Newspaper Clips

May 21-23, 2011

TRIBUNE ND 21/05/2011 P-1

IIT Kharagpur chargesheets whistleblower prof

Reason: He talked to the Press; Charge: He violated conduct rules

ADITI TANDON/TNS

NEW DELHI, MAY 20

Five years ago when Rajeev Kumar, a professor in the Computer Science and Engineering Department of IIT Kharagpur took the RTI route to expose irregularities in the conduct of Joint Entrance Examinations, he knew the opposition he was pitched against.

Having exposed many a shocking manipulation in the JEE system and driven the mighty IITs to the Supreme Court for lack of transparency in the conduct of the entrance exams, Kumar today received a five-page chargesheet from his parent institute that initiated disciplinary proceedings against him. It said: "You are alleged to have had unauthorised interaction with the Press for injuring and damaging the reputation of the institute and for bringing unsubstantiated allegations of mass copying in the conduct of IIT exams, thereby deliberately tarnishing the image of the institute, its students, past and present, and its faculty," reads the first charge against a man whose struggle began when his son took the IIT-JEE but failed, even though he had cleared all the major technical college entrance exams. Kumar, who has been working on draft after draft to reform the IIT system, has been accused: "Often directly and indirectly, through your personal acquaintances, you used your access to both electronic and print media on issues of personal interest without seeking the permission of authorities. Thereby maligning the institutions and exerting huge mental pressure on the faculty and administrative staff. This is a serious violation of conduct rules," reads the chargesheet.

IIT Kharagpur has given Kumar 10 days to respond.. Kumar is famous for exposing the faulty system the IITs had been adopting for fixing cut-offs for JEE. This system resulted in the best scoring students being dropped from the list of successful candidates whereas the low scoring candidates emerged high rankers. He also questioned the validity of Optical Response Sheets used by the IITs, and said they were vulnerable to tampering.

Business Line ND 21/05/2011 P-19

IIT-Kanpur gets solar energy project

Kanpur, May 20

The Minister of New and Renewable Energy, Dr Farooq Abdullah, on Friday said his Ministry had handed over a project for research and development in solar energy to IIT-Kanpur. At a press conference in the city, Dr Abdullah said, "It is very important that we reduce our dependency on non-renewable sources of energy like coal. This project will facilitate research in the solar energy sector and will help in bringing this form of energy closer to the people." The Director of IIT Kanpur, Prof Govind Dhange, confirmed Dr Abdullah's announcement but did not reveal details. – PTI

Business Standard, ND 21-May-11 P-12

PAYBACK BY THE 'CREAMY LAYER'

Pampered by subsidised education, IITians make a small start in helping the underprivileged. Is it enough?

KEYA ACHARYA

BS PHOTO

This is not the commonly-known "creamy layer" hierarchy within India's dalits, but the group long known as the face of India's "brain-drain": the IITians.

The Indian Institutes of Technology (IITs), 15 in all, continue to receive disproportionately high government grants compared to other engineering colleges. The undergraduates are subsidised nearly 80 per cent by the government while master of technology students receive full scholarships.

Pampered and elite, IITians, in India at least, are successful entrepreneurs and industry-leaders. A majority of them, however, have a history of hotfooting it to the US after being educated at tax-payers' expense. Any paybacks have traditionally been in the form of financial donations from IIT alumni to their alma mater institutions, much in the tradition of American Ivy League institutions.

This tradition, however, appears to be now on the threshold of some change. At a gathering of IIT Kharagpur's Bangalore-based alumni, Harish Hande of Selco-India, motivated Kollur Dhananjay, the secretary of the Bangalore association, to coordinate funds for a rural electrification project named Light for Education. The project, implemented through Selco, provides impoverished tribal children in Karnataka with solar lamps for studying at home. These can be charged daily through a centralised system set up in the children's secondary school, thus saving them the cost of buying kerosene for lamps. The project aims to spread to other states too.

Hande, whose work on rural electrification has won his organisation several awards, including the Green Oscars or Ashden award, says he told his audience that it was high time they started paying their debt of a subsidised education.

"It is not only of giving back to society," Hande told his alumni audience, "but about contributing as a partner, not just a giver."

Dhananjay took Hande's idea on rural education through electrification to another senior IITian, Arjun Menda, whose corporate real-estate industry, RMZ, has been funding education through the Menda Foundation for the past 15 years. Menda, who disburses 220 higher-education scholarships every year, says he will match all grants the alumni association garners for the Light for Education programme.

Another IIT Kharagpur alumnus and former director of Motorola S Venkatesam ("Sam") has tackled rural electrification, which is lacking in 56 per cent of rural households, according to a 2010 World Bank report. The company he floated, Energy Plantation Projects India (EPPI), now has a ready 500-acre "energy forest" in the Madurai district and is looking for funds to set up the first of five 2Mw biomass power plants to be sourced from plantations of the indigenous *neem* family's *Melia Dubia* and seven other local species. EPPI changed its work-timings to accommodate local village women into their workforce and has won acceptance from the villagers.

"I felt the need to do something socially relevant and economically useful," says Venkatesam, "but our 'CSR' (corporate social responsibility) is our business survival requisite."

In Mumbai, IIT Kharagpur alumnus Puneet Kumar now coordinates a pan-IIT company – Ekalavya Creations – set up by well-known Kharagpur alumni. One of them is the now-retired B K Syngal of VSNL, known as the father of the Internet in India. Another is Arjun Malhotra, co-founder of the leading technology group HCL. The company aims to use IT for educational development for the underprivileged and has several e-learning initiatives set up through its laboratory in IIT Bombay.

Ekalavya has begun by traversing 2,000 km around the country, looking at IITians working in the field. There are, among several case studies, Ravi Chopra of IIT Bombay, founder of the People's Science Institute in Dehradun, working in watershed development and rural empowerment in Uttarakhand, Brij Kothari, an IIT Kanpur alumnus, who devised "same language subtitling" in TV for mass literacy in India and Kharagpur gold-medallist, now spiritual leader, Soumyendranath Bannerjee who has set up several schools in Deogarh, Madhya Pradesh.

Ekalavya now plans to take these case studies to the next pan-IIT meet to motivate alumni.

However, these instances are few and far between and do not reflect an awareness in the IIT faculty and curricula for the need of applying technology in the mass sector. And IIT alumni have also criticised this.

In Bangalore, Indian Administrative Service (IAS) officer Rajeev Chawla of IIT Kanpur, who designed the e-governance model for land records in India, now being replicated elsewhere, says even IITians in the IAS, let alone in civil society, are not achieving enough, given their intelligence and training.

"IITians within the IAS are our cream. We don't need to blame the government system or the lack of motivated faculty in our *alma maters* to achieve. It's purely the indifference, the seeking of conventional success, of power, prestige and money," says Chawla.

"And in all my years in the IAS, I have not had any IIT alumni coming to me for help in collaborating on any work in the public sector," adds Chawla.

Nevertheless, IIT Kharagpur Associate Professor Joy Sen, does blame bureaucracy within the governance system as having stifled leaders in the public sector, but agrees that mindsets in IIT faculty need to change, especially to incorporate modern relevance to environment and development.

Chawla blames Indian society, rather than faculty inadequacies. "The rush for power, prestige and money is a social malaise that has included IIT graduates," he says.

The younger generation of alumni, however, are circumspect about the criticism.

"We are technical guys, so this 'social front' has come late to us," says Bombay-based Kharagpur alumnus (class of 2002) Puneet Kumar.

"This is a start," says Dhananjay, speaking of the Light for Education programme.

"I encourage every IITian to think hard on how many engineers, scientists and people we need to get rid of poverty in India," says senior IITian Ravi Chopra.

"And then, take a leap," he adds.

The author is Vice Chair, Forum of Environmental Journalists of India

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1 in 25 teens addicted to Net

New York: One in every 25 teens reported an "irresistible urge" to be on the internet, tension when they weren't online, or said they had tried to quit or cut down on internet time, according to a US study.

In addition, the study of more than 3,500 high school students in the state of Connecticut found that those students with "problematic internet use" were more likely than their peers to be depressed and aggressive, and to use drugs.

But study leader Timothy Liu, at Yale University, and his colleagues said they couldn't prove a "cause and effect" link between the Internet habits, depression and drug use. "It may be associated with depression, substance use, and aggressive behaviors. High school boys, though, may have heavier internet use and may be less self-aware of the related problems," they wrote.

WEB OF WORRIES

The study surveyed high school students in Connecticut, asking more than 150 questions about health, risky behaviors, and impulsiveness — including seven questions on internet use. Out of 3,560 students, 4% met the criteria for problematic internet use. Asian and Hispanic students were more likely to qualify, although the majority of students in the study were white. REUTERS

Publication: The Times Of India Delhi;Date: May 21, 2011;Section: International;Page: 25;

Not a blunder: Einstein's dark energy does exist

Washington: "Dark energy" does exist, and it's not Albert Einstein's "greatest blunder" in his theory of gravity, say planetary scientists.

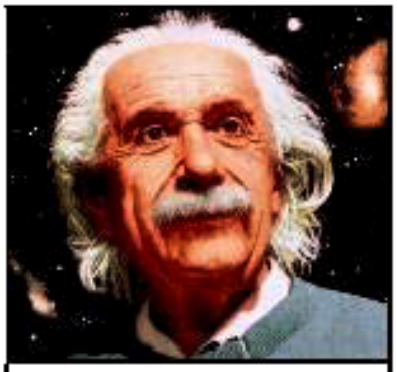
"Dark energy" is a concept first cast by Einstein in his original 'Theory of General Relativity'. The scientist included the idea in his original equations but later ruefully admitted that it was "his greatest blunder".

Now, a survey of 200,000 galaxies by an international team, led by Chris Blake of Swinburne University, has shown that "dark energy", responsible for expanding the universe, is real and not a mistake in Einstein's theory of gravity.

Using the Anglo-Australian Telescope, the team of 26 planetary scientists contributed to the "WiggleZ Dark Energy Survey" which mapped distribution of galaxies over a volume of the Universe. Because light takes so long to reach Earth, it was the equivalent of looking seven billion years back in time — more than half way back to the Big Bang.

The survey, which took four years to complete, aimed to measure the properties of "dark energy" — the concept of which was revived in the late 1990s when astronomers began to realise the universe was expanding at an accelerating rate. "The acceleration was a shocking discovery, because it showed we have a lot more to learn about physics. Astronomers began to think that Einstein's blunder wasn't a blunder at all and that the universe really was filled with a new kind of energy that was causing it to expand at an increasing speed," Blake said.

Team member Warrick Couch said confirming the existence of the anti-gravity agent is a significant step forward in understanding the Universe. PTI



A survey of 200,000 galaxies shows 'dark energy', responsible for expanding the universe, is real and not a mistake in Einstein's theory of gravity

Publication: The Times Of India Delhi;Date: May 22, 2011;Section: Times Nation;Page: 13;

$150m Infy campus to come up in Shanghai

Saibal Dasgupta | TNN

Shanghai: Infosys Technologies chairman N R Narayana Murthy on Saturday laid the foundation of a new campus in Shanghai, and announced plans to treble the company's business operations in China.

Addressing a press conference, Murthy suggested China needs companies like Infosys as much as they need the Chinese market.

"China has demonstrated an extraordinary pace of growth. Such growth cannot be sustained unless it is backed up by scalable, easily maintainable, easily available and easily usable information systems. That is where we believe that there is opportunity for us in China," he said.

Mohandas Pai, Infosys board member who is quitting the company after serious disagreements on the company's promotion policy, was with Murthy.

The new campus will be built on 15 acres at a cost of $150 million. "It will be the largest software development centre of Infosys outside India," Murthy said.

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A Fusion Of Yoga & Tai Chi

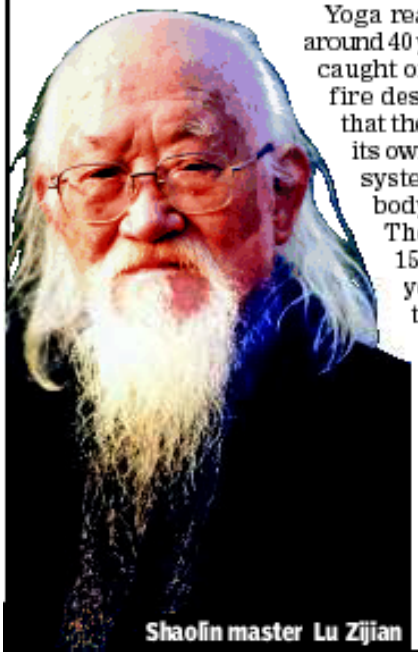
Ninety-three-year-old yoga guru Iyengar & 117-year-old Shaolin master Lu Zijian will brainstorm in China to bring about synergy in traditional fitness practices

Malini Nair | TNN


Yogacharya B K S Iyengar

What do a 93-year-old yoga guru and a 117-year-old Shaolin master have in common? The fact that they practise their art for hours even at this age. And that after a lifetime exploring the links between body, mind and spirit, they are sharp and agile enough to teach youngsters one-third their age lessons on how to stay not just fit but also equipoised.

Next month, yogacharya B K S Iyengar and the oldest Chinese martial artiste alive, Master Lu Zijian, will come together at an ambitious China-India yoga summit to be held in Guangzhou. The agenda: a dialogue on the traditional fitness regimens of the two countries. Not just that, Iyengar will lead a packed, three-day programme to guide around 1,000 yoga enthusiasts from China and abroad on the many interconnecting layers of the system. "I will go from the scratch to the ultimate," says Iyengar, who is generously allowing beginners and veterans to take his classes.


Shaolin master Lu Zijian

Yoga reached China around 40 years ago and caught on like a wildfire despite the fact that the country has its own indigenous systems of mind-body regimens. There are about 15 millions yoga practitioners in China today. This summit will see the entire yoga industry spread across neighbouring Taiwan, Hong Kong and Macau converge at Guangzhao. "Tai Chi is now not as popular as yoga in China. Yoga is definitely more popular among the educated youth, especially the women—95% of the learners are women," says Zhiyong Chen, who is directing the event that has the backing of the Indian consulate and the Ayush (alternate health) department of the ministry of health.

> Tai Chi is now not as popular as yoga in China. Yoga is definitely more popular among the educated youth, especially women—95% of the learners are women
>
> — **Zhiyong Chen** | ORGANIZER, CHINA-INDIA YOGA SUMMIT, GUANGZHOU

Lu Zijian, who is fondly referred to as the Yangtze River's Great Chivalrous Man, lives in Chongqin and practises the evolved Tao-based martial art and healing system, bagua zhang. He has lived through China's historical decades and is today celebrated as China's most healthy centenarian.

With some help from interpreters, the two masters will "compare Tai Chi and yoga, their principles and similarities, how they look at the human body, mind and spirit, and how they work to improve them", says Chen.

Senior Iyengar teacher Birju Mehta, who will be among the team of six from India, says the Indian and Chinese systems perhaps have parallel end goals though they follow different processes. Iyengar has held large-scale yoga summits across the world—the last in Russia two years ago. But this one is generating a lot of buzz because it sees the coming together of people who have inherited similar systems. And also because Iyengar has declared that this will be his last foreign yoga tour.

The yogacharya remains a staunch classicist in a world where yoga has acquired some really outlandish forms. But he is also open to dialogues with other traditions and last year had a public interaction with the Dalai Lama over Indian and Tibetan traditions.

HINDU ND 23-May-11 P2

"There is no need for duplicating a conventional education system here"

MEET

The need is to provide maximum flexibility in terms of educational opportunities, Vice-Chancellor of IGNOU **V. N. Rajasekharan Pillai** *tells* **Urvashi Sarkar**

EDUCATION FOR ALL: *Indira Gandhi National Open University Vice-Chancellor V.N. Rajasekharan Pillai during the interview in New Delhi.* – PHOTO: S. SUBRAMANIUM

Professor V. N. Rajasekharan Pillai's depth of engagement with Indira Gandhi National Open University (IGNOU), of which he has been the Vice-Chancellor since October 2006, is manifest in the focused manner and interest with which he details the growth of the university and his role in the context.

"IGNOU is a different university and there is no need for duplicating a conventional education system here. The need is to provide maximum flexibility in terms of educational opportunities. It is also the university's responsibility to discern the kind of knowledge and skills necessary for society and disseminate them," he says.

Speaking at length about IGNOU's responsibilities as an open university, Prof. Pillai adds: "Majority of our learners are working, hence work-integrated learning is a major responsibility. Also, only five per cent of the workforce has some sort of certification. These are all working persons and they have minimum knowledge and skills in their area. However, they have no certification and this is affecting them. The workplace should have a mechanism to assess their work, provide additional skills and knowledge and help to provide certification. There is need to focus on the unorganised sector."

"As an open varsity the system also has to be more flexible. A great deal of educational infrastructure and intellectual capabilities are available in industry, corporate houses, the social sector and the rural development sector outside the formal university framework. As an open varsity we need to network with these set-ups as well," he adds.

Previous positions such as V-C of Mahatma Gandhi University in Kerala, National Assessment and Accreditation Council Executive Director, University Grants Commission Vice-Chairman and Acting Chairman have endowed him with vast administrative experience. He has also been teaching since the past 40 years and has over 200 original research publications in refereed national and international journals to his credit.

Mulling over the administrative challenges encountered in the process of heading a university, Prof. Pillai says: "In the last four years, the university has expanded not only its reach but also achieved major consolidation. New Schools and Chairs have been established and we can now declare examination results in just 45 days."

"Another significant milestone has been the digitising of our learning material, which is available on the Internet. This comprises all our learning material which was in various forms. Called 'eGyanKosh,' anyone can access this." He says there were initial apprehensions about making this treasure trove of information available free of cost in the public domain.

"However, post the launching of 'eGyanKosh,' our enrolment has actually increased."

Prof. Pillai also expressed satisfaction regarding the research and teaching assistantship scheme which the university has started. "Research was not happening in a big way. Moreover, we are in need of bright and fresh post-graduates who work as full time researchers and also teach. Our rules for granting Ph.D. degrees are fairly strict too."

"We have also introduced, for the first time, a programme in sign language for the hearing impaired. The Ministry of Social Justice and Empowerment is considering IGNOU for establishing the first sign language institute in India."

The introduction of enterprise resource planning in the Administrative and Financial Departments of the varsity is also seen as a feather in IGNOU's cap.

Speaking earnestly on the issue of community college, he noted: "Community college is a very bold intervention. Several colleges have tied up with us for the community college initiative."

Community college, the V-C points out, can be attended by people from any age group at individual convenience.

The university keeps in touch with the pulse of the students through its annual 'student satisfaction survey'. "For each of our courses and various initiatives, the student satisfaction survey provides a good measure of student opinion. Based on the survey responses, we adapt the courses accordingly."

Prof. Pillai's tenure as IGNOU V-C will come to a close in October 2011. "I will consider other assignments which come my way," he says. A voracious reader, Prof. Pillai reveals that he is fond of reading Malayalam poetry.

GSAT-8 takes to the skies

India's GSAT-8 satellite has been lofted into space aboard an Ariane 5 rocket that lifted off from the European launch facility in French Guiana in equatorial South America. It is the 20th satellite designed and built indigenously by the Indian Space Research Organisation (ISRO) to meet this country's requirements for space capacity in communications and broadcasting. The 3,100-kg spacecraft's 24 transponders will relay signals in radio frequencies known as the Ku-band. These transponders will be used for Direct-To-Home television broadcasts as well as to support communications using small satellite dishes known as Very Small Aperture Terminals (VSATs). Other Indian communication satellites that are currently operational have about 150 transponders working in various frequency bands. That capacity needs to be augmented, given that a power glitch on the INSAT-4B knocked out half its transponders last July. Two satellites, GSAT-4 and GSAT-5P, were lost in consecutive failures of the Geosynchronous Satellite Launch Vehicle (GSLV) last year. Besides, the INSAT-2E, launched 12 years ago, is nearing the end of its life. ISRO plans to launch the GSAT-12, weighing 1,400 kg, on the Polar Satellite Launch Vehicle this July. The GSAT-10, with 36 transponders and weighing 3,400 kg, is to be put into orbit by another Ariane 5 rocket next year. Another communication satellite will go up when the GSLV is flown again, which is expected to take place in the first quarter of 2012.

The GSAT-8 is also carrying a payload that will broadcast data to increase the accuracy and ensure the integrity of navigation based on signals from orbiting satellites of the U.S. Global Positioning System (GPS) and the Russian Global Navigation Satellite System (GLONASS). The resulting improvement in accuracy and reliability will allow aircraft, equipped with suitable receivers, to make precision approaches for landing at all runways in the country. Aircraft will also be able to fly more direct routes to their destination, saving time and fuel. Such space-based augmentation systems have begun functioning in the U.S., Europe, and Japan. Ground stations for the Indian system, known as GAGAN (GPS Aided GEO Augmented Navigation), a joint effort by ISRO and the Airports Authority of India, have been put in place. After the GSAT-8's GAGAN payload becomes operational, further steps for testing the system as a whole and securing the necessary certification can start. All of India's remote sensing satellites are now launched domestically. This should be achieved in the case of communication satellites too. For that, the GSLV must be made as reliable as the PSLV and the next generation GSLV Mark-III got ready as soon as possible.

FINANCIAL EXPRESS ND 23/05/2011 p-11

Role of ICT in Indian educational sector

RNayak

IMPORTANCE of education in almost all walks of life has increased with the support of information and communication technologies (ICT). During the past 20 years, the use of ICT has fundamentally changed the working of education. In the current environment-conscious world, the importance of education and acceptability of ICT as a social necessity has been increasing. Social acceptability of information and communication tools is necessary to improve the mobility in the society and increase the pitch for equity and social justice. Education as a qualitative development is not confined within the classroom structure. The modern tools of ICT such as eLearning and online practice of learning and getting information are much sought after by the students as well as by the institutions.

The government is spending a lot of money on ICT. In the higher education sector, the National Mission on Education is emphasising on the role of ICT in increasing the enrolment ratio in higher education. School education in India has a problem of high dropout rate and we need to work on how to decrease this rate. Similarly, in the field of higher education, we need to increase the number of students. Therefore, if we make our learning more engaging with the use of ICT, it can completely change how our education system works. Also, we should examine the challenges of cost-factor and availability of trained teachers in the process of dissemination of education with the help of ICT.

India is developing as a knowledge economy and it cannot function without the support of ICT. The gap between demand and supply of higher education has necessitated the governments and institutions to formulate the policies for the better use of ICT. And, in order to bridge the gap, it is necessary to evolve the cooperation between the public and private sectors. The education ICT policy should identify specific ways in which the application of ICT will enhance the educational capacity and the capability of higher education institutions. According to a recent study, innovations such as using Twitter to send messages are really helpful in disseminating education. In a similar fashion, the use of YouTube in sharing video information will go a long way in disseminating education. During the last decade, higher education has gained importance in India's changing policy landscape as the government realises that India's strength lies in education.

The author is faculty at the GL Bajaj Institute of Management & Research

FINANCIAL EXPRESS ND 23/05/2011P-10

H/w2/w3

GREEN FUEL

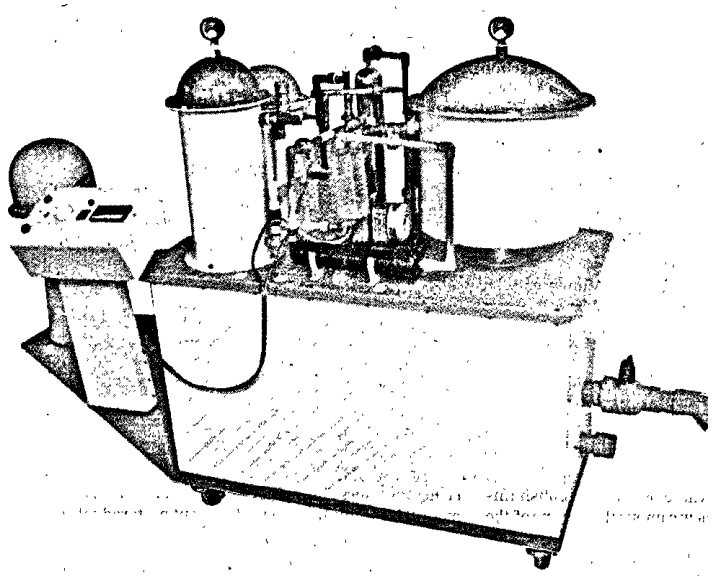
Natural gas plant for households

ITI promises cooking gas from organic waste

Gireesh Chandra Prasad

CONSUMERS, worried about the government's move to cut down subsidised LPG to households to six or seven cylinders a year, will have a new option. State-owned ITI Ltd, a producer of telecom equipment and power supply devices, is going to mass produce small natural gas plants for domestic use. The plants would generate the green fuel from organic waste such as left-over food, newspapers and leaves from the garden.

The product, developed with support from the ministry of new and renewable energy (MNRE), could generate natural gas equivalent to a 14.25kg cylinder from 3 kg of waste, said people associated with the project. The company estimates a demand of more than one lakh units a month once the plant is introduced in the market in about a month's time, said ITI's general manager Ramesh K Murthy.



The idea is to make households energy independent to some extent. The device produces gas with the same composition as the cooking gas (90-95% methane) and consumes less than a unit of electricity a day," said Vijay Kumar, chairman of Scalene Cybernetics, a Bangalore-based research organisation that developed the product for ITI. Scalene, which produces large natural gas plants for industrial use with the same technology—12 different bacteria converting organic waste to gas—will get a royalty from ITI on the sale proceeds.

THE GOVERNMENT COULD BEAR A PART OF THE PLANT COST, WHICH WORKS OUT TO ₹47,000 PER UNIT

This innovation, if widely adopted, could help reduce the government's subsidy outgo on cooking fuel—₹330 a cylinder now at a crude oil price of about $109 a barrel. LPG consumption has been going up 7.7% a year and is now at 1.3 crore tonne a year, causing a sense of urgency in government to reform its pricing. With increase in rural income, the figure is set to further go up in the coming years. The government, which is on a fiscal consolidation path, therefore, wants to cut down the number of subsidised LPG cylinders per households. "This (the gas plant) will lead to a huge gain for the government by way of reduction in LPG subsidy outgo," said Murthy.

Kumar says the 'waste-to gas power plant' would be successful if it is mass-produced, since that would bring down the cost.

He said the government could bear a part of the cost, which works out to ₹47,000 per plant. That would also enable the government to generate carbon credits, which goes to the consumer of clean energy.

But the use of individual power plants in urban households looks somewhat unrealistic considering the adoption of piped natural gas, which is more convenient. Now, cities like Delhi, Mumbai, Pune and Ahmedabad have access to piped gas. PNGRB, the regulator of gas pipelines, has planned to make city gas distribution available in 200 cities by 2015, even as companies like Indraprastha Gas and Mahanagar Gas have started operation in various cities. The regulator is in the process of giving authorisation to cities such as Kakinada, Mathura, Kota, Ludhiana and Chandigarh.

Murthy says the plant need not be placed inside the house. It can be kept outside, or even on the terrace, which makes it convenient for urban households.

Government experiments on encouraging bio-fuels are yet to yield any significant results. The scheme of blending ethanol with petrol to save fuel subsidy has been a non-starter due to conflicting interests of the sugar and ethanol industries. Some states which collects huge excise duty receipts on potable alchohol do not want molasses to be diverted for blending purposes.

Business Standard ND 23/05/2011
P-1

GOVT MAY ALLOW EDUCATION BODIES TO FLOAT BONDS

The move will require modifications in Companies Act

KALPANA PATHAK
Mumbai, 22 May

The ministry of human resource development (MHRD) is considering allowing educational institutions to float bond issues for fund generation.

"At present, we are working on some of these ideas. We are also thinking of a national education finance corporation, which can tap into a lot of such resources. We will try to put it all together and work it out as a strategy in the new scheme in the 12th Five-year Plan," a senior MHRD official told *Business Standard*. A widely-accepted concept in the West, a bond issue allows institutions to tap into the vast pool of not only their alumni network, but also people who wish to do their bit for the education sector.

There will, however, be certain conditions education institutions will have to adhere to, which the MHRD is still working on.

Universities in the US and the UK, including Harvard, Stanford, Cambridge and Princeton, meet their financial needs and finance important projects cheaply via bond issues. These universities need ratings from a credit agency while going for the bond issue.

However, to allow Indian universities to raise money via bonds, some important changes will be required. Educational institutions in India can be set up only by trusts, societies or companies. For a long time, the Centre has been experimenting with ideas to plug the funding gap in higher education. Experts say the move may require modifications in the Companies Act, especially those relating to the formation of companies under Section 25, as well as state laws relating to the way charitable trusts are allowed to function. Internationally, donation of land and shares are accepted by universities to help create an endowment.

Sector experts say getting a rating from credit rating companies will compel educational institutions to be more careful about their investment plans, as well as cash flows. The latter will require educational institutions to increase their fees or trim their offerings as and when required, in order to remain financially attractive and get a good rating. A good rating, in turn, allows educational institutions to avail of loans at a cheaper rate.

Rating agencies, including Crisil and Care, have already begun rating B-schools in India. Going ahead, Care may also rate engineering colleges in the country. The move may allow educational institutions to offer their assets, including their corpus, as collateral for meeting important investment outlays.

"Universities need money and this will be a good way for them to raise funds when the price of credit has risen sharply and is no longer readily available," said Narayanan Ramaswamy, executive director, educational services, KPMG.

However, before any institution went for a bond issue, it needed to put in place a mechanism where it could be equipped to handle such bond issues, he added.

"This brings fiscal responsibility for the management. So, the university needs to be well equipped to manage it. Many universities don't even have a treasury department or finance officers to manage funds," he added.

MONEY MATTERS

PLAN

Raising funds through bond issues that will allow institutions to tap its alumni network & people in general

- Harvard, Stanford, Cambridge & Princeton borrow money for projects cheaply via bond issues

PROBLEM

Statutes of universities/ institutions may have to change

- IIMs are already looking at generating endowment funds from the market

WHAT OTHERS DO

Harvard College has doubled the target investment in emerging markets to 10% for 2010, against 5% in 2005. The richest school in the US has a $27.6-bn endowment, followed by Yale University's $16.7 bn