

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The Committee constituted by Reserve Bank of India (RBI) to re-examine the existing classification and suggest revised guidelines with regard to Priority Sector Lending classification has proposed for increase in the existing quantum of finance for educational loan for classification under Priority Sector Lending.

For studies in India, the Committee has proposed for increasing the existing loan limit of Rs. 10 lakhs to Rs. 15 lakhs. Similarly, for studies abroad as against existing loan limit of Rs. 20 lakhs, the Committee has proposed for a loan limit of Rs. 25 lakhs.

The report has been placed on the RBI's website for seeking views/comments from Bank, non-bank financial institutions, other institutions and members of public.

Levy of Service Tax on Infrastructure Companies

2076. SHRI A. ELAVARASAN : Will the Minister of FINANCE be pleased to state:

(a) whether Government has decided to impose service tax on infrastructure companies and building projects for the right to develop the project;

(b) if so, the details thereof;

(c) whether the levy will apply to all projects for which the agreement were entered in 2010 and tax has been fixed at the rate of 10 percent; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) At present, no service tax is levied on works contract or construction of infrastructure projects related to ports, roads, airports, railways, transport terminals, bridges, tunnel and dams. W.e.f. 01.07.2010 service tax has been imposed on 'Commercial or Industrial Construction Service' or Construction of Residential Complex Service' provided by the builders/developers except when no payment is received from the buyer before the grant of completion certificate by the authority competent to issue such certificate.

(b) As in (a) above.

(c) The levy of service tax was related to date of receipt of payment and not the date of agreement. The rate of service tax in 2010 was 10% and has been enhanced to 12% w.e.f. 1.4.2012.

(d) As in (c) above.