

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2891
ANSWERED ON:26.11.2010
INTEREST SUBSIDY ON EDUCATION LOANS
Thomas Shri P. T.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal of interest subsidy on education loans which are taken prior to 2004;
- (b) if so, the details thereof;
- (c) whether the functioning of the State Level Bankers Committee (SLBC) in various States has been reviewed by the Government;
- (d) if so the details thereof and if not, the reasons therefor; and
- (e) the other steps taken/being taken by the Government for the smooth and efficient functioning of SLBC?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): No, Sir. However, Ministry of Human Resource Development has introduced a Central Scheme to provide Interest Subsidy for the period of moratorium on Educational Loans taken by students from Economically Weaker Sections from scheduled commercial banks under the Educational Loan Scheme of the Indian Banks' Association to pursue Technical/Professional Education studies in India. The scheme is applicable from the academic year 2009-10 starting 1st April, 2009.

(c) to (e) : Reserve Bank of India (RBI) has reported that the State Level Bankers Committee (SLBC) convenor banks have been advised, inter-alia, the following;

SLBC meetings may be held regularly at quarterly intervals and to be chaired by the Chairman and Managing Director (CMD) of the convenor bank. Additionally, the SLBC meetings may be co-chaired by Additional Chief Secretary or Development Commissioner of the State concerned.

Secretariat/offices of SLBC may be sufficiently strengthened to enable the SLBC convenor bank to effectively discharge its functions. Strengthening Lead District Managers (LDM) machinery has also been advised.

Agenda items to address the problems particular to the concerned states.

Sub-Committees of SLBC may be constituted for specific tasks.

Various fora at lower levels may give adequate feedback to the SLBC on issues that need to be discussed on a wider platform.