

(b) if so, how much Government has released till now and how much it is going to release; and

(c) in how many installments would it be released and total estimated amount of central assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) The State Governments are primarily responsible for undertaking relief measures in the wake of natural disasters. The Government of India supplements the efforts of the State Government by extending financial assistance and logistics support, wherever necessary. The Memorandum submitted by State Government of Tamil Nadu on recent flood seeks additional assistance from National Disaster Response Fund (NDRF). Based on the memorandum, an inter-Ministerial Central Team was constituted by Government of India to visit the State from 25.11.2015 to 28.11.2015. The team submits its report to Sub-Committee of National Executive Committee which in turn makes a final assessment of requirement of funds from NDRF for immediate relief operations and recommends to High Level Committee (HLC). The quantum of immediate relief to be released from - NDRF is decided by a HLC under Chairmanship of Union Home Minister. In the meanwhile, a Central assistance of ₹1000 crore has been released to Government of Tamil Nadu on an "on account" basis from NDRF for immediate relief operations. In addition to this, an assistance of ₹ 940.42 crore as Central Share of SDRF and one time assistance to support State has also been released to the State Government of Tamil Nadu.

#### **Increase of import duty for sugar**

2606. SHRI AVINASH PANDE: Will the Minister of FINANCE be pleased to state:

(a) whether Government is planning to increase the import duty for sugar; and

(b) if so, details thereof and if not, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) No, Sir.

(b) The Government has given the following incentives to sugar sector:

(i) The basic Custom duty on sugar was increased from 25% to 40% with effect from 30.04.2015.

(ii) Excise duty was exempted on ethanol produced from molasses generated from cane crushed in the sugar season 2015-16 *i.e.* 1st October, 2015 onwards, for supply to the public sector oil marketing companies, for the purpose of blending with petrol, and input

credit of duty paid on molasses generated from cane crushed in the sugar season 2015-16 *i.e.* 1st October, 2015 onwards has been allowed to manufacturers of such exempted ethanol.

#### **Interest-free loans for under-privileged students**

2607. SHRIMATI AMBIKA SONI:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government would consider providing interest-free loans to under-privileged students in IITs, NITs and premier engineering colleges, if so, the details thereof;

(b) whether collateral security will also be reworked for extending the loan amount in case of increase in the fees, if so, the details thereof; and

(c) if not, how it would be ensured that under-privileged students also get into premier institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) Government does not provide interest free educational loans. As per directions of Reserve Bank of India, with effect from 1st July, 2010, banks are required to price their loan products including education loans linked with the base rates approved by their respective Boards. Banks are not permitted to resort to any lending below the Base Rates. Accordingly, interest rates on education loans are decided by the bank concerned as per their approved policy.

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

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

The IBA scheme provides broad guidelines to the banks to operationalise the