or six months after getting employment whichever happens earlier).

5. How much interest subsidy is given under this Scheme?

Answer. Ministry will reimburse 100 % interest component of the Educational loan availed by a student from Bank up to moratorium period (i.e. Course period + one year after completion of course or six months after getting employment whichever happens earlier).

6. What documents are required to be submitted for claiming the benefits of the Scheme?

Answer. Ministry does not require any document from the student directly. Students have to submit the documents as per requirement of Lending Bank for availing the Educational Loan. Ministry will provide reimbursement of interest accrued on Educational Loan up to moratorium period.

7. From which Bank, can a student take Education loan?

Answer. The interest subsidy is linked with the existing Educational Loan Scheme of Indian Banks Association (IBA). Student can take Educational Loan from any Scheduled commercial Bank and member urban Co-operative Banks etc. which is a member of IBA.

8. Can some part of the principal component of loan also be covered by this Scheme?

Answer. No, Scheme is covering only interest part of the Education loan taken by a student for the period of moratorium (i.e. course period, plus one year or six months after getting job, whichever is earlier).

9. Is there any periodical report/document to be submitted by student during the course of pursuing his/her studies abroad?

Answer. No. MoMA does not require any report/documents. Students have to submit periodical progress reports/documents to their respective lending Banks on time to time during the period of pursuing their studies abroad. On completion of course, student may please submit a copy of Mark list and certificate to the lending Bank as well as Ministry of Minority Affairs for records.

10. Which Authority will issue Minority Certificate or who will issue Minority Certificate?

Answer. You may obtain Minority Certificate from:

- i) Any Religious body who issues such certificate;
- ii) From School/College Principal; and
- iii) Self declaration
