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# आईआईटी दिल्ली से जवाबतलब

मंजरी चतुर्वेदी ॥ नई दिल्ली : आईआईटी जेईई एग्जाम के नए फॉर्मेट की वजह से स्टूडेंट्स के बीच गलतफहमी और अफरातफरी के माहौल के मद्देनजर सरकार ने एंट्रेस आयोजित कराने वाली दोनों बॉडीज सीबीएसई और आईआईटी दिल्ली से जवाब मांगा है। दरअसल, नए फॉर्मेट के कारण आईआईटी दाखिले में हो रही दिक्कतों को लेकर मानव संसाधन विकास मंत्रालय में रोजाना बड़ी तादाद में शिकायतें पहुंच रही हैं। इसके मद्देनजर मानव संसाधन विकास मंत्री एम. एम. पल्लमराजू ने बुधवार को आईआईटी दिल्ली और सीबसीएसई के साथ मीटिंग रखी है।

आईआईटी जेईई में अफरातफरी के मामले ने तूल पकड़ा

क्या है मामला? : देशभर में इसी साल से इंजीनियरिंग कोर्सेज के दाखिले में सिंगल टेस्ट की शुरुआत की गई है। इसमें 12वीं के बोर्ड के नतीजों पर आधारित पर्सेंटाइल और जेईई मेंस एग्जाम में मिले नंबरों के आधार पर मेरिट तैयार की गई है। ऐसे तमाम मामले सामने

आ रहे हैं, जिनमें स्टूडेंट्स जेईई एग्जाम क्लियर करने के बावजूद बोर्ड के टॉप 20 पसेंटाइल में शामिल नहीं हैं। कुछ स्टूडेंट्स जो पसेंटाइल के दायरे में अगर आ भी गए हैं तो उन्हें एडिमिशन नहीं मिल पा रहा है। सबसे ज्यादा शिकायतें आंध्र प्रदेश से: एडिमिशन में दाखिल को लेकर आने वाली सबसे ज्यादा शिकायतें आंध्र प्रदेश से आई हैं। उल्लेखनीय है कि एचआरडी मिनिस्टर एम. एम. पल्लमराजू जहां खुद आंध्र प्रदेश से आते हैं, वहीं आईआईटी में एडिमिशन लेने वालों में सीबीएसई और आईसीएससी बोर्ड के बाद आंध्र प्रदेश बोर्ड से काफी स्टूडेंट्स पहुंचते हैं।

सूत्रों के मुताबिक, यह समस्या मूल रूप से देश के सभी एजुकेशन बोर्डों के बीच एकरूपता लाने के लिए लागू नॉर्मलाइजेशन के उस फॉर्म्युले के कारण आ रही है, जिनके आधार पर टॉप 20 पर्सेंटाइल तैयार किया जा रहा है। नार्मलाइजेशन के आधार पर तैयार परसेंटाइल में विभिन्न कैटिगरीज (जनरल, एससी, एसटी और ओबीसी) और स्ट्रीम्स (आर्ट, कॉमर्स, फिजिक्स, केमिस्ट्री, मैथ्स और बायॉलजी) को आधार रखा गया है।

## **HRD** min steps in to resolve IIT row

### 79 Who Cleared JEE Denied Admission As They Didn't Secure Top 20 Percentile

TIMES NEWS NETWORK

New Delhi: HRD minister M M Pallam Raju has called the IIT-Delhi director on Wednesday to discuss widespread resentment against the criterion that students have to secure top 20 percentile in class XII board examination. This is besides an additional criterion apart from the performance in JEE (Advanced).

So far, 79 students have been denied admission in IITs after getting initial offer as they did not fulfil the cutoff norms that vary in case of each state board. Though Ra-



The admission formula has already reached the Supreme Court. Last week, the apex court stayed an Andhra Pradesh high court order that reserved four seats for students who had challenged the 20-percentile criteria. The SC has adjourned the matter for two weeks

ju is non-committal about changing the procedure from next year, sources said the minister has been receiving a lot of complaints against the manner in which cut-offs were calculated twice. "He wants to understand what has gone wrong. Denial of admission has become a big issue in minister's home state Andhra Pradesh," a source

said. IIT-Delhi organized this year's JEE (Advanced).

Sources said the top 20 percentile eligibility cut-offs of class XII result was calculated twice. "This created the problem. For instance, in case of Andhra Pradesh the first cut-off was 89% which had to be corrected to 91.8%. This happened due to miscalculation, but resulted in many students not getting the admission," a source said.

The matter has already reached the Supreme Court. Last week, the apex court stayed an Andhra Pradesh high court order that reserved four seats for students who had challenged the 20-percentile criteria. SC has adjourned the matter for two weeks. There is a widespread variation in cut-offs. It is low in Tripura (53.2%), Jharkhand (56.2%), Assam (56.6%) and Uttarakhand (57.8%). CBSE's cut-off is 81.6%, ICSE (83.2%), UP (73%), Bihar (65%) and West Bengal (61.2%). Eligibility till last year across boards was 60%.

IIT-Delhi maintains there is nothing wrong with the eligibility, and only few students would be affected.

# HRD minister steps in to help upset IIT aspirants

THE HRD ministry has finally decided to look into the concerns of IIT aspirants who could not be eligible for admission this year due to the new pattern of selection.

Union HRD Minister M.M. Pallam Raju has called a meeting on Wednesday to look into the confusion caused in the IIT admission process this year.

Raju decided to step in after receiving several emails from dejected students, especially from his home state Andhra Pradesh which is the worst-hit.

According to the new selection criteria, IIT JEE and AIEEE were replaced with JEE (main) and JEE (advanced). To add more weight to class XII results,

the ministry decided that only top 1.5 lakh students clearing JEE (main) could appear in JEE (advanced). Of them, only those, who were in top 20 percentile of their respective board exams, were eligible for

# Raju to discuss issue at a meeting today

admission across 16 IITs. As a result, many students couldn't be eligible for a seat in IITs despite a good All India Rank.

Raju said on Tuesday that he was not against the decision to factor in class XII results for IIT admissions but he is now willing to take up the matter with the stakeholders.

Mail Today/New Delhi

### HRD MINISTRY TO REVIEW IIT ADMISSION FORMAT TODAY

**HT Correspondent** 

■ letters@hindustantimes.com

**NEW DELHI:** With increasing resentment among students regarding the new admission format for the Indian Institutes of Technology (IIT), HRD minister MM Pallam Raju has agreed to review the format on Wednesday.

"We will hold a review meeting on Wednesday to find out the shortcomings and streamline

them," he said.

From this year, the student has to be in the top 20 percentile of his board to be eligible for getting admission in any of the IITs. Till last year, anybody scoring 60% in the boards was eligible for admission. The percentile issue has created a lot of frustration as it is skewed in distribution. Some boards like Andhra Pradesh have a high cutoff percentile while some like Tripura have a very low cut-off.

"We, however, have no problems with the format giving weightage to class 12th boards," Raju said adding he had received several from concerned parents and students.

Some students from Andhra Pradesh, who were denied admission on the percentile issue, had filed a case in the AP high court. The court had directed IIT authorities to reserve seats for these students, though later SC issued an interim stay.

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# Govt to review IIT admission process

New Delhi: Amid a row over the percentile issue, Union minister for human resource development, M.M. Pallam Raju will review on Wednesday the system of admission to Indian Institutes of Technology (IITs) for which weightage is given to performance in board exams along with the entrance test.

The meeting would be attended by senior ministry officials and IIT Delhi director R.K. Shevgaonkar.

"We would hold a review meeting tomorrow to figure out the shortcomings if any and streamline the process," he told reporters here on Tuesday.

# आईआईटी प्रवेश परीक्षा से जुड़े अफसर तलब

अमर उजाला ब्यूरो

नई दिल्ली। मानव संसाधन मंत्री पल्लम राजू ने आईआईटी में प्रवेश में छात्रों की शिकायतों को देखते हुए संबंधित अधिकारियों को मंत्रालय में तलब किया है। आंध्र प्रदेश सहित कई राज्यों के छात्रों ने आईआईटी में प्रवेश के लिए तय इंटरमीडिएट बोर्डों के 20 पर्सेंटाईल कट ऑफ की सूची में आंकड़ों में गड़बड़ी की शिकायत की है। आंध्र प्रदेश के कुछ छात्र मंत्रालय को शिकायत भेजने के साथ ही न्यायालय में भी चले गए हैं।

उल्लेखनीय है कि जेईई एडवांस परीक्षा में पास होने वाले केवल उन्हीं छात्रों को आईआईटी में एडिमशन के लिए बुलाया गया जो इंटरमीडिएट की परीक्षा में अपने बोर्ड के टॉप 20 पर्सेंटाईल में शामिल थे। आंध्र प्रदेश के कई छात्रों का आरोप है कि राज्य बोर्ड की ओर से मिली टॉप 20 कई राज्यों के छात्रों ने 20 पर्सेंटाईल के आंकड़ों में की है गड़बड़ी की शिकायत

पर्सेंटाईल की सूची में उनका नाम शामिल था, लेकिन जब वे जेईई एडवांस के रिजल्ट के बाद आईआईटी में प्रवेश के लिए गए तो उन्हें बताया गया कि वे टॉप 20 पर्सेंटाईल में नहीं आते हैं। इस तरह उन्हें आईआईटी में प्रवेश देने से वंचित कर दिया गया।

जानकारी के अनुसार पिछले हफ्ते जब राजू विदेश दौरे पर थे तो आंध्र प्रदेश के शिक्षा मंत्री और तेलगूदेशम पार्टी के मुखिया चंद्रबाबू नायडू ने भी टेलीफोन पर उन्हें आईआईटी में प्रवेश संबंधी इन गड़बड़ियों की शिकायत की थी।

### HINDUSTAN ND 17-Jul-13 P-9

# राजू ने आईआईटीडी और सीबीएसई को तलब किया

नई दिल्ली | विशेष संवाददाता

एक तरफ जेईई समेत उच्च शिक्षा की प्रवेश परीक्षाओं को नियंत्रित करने के लिए पहल की जा रही है। वहीं, मानव संसाधन विकास मंत्री पल्लम राजू ने इस साल जेईई परीक्षा में हुई गड़बड़ियों को लेकर इसके आयोजनकर्ता सीबीएसई और आईआईटीडी दिल्ली को तलब किया है।

प्रवेश परीक्षा के नतीजों के बाद बड़े पैमाने पर छात्रों के विभिन्न हाईकोर्ट और सुप्रीम कोर्ट की शरण में जाने के मद्देनजर मंत्री ने दोनों एजेंसियों से सफाई मांगी है। बुधवार को दोनों एजेंसियों द्वारा मंत्री को इस संबंध में स्पष्टीकरण दिया जाएगा। राजू ने कहा कि मुझे बड़े पैमाने पर छात्रों, अभिभावकों के ई-मेल मिले हैं। आंध्र प्रदेश के शिक्षामंत्री ने भी उनसे



## जेईई में गड़बड़ी

- परीक्षा में गड़बड़ियों पर छात्र
   अदालत पहुंचे, शिकायतें मंत्री तक
- दोनों एजेंसियों के वरिष्ठ अधिकारी
   आज देंगे मंत्री को सफाई

परीक्षा में गड़बड़ी की शिकायत की है। सबसे ज्यादा शिकायतें बोर्ड अंकों के सामान्यीकरण को लेकर है। छात्र एवं अभिभावक इस पर सफाई चाहते हैं।

### HT Kolkata

### **FAULTY FORMULA**

- All India Engineering Entrance Exam, conducted earlier by CBSE, is now known as JEE (main)
- 1,159,000 candidates appeared for JEE (main) this year. Only top 150,000 students were allowed to appear in JEE (advanced) exam
- JEE (main) result is for admission to 30 NITs, 4 IIITs and centrally-funded technical institutes
- JEE (advanced) result is for admission to 16 IITs and Indian School of Mines, Dhanbad
- For admission to IITs, one criterion is that a student has to be among top



■ Some IIT directors want a return to the previous system. HT FILE

20% scorers in his/her class 12 board exam. Till 2012, it was scoring 60% in class 12 board. There are around 30 boards in India with different evaluation patterns

There are 9,867 IIT seats, including 4,835 in the gen-

eral category

New pattern is especially unfavourable for students who dropped last year to try again this year because till last year the board percentage was not considered for admission to NITs.

# **IS BRAND IIT LOSING ITS SHEEN?**



After the first round of admissions last week, 769 IIT seats were left vacant: 52 still have no takers. Why are top-ranking students giving them up?

### Pankti Mehta

shish Pratap Singh, 18, ranked 6,645th in the JEE Advanced, with a score that would have got him into an IIT engineering me. However Singh, knowprogramme. However Singh, Know-ing he didn't have the rank to get into the top seven IITs, withdrew his application, and is instead trying to secure a spot at a National Institute of Technology (NIT) instead. He is of Technology (NIT) instead. He is one of 789 students who gave up their IIT seats in the first round of admis-sions this year, prompting the insti-tutes to go through a second round, unheard of until a few years ago. "Since I knew that I wouldn't get into the older, established IITs — Bombay, Delhi, Guwahati, Madras, Kannar Khoraguni or Poorfoon.

Sonnoy, Sean, Gowanata, Antaras, Kanpur, Kharagpur or Roorkee — I would have to apply to the newer, less-recognised ones," he says. "Most of these are still functioning from makeshift campuses. Being new, they have no steady placement records. I feel more confident with the NITs, which have been around for a while and guarantee a standard

of quality."
The eight new HTs — Ropar,
Bhubaneswar, Gandhinagar,
Hyderabad, Indore, Mandi, Patna ryyeradd, moore, stand, ratha and Jodhpur — were announced by the union ministry of human resource development in 2008 to have 'institutes of excellence' in all parts of the country. While they have yet to gather student confi-

dence, surprisingly, this year, the first couple of rounds saw many vacancies in the older IITs as well. "The most vacancies this year have been in the older IIT Roorkee and IIT Kharagpur, in addition to the IIT BHU (formerly Banaras Hindu University) in Varanasi and ISM (Indian School of Mines) Dhanbad, (Indian School of Mines) Dianbod, both of which have recently been granted HT status," says HC Gupta, JEE Advanced chairperson. "After the final round, 52 reserved seats remain vacant, for which we will conduct preparatory courses." While 769 students gave up their seats in the first round, 260 more did in the second round. Here's a look at why.

### Quantity over quality?

Quantity over quanty?
The recent mushrooming of new
ITs is a large part of the problem,
say experts. "The new institutes
should have first come to a standard
of excellence and then given IIT
status if they matched up, instead of
starting with the brand tug and then
struccing to live un to the brand." struggling to live up to the brand," says Somnath Bharti, former HT Delhi alumni president. "Many of them are still running with minimum them are suir running with minimum facilities, few research prospects and have been unable to attract quality faculty. Students would rather go to the NITs which have, in my opinion, surpassed many new IITs." "We can't contest the facts — stu-

dents aren't as attracted to the IITs as they used to be," says Shyam Sundar, in charge of admissions at IIT Ropar. "We have done our best at

the new IITs, and have the minimum prescribed infrastructure, good placements and new courses. I'm aware that we can't yet compare to the older HTs and we will definitely

### Adverse economic climate

"Some esoteric courses find it harder to fill seats because there is a lower placement potential, especially in this economy," says Timothy Gonsalves, director, IIT Mandi. "For instance, courses in computer science and mechanical engineering are more popular than those in mining or pulp and paper engineering."

### Changes, confusion

With a new entrance format this year, the frequently changing rules

have caused confusion, "Earlier, it was announced that students can't claim seats in both the IITs and the NITs," says Manoj Sharma, director, Resonance, which coaches students "When this rule was not the students didn't get into their desired streams or colleges, they gave up their IIT seats for NIT admissions."

### Lure of foreign universities

"Some students are giving up their seats to go to foreign universities," seans to go to foreign universities, says Fraveen Tyagi, director, IITian's PACE, which coaches students for engineering entrance exams. "They may find better potential in studying abroad, and apply to the IIT's as their backup option."

(With inputs from Nisha Shroff)

### YOUR VOICE

Akshay Raj, 19, who has gained admission to IIT Bhubaneswar "While the other streams are not as desirable, placements for computer engineering at the new IITs are decent. I'm quite happy to go to IIT Bhubaneswar for computers, but would have thought twice if I was interested in a non-core stream. Those will take time to build."

Chirag Mehta, 19, second-year engineering student "Last year; I didn't get into core

engineering courses at IIT, so instead, I chose to pursue electron-ics at DJ Sanghvi here in Mumbai

instead. I gave the JEE this year too, but ranked low, so study here.

TALK TO US

Are you applying to the IITs this year? Do you think the brand has been diluted?



### TIMOTHY GONSALVES 'Building a new IIT is a great challenge'



Timothy
Gonsalves,
director of HT
Mandi, Himachal
Pradesh, speaks to
HT Education
about setting up a
new institute that has a premier
brand value to live up to.

### Most of the new IITs don't have their permanent campuses yet. Is this a hurdle in attracting students?

hurdle in attracting students?

One of the main parts of the IIT philosophy is, of course, the residential campus. The point is to be fully immersed in the programme, with faculty to help you even at odd bours. With our makeshift campuses, this is a problem, but not a permanent one. At Mandi, we have started to move some courses to the next. ed to move some courses to the new, main campus, and it will be fully oper-ational by early 2014.

### Do you feel like you don't have enough

Do you reet like you don't have enough facilities in your current set-up?

We have the minimum required facilities as per IIT guidelines, but our permanent campus will obviously be better equipped. We will have a full-fledged research part, at the new campus, and are excited about its prospects. The only other Indian institute to have this is IIT Madras.

In there a faculty shortage problem?

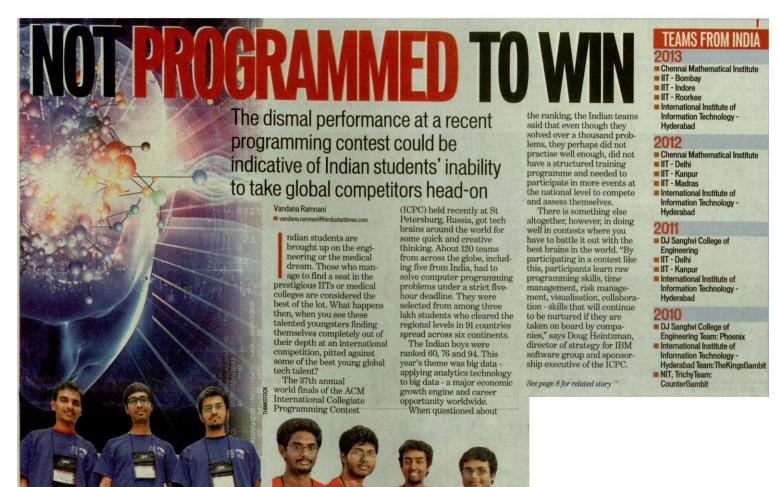
Building a new IIT is a great challenge. In established IITs, there are senior faculty members who are experienced enough to run things on their own. Here, we started out virtually unstaffed. Recruitment is a challenge, but mostly in certain esoteric streams. The older IITs have a faculty: student ratio of 1:12, while we have maintained a E10 ratio for most of our courses.

Do you think the IIT brand has been diluted over the years?

The IITs are doing some things The HTs are doing some things-right, but there are certain areas that need work. The Kakodkar Committee Report (released in 2011, which details measures to improve education at the HTs), has suggestions put together by HT alumni and academics. We are serious about addressing these concerns.

Are you worried by the number of students giving up their IIT seats, at the newer institutes in particular?

I'm confident that this is a transient problem. Once the new IITs gain ground and have good place ment records to show in companies and universities for higher studies student confidence will increase.



## 5 REASONS WHY WE DON'T EXCEL

### The problems and the way ahead

Indian students are brought up on the engineering or the medical dream. They focus their energies on doing well in physics, chemistry and maths to secure a seat in the IIT. Doing well in programming will not get them the coveted rank

Indian engineering institutes do not recognise scores of school students who may have done well at the International Olympiad for Informatics conducted by the UN every year. Many institutes in other countries guarantee a seat in engineering institutes for such students

School students are not motivated enough to go through the rigour of pushing themselves to get a gold medal at the Olympiad because studying physics, maths and chemistry for the IIT entrance is their priority

If IITs start recognising the Olympiad scores, students will be motivated to participate in international programming contests right from the school level. Both the IIIT Hyderabad and Chennai Mathematical Institute give admission on the basis of the score

Most engineering students become aware of international programming contests only when they join up for their BTech degrees. That gives them only about two to three years to prepare for a global contest such as the ICPC, unlike their counterparts abroad who are exposed to creative problem solving right from school

### Hindu ND 17-Jul-13 P-9

### Only 1% of students go for research: UGC

Aarti Dhar

NEW DELHI: Only 1 per cent of students enrolled for research programmes in 2011-12, against 86 per cent who received graduation degree last year, according to the higher education figures released by the University Grants Commission (UGC).

The provisional figures suggest that a majority of students opt out of higher education after obtaining a graduation degree. Just 12 per cent received postgraduation degree and a depressingly low 1 per cent went for PhD degrees. Diploma and certificate holders also constituted just 1 per cent.

Of the total PhD degrees awarded

during 2010-11, 32.5 per cent or 5,232 received it for research in science subjects, followed by 31.3 per cent or 5037 for arts subjects, including humanities, social sciences and languages. Science included ayurveda, dentistry, homoeopathy, nursing, pharmacy, public health or social preventive medicine, unani, tibiya, physiotherapy, occupational therapy and siddha.

Engineering and technology subjects were the next most popular subjects for pursuing research, with 10 per cent completing their thesis. Medicine, agriculture and law had about 3 per cent of the total research degree holders. Others, including library and information sciences, fine arts, journalism and mass communi-

cation, physical education and social work, comprised the remaining 4 per cent degree awardees. Enrolment in highest education shows 37 per cent students are enrolled in arts faculties, over 18 per cent are studying science subjects, 17 per cent opting for commerce or management, 16 per cent engineering technology, 3.5 per cent medicine and around 1per cent doing veterinary science, law and other.

## Turning trash into treasure

Guided by an American professor, around 300 students from VIT University's innovation centre are engaged in various innovations with recycled materials

people who could afford to buy within their income limits, "sups Ayush Agarwal, a student.

Uticarsh Pandoy, an electrical engineering student from Uttar Pradesh, said that lead to be a suggest in making a ranchanterial to the suggest in making a ranchanterial to be a suggest in making a ranchanterial to be a suggest in making a ranchanterial to be a suggest in making a ranchanterial to the suggest in the least support to the least soft suggest and the least suggest and the suggest suggest and the suggest and the suggest suggest and the suggest suggest suggest suggested and the suggest sugge

**TEAM.** 5 members

**BACKGROUND** mechanical and electronics engineering, etc

**FOCUS AREA** Consumer devices developed with waste material

OUTCOME/IMPACT Developed products for disabled people

WHAT NEXT. Finding solutions to various social problems at lower costs











VELLORE is a district capital in Tamil Nadu Its history records several dynasties and powers

It is known for its temples
Vellore Fort is a striking historical monument



# IIT-KGP to go on hunger strike

Shiv Sahay Singh

KOLKATA: Faculty members and a section of the alumni of the Indian Institute of Technology, Kharagpur (IIT-KGP) will observe a day's hunger strike on Wednesday demanding a full-time director for the oldest IIT in the country.

"It is difficult for IIT-KGP to maintain its academic excellence in the absence of a

full-time director. The institute is being administered by an officiating director for nearly a year now even though Prof. Partha Pratim Chakrabarti has already been selected as its next director," Prof. B. S. Sastry, president of IIT-KGP Teachers Association told The Hindu over telephone from Kharagpur on Tuesday. Over 30 persons from the alumni association from

the Kolkata and the Bangalore chapters will be present at the institute on the day of the hunger strike, he added.

Teachers at the institute said that the protest is being held a day before the institute resumes on Thursday, after summer vacations.

"Prof. Chakrabarti's appointment is pending the Central Vigilance Commission (CVC)'s clearance.

### **PROVIDING SUPPORT**

### Government finalizes proposed education loan guarantee fund

PRASHANT K. NANDA

NEW DELHI

The much-delayed educa-tion credit guarantee fund to support higher education and skill training by providing a surety to banks against loans given to students may soon take shape with the finance and human resource development (HRD) ministries finalizing the structure, according to two government officials familiar with the development.

The proposal is expected to be presented to the cabinet in a month's time, said the officials, neither of whom wanted to be named.

The finance ministry, however, has diluted the original plan, they said. Instead of bringing four priority sectors housing, micro, small and me-dium enterprises (MSME), education and skill development -under one umbrella company, the finance ministry has excluded the first two after opposition from administrative

ministries.

The finance ministry's department of financial services and the HRD ministry have discussed the matter and it has been approved by the expenditure finance committee of the government, said one of the officials cited above. The MSME and housing credit guarantee funds will not come under this umbrella as "they already have their funds functioning", said the official, who belongs to the

HRD ministry. above, who belongs to the fi-nance ministry, explained why two of the sectors were left out.

"Credit guarantee is a function of the finance ministry and hence it was felt that all the credit guarantee funds should come under one roof.
This would bring in more economies of scale as the technology and the expertise once developed can be used for all

the funds," the person said.
"But, since the other minis-

tries overseeing the other two funds were not in favour of bringing the funds under one roof, they may not be a part of the umbrella company," he said. "But going forward, all the new funds being set up like the fund for factoring will be administered by this compa-

The government already has credit guarantee funds for MS-MEs and low-cost housing to promote credit flows to these sectors. The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was set up by the government and the Small Industries Development Bank of India (Sid-bi), to facilitate collateral-free loans of up to ₹1 crore under the credit guarantee scheme of the ministry of micro, small and medium enterprises.

In the low-cost housing space, the ministry of housing and urban poverty alleviation has set up a mortgage risk guarantee fund for housing loans in the informal sector. The fund, with a corpus of ₹1,000 crore, is run by the National Housing Bank and guarantees loans up to ₹5 lakh

A plan to set up education credit guarantee fund was initially mooted in 2012 by then finance minister Pranab Mukherjee to ease the pressure on banks over lending to students seeking higher educaand skill training. The bankers perceive education loans as high-risk products that contribute to their nonperforming assets.

The slowing economy and the gloomy job scenario in the last four years has fuelled that fear while the number of students seeking such loans has gone up significantly. As of March 2013, there were 25,09,465 education loan accounts with a total outstanding of ₹53,520 crore. Over 5% of student loans outstanding had turned bad, up from 2% in

"We believe this credit guarantee fund will take care of the default concerns of the bank-ers. It will guarantee up to 75% of the education loan amount education sector needs handholding and such a financial assurance to banks will help more needy and meritorious students getting loans, said the HRD ministry official.

Though the initial plan for the education fund was pegged at ₹5,000 crore, it may be pared to an initial ₹2,500 crore. This will provide guarantees to unsecured education loans up to ₹7.5 lakh. Banks will deposit 1% of every study loan amount in this credit guarantee fund.
The HRD ministry has said

that its existing interest subvention scheme can be made part of the new scheme

The ministry spends nearly ₹1,000 crore every year for providing interest relief to students whose annual family income is less than ₹6 lakh.

This relief is provided during the loan moratorium or duration of the course plus one

The credit guarantee fund will be a Section 25 company as per the Companies Act. A Section 25 company is a firm where profits and any other in-come are applied only to promote the objects of the compa-ny and no dividend is paid to its members.

To be sure, the cabinet will need to take a final call on the structure of the funds and the company.

"The education guarantee

fund will help banks in curtail-ing losses in the education loan segment. I am not sure if risks are being adequately priced in by banks. The education loan segment is taken as a skill-building segment for the country's future generations and there is an element of subsidy in these loans," Ananda Bhoumik, senior director, India Ratings and Research Pvt. Ltd. "The fund will compensate any element of underpricing." remya.n@livemint.com

### Hindustan Times ND 17-Jul-13

Nitish claims to be 'helpless' in higher education sector PATNA: Nitish Kumar on Tuesday admitted that he was helpless in turning around the higher education sector in the state. "I have the desire to turn it around, but have not been able to do much," he said. The sector is in a mess, with nine state universities going without vice chancellors since March 18, when the SC struck down appointments made by the former chancellor.