

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 351
TO BE ANSWERED ON THE 3RD FEBRUARY, 2017, MAGHA 14, 1938 (SAKA)
EDUCATIONAL LOAN

351. SHRI BHARTRUHARI MAHTAB:

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

- (a) whether the Government/ Reserve Bank of India has issued any instructions/guidelines to the banks including State Bank of India for granting education loans for pursuing higher education and if so, the details thereof;
- (b) the details of the education loans sanctioned and disbursed by the said banks for pursuing degree and diploma courses in the country during the last three years and the current year, State-wise and Bank-wise;
- (c) whether the Nationalised Banks are not granting education loan for post-graduation diploma courses conducted by colleges and approved by AICTE, if so, the details and reasons therefor;
- (d) whether the students particularly those belonging to SC/ST and poor class families are being exploited by the private banks by charging higher interest rates and if so, the details thereof; and
- (e) the steps taken/being taken by the Government to provide easy education loan to students in this regard?

ANSWER
(MINISTER OF STATE IN THE MINISTRY OF FINANCE)
(SHRI SANTOSH KUMAR GANGWAR)

- (a) Indian Banks' Association (IBA) has formulated and circulated to all member banks including State Bank of India a 'Model Education Loan Scheme' for providing financial support to meritorious students for pursuing higher education in India and abroad. The IBA scheme provides broad guidelines to the banks to operationalise the educational loan scheme and the implementing banks may vary their products as may be required.
- (b) As per the information furnished by RBI, the state-wise/bank-wise education loan disbursed (classified as priority sector advances) by public sector banks and private sector banks for the last three years are at Annex- I/Annex- II, respectively.
- (c) As per IBA Model Scheme, approved courses leading to graduate/ post graduate degree and P G Diploma conducted by Colleges/ Universities recognized by the University Grants Commission, the All India Council for Technical Education, the Indian Council of Medical Research, etc. are eligible for education loan.
- (d) As per directions of the Reserve Bank of India, with effect from 1st July, 2010, banks are required to price their loan products including education loans linked with the base rates (presently Marginal Cost of Lending Rate) approved by their respective Boards. Banks are not permitted to resort to any lending below the Base Rates. Accordingly, interest rates on education loans are decided by the bank concerned as per their approved policy. Interest Rates levied are not based on the socio-economic background of the students. Government of India provides full interest subsidy on education loans disbursed on or after 1st April, 2009 by Scheduled Commercial Banks, during the period of moratorium, for the students belonging to economically weaker sections i.e. whose parental income from all sources does not exceed Rs 4.50 lakh per annum.
- (e) In order to facilitate easy processing and disbursal of loans, Government has launched a web-based portal viz. Vidya Lakshmi Portal. Students can view, apply and track the education loan applications online by accessing the portal. Government of India has launched a Credit Guarantee Fund Scheme for Education Loans (CGFSEL) wherein collateral free loan is given upto Rs.7.5 lakh.

**Annex-I to reply of Lok Sabha Unstarred Question No. 351 on
Educational Loan for answer on 3rd February, 2017**

State-wise education loans disbursed (classified as priority sector advances) by Public Sector Banks and Private Sector Banks (Rs. in 'Thousands')			
States/UTs	2013-14	2014-15	2015-16
A & N Islands	13763	15224	19577
Andhra Pradesh	7715289	10614066	8894066
Arunachal Pradesh	13035	27689	20893
Assam	410345	399712	505530
Bihar	2513372	2918127	2531889
Chandigarh	289488	348669	474438
Chattisgarh	440430	582513	689336
Dadra & Nagar Haveli	9851	10617	8692
Daman & Diu	6270	10402	11502
Delhi	1657151	1899132	2497637
Goa	137763	151351	154219
Gujarat	1951221	2079895	2418998
Haryana	1454475	1430145	2034879
Himachal Pradesh	526395	521087	575474
Jammu & Kashmir	740630	334366	405772
Jharkhand	1171580	1221989	1269416
Karnataka	7121144	7998035	9721996
Kerala	9498078	10975798	9688635
Lakshadweep	782	3152	1727
Madhya Pradesh	2156833	2149217	2499918
Maharashtra	7838689	7494659	10950914
Manipur	37801	47847	41214
Meghalaya	27645	63943	41307
Mizoram	19082	18675	26343
Nagaland	13307	21636	14672
Orissa	1320492	1364157	1584516
Puducherry	257420	243354	240866
Punjab	2313635	2060098	3051631
Rajasthan	1956429	1843165	2986249
Sikkim	15176	24975	31415
Tamil Nadu	18963128	19522193	15849561
Telangana			8826259
Tripura	103510	115713	270804
Uttarakhand	1133760	1109350	1357180
Uttar Pradesh	3798252	3528543	4748918
West Bengal	1872889	1977413	2293620
Total	77499110	83126907	96740063

Source RBI

Annex-II to reply of Lok Sabha Unstarred Question No. 351 on 'Educational Loan' for answer on 3rd February, 2017

Bank-wise education loans disbursed (classified as priority sector advances (Rs in 'Thousands'))

Name of the Bank	2013-14	2014-15	2015-16
State Bank of Bikaner & Jaipur	855479	630342	775693
State Bank of Hyderabad	875584	1217320	1820578
State Bank of India	7386925	7220871	14450625
State Bank of Mysore	824700	1132406	1362196
State Bank of Patiala	672410	658986	491430
State Bank of Travancore	2610003	1886835	1252042
Allahabad Bank	1779870	1649317	1023718
Andhra Bank	3073890	4504114	6575202
Bank of Baroda	3506734	2413692	2310149
Bank of India	5431375	5801433	4841241
Bank of Maharashtra	1631006	775841	1189630
Bhartiya Mahila Bank Ltd.	0	26440	23412
Canara Bank	1162304	9150015	10066068
Central Bank of India	3138700	4982246	4737615
Corporation Bank	4164689	3006334	857405
Dena Bank	968364	786955	1013303
IDBI Bank Ltd.	1138802	1040466	2882734
Indian Bank	3725133	2834120	2088487
Indian Overseas Bank	6051034	5823249	4654762
Oriental Bank of Commerce	2185265	1648793	4456731
Punjab and Sind Bank	898673	512427	1062607
Punjab National Bank	6014838	5596306	6674830
Syndicate Bank	3125989	2932516	5390109
UCO Bank	2611481	2466765	2304969
Union Bank of India	3796491	4092472	3979842
United Bank of India	1012387	856758	818579
Vijaya Bank	1957870	2543525	3381826
Total Public Sector Banks	70599996	76190544	90485781
Axis Bank	219721	509939	1095381
Bandhan Bank	0	0	221500
Catholic Syrian Bank	427669	1086206	129005
City Union Bank	293657	314989	242540
Development Credit Bank	33413	47946	70413
Dhanlaxmi Bank	210534	256531	242406
Federal Bank	1392737	1432879	1183368
HDFC Bank	92991	262457	302227
ICICI Bank	119543	97434	76664
Indusind Bank	1498	564	231
ING Vysya Bank	36912	6147	0
Jammu & Kashmir Bank	653591	270442	266121
Karnataka Bank	349182	364801	506335
Karur Vysya Bank	222476	81764	392164
Kotak Mahindra Bank	33772	127907	8249
Lakshmi Vilas Bank	345869	348108	100819
Nainital Bank	21243	75967	71933
Ratnakar Bank	28972	122781	333709
South Indian Bank	2080356	1202947	738188
Tamilnad Mercantile Bank	334978	326124	273028
Yes Bank	0	430	0
Total Private Sector Banks	6899114	6936363	6254281
Total	77499110	83126907	96740063

Source: RBI