

**GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:886

ANSWERED ON:21.11.2016

Higher Education Financing Agency

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Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether the Government has approved the setting up of the Higher Education Financing Agency (HEFA);
- (b) if so, the details thereof including the objectives behind the move and the time by which HEFA will be set-up and start functioning;
- (c) whether HEFA has been envisaged as a Special Purpose Vehicle to be promoted by the Government and a Public Sector/ Undertaking Bank or Government owned nonbanking financial company and if so, the details thereof;
- (d) whether HEFA would also mobilise Corporate Social Responsibility (CSR) funds from public sector and private companies; and
- (e) the details of how the agency is expected to boost research and research oriented infrastructure in institutions including National Institute of Technologies (NITs), Indian Institutes of Technologies (IITs), Indian Institutes of Sciences (IIS)?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE
DEVELOPMENT
(DR. MAHENDRA NATH PANDEY)

(a) to (e): Yes, Madam. The Government has approved the proposal for setting up the Higher Education Financing Agency (HEFA) for financing creation of required infrastructure and for promotion of research facilities in the centrally aided institutions of higher learning by leveraging funds from the market. The Government would provide equity of Rs. 1,000 Cr for setting up the HEFA which will be established as a Non Banking Financing Company (NBFC) and work as Special Purpose Vehicle (SPV) with the association of a PSU Bank. HEFA would also mobilize Corporate Social Responsibility (CSR) funds from corporates. The loans provided by HEFA to the institutions would be serviced from the internal accruals of these institutions, and the Government would meet the cost of interest on such loans. This is expected to have a positive impact in improving the quality of education in the centrally funded higher educational institutions without burdening the student community.
