New row: handing over bad student loans to Reliance

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New Delhi, July 29:

The State Bank of India's decision to handover its "non-performing" education loans to Reliance's Asset Reconstruction Company was criticised in the Rajya Sabha here on Friday.

Taking up the matter during zero hour, CPI (M) MP KK Ragesh said SBI gave bad loans worth Rs. 847 crore to Reliance, and its ARC has to return just 45 per cent of the total loan amount over a period of 15 years.

"Why is the SBI taking such kind of a decision? If students are given the same concession as has been offered to Reliance, voluntarily, students themselves may pay back the loan amount," Ragesh said. His demand was supported by members belonging to all political parties.

He said if 15 years is given to students, they may voluntarily pay back the loan. "Why is such a concession being offered to the Reliance company? It is not for the first time that the SBI is showing its apathy towards the student community," he asked.

Ragesh added that recently there was also a decision that students who had defaulted on loan repayments will not be allowed to apply for jobs in the SBI. "What is this? Who is depending upon education loans? It is the students from socially and educationally backward sections... And why are they not in a position to pay back the loans? That is because of the poor quality of education and because of the unemployment situation that exists in our country," he added.

He said it is the responsibility of the State to ensure education and employment to students. "The government is abdicating its responsibility. Indebted students are the victims of the education policy. Educational institutions are being made mere teaching shops. That is why such a situation has arisen," he said, and urged the Centre to intervene in the matter.

If the concession given to Reliance was offered to the students, they would pay back the loan themselves, says CPI (M) MP KK Ragesh