

## **DIFFERENTIAL RATE OF INTEREST (DRI) SCHEME**

- **OBJECTIVE:** To improve the economic conditions of the weakest of the weaker sections of community by providing financial assistance at concessional rate of interest for engaging in productive and gainful activities.
- **TARGETS:** At least 2/3<sup>rd</sup> of the DRI advances should be granted through rural and semi-urban branches. It should be ensured that at least 40 percent of the total advances granted under DRI scheme go to eligible borrowers belonging to SC/ST category.

- **ELIGIBILITY NORMS:**

- a. **LAND-HOLDING NORMS**

- Persons not owning any land or
    - The size of land holding does not exceed one acre in case of irrigated land and 2.5 acres in case of un-irrigated land.

However, the members of SC/ST category are eligible for the loan, irrespective of land holding, provided they satisfy the other eligibility criteria.

- b. **INCOME CRITERIA:** Family income of the borrower from all sources does not exceed Rs.18000/- p.a. in rural areas and Rs.24000/- p.a. in urban and semi-urban areas.

**NOTE:**

- a. The beneficiary largely works on his own and with such help as other members of his family.
  - b. The beneficiary should not have another source of finance while DRI loan exists.

- **MARGIN:** NIL

- **SECURITY:** Assets purchased with bank loan may be hypothecated to the bank. No collateral security or third party guarantee to be asked

- **RATE OF INTEREST:** 4% p.a.

**NOTE:** Interest Subsidy in DRI Advances has been discontinued w.e.f. Nov- 2016.