

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 3931
TO BE ANSWERED ON THE 10th AUGUST, 2018, SHRAVANA 19, 1940 (SAKA)
Education Loan**

3931. KUMARI SHOBHA KARANDLAJE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public Sector Banks (PSBs) account for almost 95 per cent of the total bank lending to the education loan sector and if so, the details thereof;
- (b) whether the PSBs have seen a 142 per cent rise in default by students who have taken education loans during the past few years, if so, the details thereof and the reasons therefor;
- (c) the rate of interest being charged by different PSBs on education loans and the conditions laid down for repayment of such loans, bank-wise;
- (d) whether the Student Financial Aid Authority was set up to administer and monitor scholarships and loan schemes through the Pradhan Mantri Vidya Lakshmi Karyakram, if so, the details thereof;
- (e) the total education loans disbursed by the PSBs during the last three years and the current year, Bank, State/UT-wise; and
- (f) whether the students face hardships in obtaining loans to pursue the higher studies and if so, the reasons therefor?

**ANSWER
(MINISTER OF STATE IN THE MINISTRY OF FINANCE)
(SHRI SHIV PRATAP SHUKLA)**

(a) As per the data furnished by Reserve Bank of India, Public Sector Banks' (PSBs) share in total lending by Scheduled Commercial Banks to the education sector is 91.42%,

(b) The details of Non-Performing Assets (NPAs) of PSBs in education loans during the last three years is given below:

Year (As on 31 st March of)	Amount in Rs Crore		
	Outstanding	NPA	%age of NPA to outstanding
2016	65454.42	4777.07	7.30
2017	67678.50	5191.72	7.67
2018	71724.65	6434.62	8.97

Source: Indian Banks' Association (IBA)

There is only a marginal rise in NPA over the years.

(c) Interest charged by the PSBs on education loans ranges from 8.60 to 11.50% per annum depending upon the MCLR (Marginal Cost of Lending Rate) of the respective Bank and size of the loan. Bank-wise rate of interest of PSBs is given at Annexure-I.

All banks follow the Indian Banks' Association (IBA) Model Education Loan Scheme which provides for repayment period upto 15 years besides (i) one year moratorium for repayment after completion of studies in all cases, (ii) moratorium taking into account spells of unemployment/under-employment, say two or three times during the life cycle of the loan, (iii) moratorium for the incubation period if the student wants to take up a start-up venture after graduation, etc.

(d) In order to facilitate easy processing and disbursal of loans, Government has launched a web-based portal namely, Vidya Lakshmi Portal. Students can view, apply and track the education loan applications online anytime, anywhere by accessing the portal.

(e) Bank-wise/ State-wise education loan disbursed by the PSBs during the financial years 2015-16, 2016-17 and 2017-18 is at Annexure-II and Annexure-III respectively.

(f) All banks follow IBA Model Education Loan Scheme and grant education loan as per instructions issued by the Government/RBI/IBA. Complaints regarding education loans, as and when received by the Government, are taken up with banks concerned for corrective action.

**Annexure-I to reply of Lok Sabha Unstarred Question No. 3931 for answer on 10th August, 2018
regarding education loan**

Bank-wise Rate of Interest on Education Loans as on 31st March, 2018

	Name of the Bank	Int. Rate (in %)		
		Upto ₹ 4 lac	Above ₹ 4 lac & upto ₹ 7.5 lac	Above ₹ 7.5 lac
		%	%	%
		33	34	35
1	Allahabad Bank	8.60 - 10.25	8.60 - 10.25	8.60 - 10.25
2	Andhra Bank	10.40	10.40	10.10
3	Bank of Baroda (PROVISIONAL)	Minimum ROI: MCLR i.e. 8.3%, Maximum ROI : MCLR+Strategic Premium+2.5% i.e. 11.05%		
4	Bank of India	10.00	10.00	10.80
5	Bank of Maharashtra	10.65%	10.65%	10.15%
6	Canara Bank	10.45	10.45	9.95
7	Central Bank of India	MCLR(8.30)+2	MCLR(8.30)+2	Concession of 0.50% in Intrest rate is applicable for Female/SC/ST/IIT students/skill loans
8	Corporation Bank	10.75	10.75	11.10
9	Dena Bank	9.90	9.90	9.90
10	IDBI Bank	9.40% (1Y MCLR+0.85%)	9.40% (1Y MCLR+0.85%)	9.40% (1Y MCLR+0.85%)
11	Indian Bank	8.40 to 11.30 %	8.40 to 11.30 %	8.40 to 11.30 %
12	Indian Overseas Bank	10.50	10.50	11.50
13	Oriental Bank of Commerce	10.85	10.10	10.10
14	Punjab & Sind Bank	1 Year MCLR + 2.00%	1 Year MCLR + 2.00%	1 Year MCLR + 1.50%
15	Punjab National Bank	10.30	10.30	10.90
16	State Bank of India	10.15%	10.15%	10.90%
17	Syndicate Bank	MCLR+1.60	MCLR+1.85	MC;LR+2.85
18	UCO Bank	10.45	10.45	10.85
19	Union Bank of India	10.20% *	10.20% *	Male-10.20% , Female-9.70%
20	United Bank of India	10.80% Floating	10.80% Floating	10.75% Floating
21	Vijaya Bank (PRE AUDIT)	10.65	10.65	10.50
	Total			

Source: IBA

**Annexure-II to reply of Lok Sabha Unstarred Question No. 3931 for answer on 10th August, 2018
regarding education loan**

Bank-wise number of education loan accounts and amount of loan disbursed

(No. of Accounts in actual and amount in Rs. crore)

Banks	Financial Year					
	2015-16		2016-17		2017-18	
	No. of Accounts	Amount Disbursed	No. of Accounts	Amount Disbursed	No. of Accounts	Amount Disbursed
State Bank of Bikaner & Jaipur	7333	77.64	4263	69.50	0	0.00
State Bank of Hyderabad	5186	183.57	3578	125.39	0	0.00
State Bank of India	79264	3249.00	62461	1376.77	320695	4146.58
State Bank of Mysore	8571	136.23	7303	131.62	0	0.00
State Bank of Patiala	2096	69.60	1433	53.05	0	0.00
State Bank of Travancore	25663	129.33	5427	41.94	0	0.00
Allahabad Bank	13871	146.37	18403	225.60	14623	268.40
Andhra Bank	31170	872.01	23353	585.53	22296	610.80
Bank of Baroda	17744	233.49	23601	192.48	22171	534.96
Bank of India	44221	485.28	37899	449.50	35907	474.13
Bank of Maharashtra	11717	196.33	10763	214.37	11943	8.02
BHARATIYA MAHILA BANK LTD.	166	3.16	74	1.84	0	0.00
Canara Bank	113623	1330.51	109571	1903.06	98400	1951.97
Central Bank of India	44082	656.84	38904	513.62	34119	676.21
Corporation Bank	8659	223.39	29264	874.59	27667	527.49
Dena Bank	2652	101.33	1643	82.58	372	14.23
IDBI Bank Ltd.	10803	299.48	10534	281.25	9705	260.48
Indian Bank	34130	292.18	27641	407.53	26169	530.12
Indian Overseas Bank	16184	579.02	10613	373.28	10034	430.64
Oriental Bank of Commerce	18089	530.17	10804	245.99	13085	214.98
Punjab and Sind Bank	1503	116.75	1146	99.30	1252	106.76
Punjab National Bank	43092	701.31	42939	915.65	45476	1227.18
Syndicate Bank	39088	663.91	37787	568.32	35619	549.37
UCO Bank	16462	245.74	15172	318.22	14255	226.53
Union Bank of India	57338	548.22	31306	548.99	13104	237.08
United Bank of India	7044	89.74	7569	104.63	3349	65.23
Vijaya Bank	25085	434.78	26278	471.31	26071	409.32
Total	684836	12595.39	599729	11175.91	786312	13470.47

Source: RBI

**Annexure-III to reply of Lok Sabha Unstarred Question No. 3931 for answer on 10th August, 2018
regarding education loan**

State-wise number of education loan accounts and amount of loan disbursed

Sr No.	State	2015-16		2016-17		2017-18	
		No. of Accounts	Amount Disbursed	No. of Accounts	Amount Disbursed	No. of Accounts	Amount Disbursed
		<i>(No. of A/c in actuals; Amount disbursed in Rs. Crore)</i>					
1	Andamans & Nicobar Islands	93	2.71	88	2.09	174	2.61
2	Andhra Pradesh	41133	1253.51	36807	970.39	48736	1123.51
3	Arunachal Pradesh	123	3.03	104	1.34	257	2.59
4	Assam	3996	69.78	3406	54.53	6563	98.94
5	Bihar	24319	279.60	20518	262.20	39284	412.14
6	Chandigarh	1401	73.93	1469	59.08	1698	63.36
7	Chattisgarh	5900	87.58	5603	83.70	9451	137.68
8	Dadra & Nagar Haveli	48	0.94	28	0.91	80	1.87
9	Daman & Diu	63	1.65	72	2.07	66	1.73
10	Delhi	11883	379.48	11765	465.91	14938	514.99
11	Goa	891	27.43	1328	24.32	2349	54.05
12	Gujarat	13643	334.86	12600	312.56	20690	604.03
13	Haryana	9846	295.55	8856	255.53	11574	324.24
14	Himachal Pradesh	4360	69.19	4195	61.68	5688	81.62
15	Jammu & Kashmir	787	20.16	702	14.94	1504	31.39
16	Jharkhand	11155	179.18	9984	151.40	18662	313.31
17	Karnataka	72111	1380.01	77660	1652.48	90630	1655.79
18	Kerala	90298	964.85	65849	879.67	99314	1169.04
19	Lakshadweep	11	0.17	9	0.13	588	8.29
20	Madhya Pradesh	21839	686.91	19073	296.93	30759	479.13
21	Maharashtra	64496	1370.23	57262	1208.14	76854	1473.33
22	Manipur	244	5.82	221	4.73	402	8.00
23	Meghalaya	445	8.79	488	10.37	1551	24.53
24	Mizoram	152	3.92	80	1.25	180	1.49
25	Nagaland	85	1.77	72	1.34	1241	24.71
26	Orissa	12973	203.08	13017	183.74	21147	275.82
27	Puducherry	2372	29.83	1841	28.52	3473	47.22
28	Punjab	10493	374.04	9777	378.20	14279	456.29
29	Rajasthan	18066	352.71	14557	257.06	20425	366.14
30	Sikkim	173	4.08	174	2.97	1791	61.02
31	Tamil Nadu	171397	1863.84	136858	1537.40	152608	1659.79
32	Telangana	28426	1142.48	22889	832.93	30364	917.06
33	Tripura	1330	18.39	1206	12.07	1725	16.35
34	Uttarakhand	10219	174.65	5224	100.64	18402	352.66
35	Uttar Pradesh	31364	587.29	35256	564.71	30402	542.91
36	West Bengal	18701	343.95	20691	500.01	8463	162.84
Total		684836	12595.39	599729	11175.91	786312	13470.47

Source: RBI