

2072. DR. K.P. RAMALINGAM : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India (RBI) has decided to provide liquidity support to micro and small Enterprises to the tune of Rs. 5000 crore;

(b) whether it is also a fact that the RBI has also decided to include incremental credit to medium enterprises to qualify as priority sector lending; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) RBI, in November 2013, has announced refinance support of Rs. 5,000 crore to SIDBI for easing the liquidity stress to micro and small Enterprises extending Medium enterprises.

(b) and (c) In order to enhance credit delivery to the medium sector, RBI had decided to include, as eligible priority sector lending, incremental credit, extended to the medium enterprises by the scheduled commercial banks (excluding RRBs) over the outstanding credit as on November 13, 2013. The facility is available upto March 31, 2014 and within the overall target of 40 per cent.

The liquidity support comes in the wake of slowdown in the economy which has resulted in liquidity tightness in a large number of Micro and Small Enterprises (MSEs) in the manufacturing and services sector, particularly due to delayed settlement of receivables from large corporate, Public Sector Undertakings and government departments.

Further, on 2nd December 2013, the scope of this facility has been expanded to cover medium enterprises.

Credit guarantee fund for education loans

2073. DR. CHANDAN MITRA : Will the Minister of FINANCE be pleased to state :

(a) whether Government proposes to set up a Credit Guarantee Fund for educational loans;

(b) if so, the details thereof;

(c) the total outstanding amount of repayment of education loans during the last three years; and

(d) the steps taken by Government to bring down the interest rate on education loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) The Government has approved setting up of Credit Guarantee Fund for Education Loans with a corpus of Rs. 2500 crore through the Ministry of Human Resources Development (MoHRD). The scheme provides a guarantee cover upto 75% of the amount in default with a fee of 1% per annum of outstanding amount. The Fund is to settle claim upto 75% of the guaranteed amount.

(c) The details of education loans outstanding of Public Sector Banks as on last reporting Friday of March, 2011 and March, 2012 and as on 31st March, 2013 are as under:

Period	Amount (In Rs. Crore)
March, 2011	41343.81
March, 2012	46740.46
March, 2013	50954.12

Source: RBI

(d) RBI has deregulated the interest rates charged by Banks, linking up with their base rates. The interest rate on education loan accordingly varies depending upon the base rate and the quantum of loan.

A Model Educational Loan Scheme of Indian Banks' Association (IBA) provides for certain concessions on educational loans which *inter-alia* includes:

- (a) Simple interest is charged during the study period and upto commencement of repayment;
- (b) 1% interest concession is provided by the banks, if interest is serviced during the study period and subsequent moratorium period prior to commencement of repayment;
- (c) 0.5% concession in interest rates is provided for the girl students;
- (d) Rebate in income tax is provided to the extent of interest paid on education loan.

Decision on selling of residuals take in Hindustan Zinc Limited and BALCO

2074. DR. PRADEEP KUMAR BALMUCHU : Will the Minister of FINANCE be pleased to state :

- (a) whether Government is contemplating on selling its residual stake in Hindustan Zinc Ltd. (HZL) and BALCO;
- (b) if so, the details thereof;
- (c) whether the Cabinet Committee on Economic Affairs (CCEA) has taken a decision in its meeting held recently to sell Government's stake in these companies; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JESUDASU SEELAM) : (a) and (b) Yes, Sir. Government is contemplating selling its residual stake in the Hindustan Zinc Limited (HZL) and BALCO.

(c) and (d) Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 20th January, 2014 has decided that the residual equity held by the Government of India in HZL be disposed of in the open market by the Department of Disinvestment.

Service tax on transportation and storage of rice and cotton

2075. DR. PRADEEP KUMAR BALMUCHU : Will the Minister of FINANCE be pleased to state :