

GOVERNMENT OF INDIA

MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 1120

TO BE ANSWERED ON THE 4TH DECEMBER, 2015, AGRAHAYANA 13, 1937 (SAKA)

EDUCATIONAL LOAN
QUESTION

1120. PROF K.V. THOMAS:

SHRI KAMAKHYA PRASAD TASA:

SHRI CHANDRAKANT KHAIRE:

SHRIMATI SAKUNTALA LAGURI:

SHRI ANTO ANTONY:

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

- (a) the criteria adopted and percentage of educational loans disbursed, outstanding and interest being charged to the students by the public/private sector banks during each of the last three years and the current year, bank and State-wise;
- (b) whether the banks have followed the guidelines issued by the Reserve Bank of India (RBI) in this regard;
- (c) if so, the details thereof along with the detailed guidelines of RBI in this regard;
- (d) whether the Government has received complaints against banks for denial of loans to the students during the last three years and if so the details thereof; Bank and State-wise; and
- (e) the steps taken/being taken by the Government to simplify the process of raising educational loan and to redress the grievances of the students in this regard?

ANSWER

To be answered by
(MINISTER OF STATE IN THE MINISTRY OF FINANCE)
(SHRI JAYANT SINHA)

(a) All Scheduled Commercial Banks have adopted and implemented the Indian Banks' Association (IBA) Model Educational Loan Scheme for pursuing higher education in India and abroad. The scheme is applicable uniformly to all students' borrowers. The total education loans disbursed / outstanding by Public Sector Banks for the last three years with interest being charged by the respective banks are given in the **Annexure-I**. State-wise data on the number of accounts and outstanding credit pertaining to Education Loan reported and classified as Priority Sector Advances by Scheduled Commercial Banks (SCBs) as on March, 31, 2013, 2014 and 2015 are furnished in **Annexure-II**.

(b) & (c): Yes Sir, All the Banks are following guidelines issued by IBA/RBI with due diligence.

Reserve Bank of India instructions on Education loan are as under:

- (i) Loan to individuals for educational purposes including vocational courses upto Rs.10 lakh irrespective of the sanctioned amount will be eligible for priority sector lending. It would, however, be open to banks to consider higher quantum of loan for educational purpose.
- (ii) All banks are mandated not to accept collateral security for educational loans upto Rs.4 lakh.
- (iii) Banks have been advised not to reject any educational loan application for reasons that the residence of the borrower does not fall under the bank's service area.
- (d) Complaints regarding educational loans, as and when received by the Government, are taken up with banks concerned for corrective action. As informed by Public Sector Banks, during 2015-16 (upto 30.09.2015), 3749 complaints related to education loans were received, out of which 3663 were disposed off.
- (e) The Model Education Loan Scheme is modified from time to time by IBA keeping in view the needs of the students. The last such revision was made in August, 2015.

A web-based portal viz. Vidya Lakshmi has been launched for the benefit of students seeking Educational Loans. Students can view, apply and track the education loan applications made to participating banks anytime, anywhere 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. The Interest Rate charged for loans covered under CGFSEL is maximum upto 2% over the Base Rate.

Annexure-I to reply of Lok Sabha UnStarred Question No. 1120 for answer on 4th DEcember, 2015

Data on Education Loan for the last three years as on 31st March

	Name of the Bank	Total Disbursed						Total Outstanding						Int. Rate (in %) as on 31.3.2015		
		March, 2013		March, 2014		March, 2015		March, 2013		March, 2014		March, 2015		Upto ₹ 4 lac	Above ₹ 4 lac & upto ₹ 7.5 lac	Above ₹ 7.5 lac
		No. of A/Cs	Amt. in Cr.	No. of A/Cs	Amt. in Cr.	No. of A/Cs	Amt. in Cr.	No. of A/Cs	Amt. in Cr.	No. of A/Cs	Amt. in Cr.	No. of A/Cs	Amt. in Cr.	%	%	%
1	Allahabad Bank	5161	76.24	912	11.70	3,900	35.89	47610	1261.56	49107	1346.93	49,015	1404.61	11.75%	13.25%	
2	Andhra Bank	5568	140.74	7011	243.96	6,574	116.13	61543	1426.71	57965	1510.53	56,036	1820.54	13.00%	13.00%	11.75%
3	Bank of Baroda	12700	368.72	11899	288.51	694	1.35	88732	1971.17	89243	2062.11	87,835	209.55	12.75%		
4	Bank of India	54474	486.67	53151	544.00	12,280	86.00	122839	2412.00	134540	2652	1,35,429	2917.00	13.20%	13.20%	12.70%
5	Bank of Maharashtra	5819	87.26	2039	27.80	887	13.04	27218	552.96	29876	637.33	1,666	27.13	12.90%	12.40%	11.65%
6	Canara Bank	81118	572.51	157259	1076.00	29,105	238.50	217422	4358.45	249224	4746	2,79,340	5524.96	11.70%	12.20%	11.70%
7	Central Bank of India	17793	307.42	17456	332.00	53,600	716.00	111771	2566.64	120103	2979	1,26,702	3443.00	12.25%	12.25%	12.25%
8	Corporation Bank	25172	232.66	25875	261.23	24,826	281.75	49897	1150.25	52371	1251.78	53,254	1359.72	11.85%	12.85%	12.35%
9	Dena Bank	2172	30.85	3833	54.62	657	12.70	15399	328.82	17235	364.28	17,540	420.41	11.80%	11.80%	11.80%
10	IDBI Bank	3501	61.69	5585	114.09	3,294	67.79	6707	171.38	9440	253.63	13,636	428.12	11.25%	11.25%	12.25%
11	Indian Bank	74078	469.76	61854	437.41	50,339	352.66	204691	3650.30	180954	3453.22	1,73,748	3287.55	12.55%	12.55%	12.55%
12	Indian Overseas Bank	90229	536.59	86668	605.1	7,052	92.70	200693	2959.08	220626	3596.8	2,31,457	3958.31	12.25%	13.50%	13.25%

13	OBC	18454	254.9	16263	245.84	14,359	254.84	48449	1227.04	48085	1270.79	47,292	1314.47	12.75%	12%-13.25%	12.00%
14	Punjab & Sindk	1422	35.79	1285	40.61	1,236	49.75	7000	219.10	7112	229.51	6,717	240.34	13.25%	13.50%	12.75%
15	Punjab National Bank	64508	693.83	55706	649.37	12,180	118.11	155879	3588.18	157813	4257.95	1,58,755	4397.30	13.25%	14.25%	13.75%
16	Syndicate Bank	22367	404.16	17055	316.73	34,867	163.31	113138	2555.62	116541	2768.24	1,14,632	2745.28	12.50%	13.00%	13.00%
17	UCO Bank	6632	190.79	13629	206.54	4,102	35.53	50571	1140.88	54303	1262.18	55,496	1318.73		12.45%	12.20%
18	Union Bank of India	61075	445.44	56980	447.78	13,624	141.23	90807	2081.12	8020	315	98,811	2481.27	11.75(f)-12.25(M)%	11.75(f)-12.25(M)%	11.50(F) 12(M)%
19	United Bank of India	2382	93.95	9428	105.16	2,021	19.89	23285	551.81	24196	530.78	20,221	488.72	12.00%	12.75%	12.00%
20	Vijaya Bank	12795	129.73	16276	193.00	3,982	49.00	34385	669.94	38013	760	42,297	903.00	12.00%	12.45%	12.45%
21	State Bank of India	70179	1172	71281	1506.00	11,564	182.00	604339	13751.00	593474	14740	5,68,815	15465.00	13.50%	13.75%	11.75%
22	State Bank of B&J	12581	93.06	13130	93.55	3,456	15.94	22449	500.55	22363	515.32	21,399	507.54	13.10%	12.85%	12.85%
23	State Bank of Hyd.	4582	98.88	5700	399.24	5,331	179.25	51424	1117.86	50664	1185.41	49,203	1305.89	12.70%	13.20%	13.20%
24	State Bank of Mysore	3384	53.6	3856	68.03	764	9.03	29882	614.26	29896	628.37	29,333	656.88	13.50%	13.25%	12.00%
25	State Bank of Patiala	2895	64	3032	75.06	378	10.06	15020	404.65	15814	448.28	15,894	494.00	13.00%	13.00%	12.00%
26	State Bank of Tr	11212	240.57	49151	1556.82	35,421	211.24	55476	232.33	105125	2475.42	90,955	2275.59	13.90%	13.65%	13.15%
	Total	672253	7341.81	766314	9900.15	3,36,493	3453.69	2456626	51463.66	2482103	56240.86	25,73,328	60070.61			

Source: IBA

Annexure-II to reply of Lok Sabha UnStarred Question No. 1120 for answer on 4th DEcember, 2015

State-wise data on education loan (priority sector) as reported by Scheduled Commercial Banks as on March 31, 2012, 2013, 2014 and 2015(Provisional)

*No of Accounts in Actual & Amount in Rs
thousands*

Name of the State	Mar-13		Mar-14		Mar-15	
	Educational Loans (Priority Sector)		Educational Loans (Priority Sector)		Educational Loans (Priority Sector)	
	No. of A/cs	Amt O/s	No. of A/cs	Amt O/s	No. of A/cs	Amt O/s
1 Andamans	568	136010.51	585	150365.00	590	164080.00
2 Andhra Pradesh	197032	46985796.71	190340	49877641.17	170678	54433275.00
3 Arunachal Pradesh	510	121958.55	589	136122.00	685	151519.00
4 Assam	16394	3912026.91	16678	4239656.00	16467	5220966.00
5 Bihar	88982	21070910.85	99620	27253367.00	102426	29495983.00
6 Chandigarh	5181	1604442.99	4873	1600170.00	4633	1667166.00
7 Chattisgarh	16015	3085946.53	16792	3680289.00	18010	4062343.00
8 Dadra & Nagar Haveli	313	57607.35	226	61029.00	265	66218.00
9 Daman & Diu	124	32741.03	127	32847.00	137	43248.00
10 Delhi	34073	10182924.70	32890	10285291.25	31990	14115528.00
11 Goa	3492	846229.16	3342	909436.00	3211	948670.00
12 Gujarat	44055	12717787.94	45937	11826274.36	45911	11606724.00
13 Haryana	37254	8393776.77	37531	9503948.21	36401	9538336.00
14 Himachal Pradesh	14171	2868456.32	14611	3306500.00	14929	3536688.00
15 Jammu & Kashmir	10838	2235973.73	10935	2412557.00	11306	2483574.00
16 Jharkhand	46018	12319822.15	48849	13330954.00	48423	13687832.00
17 Karnataka	186623	38745399.07	195169	40625173.00	198709	41595326.00

18	Kerala	336212	73539123.54	341427	79755749.52	331663	77885256.00
19	Lakshadweep	20	3671.00	29	6204.00	31	8149.00
20	Madhya Pradesh	80077	15867684.78	83230	17394010.00	81372	18134509.00
21	Maharashtra	169491	40738708.17	178587	41312171.65	188673	45327488.00
22	Manipur	1393	396001.00	1433	407439.00	1338	373543.00
23	Meghalaya	1687	397956.52	2021	515114.00	2184	522561.00
24	Mizoram	390	105074.00	706	239977.00	685	206307.00
25	Nagaland	399	107216.24	417	124842.00	444	129247.00
26	Orissa	69886	16652412.92	68200	17339788.35	65016	17371571.00
27	Puducherry	14636	2644237.14	14808	2921818.32	14598	2884120.00
28	Punjab	32005	8126759.67	32810	9562626.00	32438	10214055.00
29	Rajasthan	58424	13181515.28	59314	13532612.00	57940	13550220.00
30	Sikkim	409	108318.78	440	120267.00	444	123049.00
31	Tamil Nadu	886752	133436494.35	940990	150775928.97	960202	163130617.00
32	Tripura	2280	458897.84	2804	618274.00	3271	761029.00
33	Uttarakhand	28401	6654414.16	141095	35751143.22	33811	8781372.00
34	Uttar Pradesh	137393	35210630.65	26121	6573448.00	127478	31306695.00
35	West Bengal	68547	14439815.02	67834	15458682.91	64957	9833115.00
	Sum:	2590045	527386742.32	2681360	571641715.93	2671316	593360379.00