

**Bill No. 112 of 2021**

THE HIGHER AND TECHNICAL EDUCATION (EXEMPTION  
FROM PAYMENT OF OUTSTANDING FEES AND  
EDUCATION LOAN) BILL, 2021

By

SHRI HASMUKHBHAI SOMABHAI PATEL, MP

A

BILL

*to provide for the exemption from payment of outstanding education fees to educational institutions or education loan to banks taken for pursuing higher studies in the event of death of student or physical or mental disability of student due to any reason and for matters connected therewith.*

BE it enacted by the Parliament in the Seventy-second Year of the Republic of India as follows:—

5 **1.** (1) This Act may be called the Higher and Technical Education (Exemption from Payment of Outstanding Fees and Education Loan) Act, 2021.

Short title,  
extent and  
commencement.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires:-

(a) “appropriate Government” means in the case of a State and Union territory with Legislative Assembly, the State Government and the Government of the Union territory, respectively, and in all other cases, the Central Government;

(b) “bank” means any nationalized or commercial bank and includes a private or foreign bank;

(c) “education loan” means any type of loan offered by the banks to students for payment of tuition fee or living expenses or purchasing of books and study material for pursuing higher or technical education;

(d) “fee” means any amount demanded or charged or collected, directly or indirectly, for, or, on behalf of any institution, or paid by any person in consideration for admitting any person as student in an institution;

(e) “Fund” means the Educational Loan Fund constituted under section 6;

(f) “higher and technical education” means education beyond senior secondary level and includes education in the fields of law, theology, medicine, technology, business, music or art;

(g) “institution” means a technical educational institution or medical educational institution or any such institution registered under the Societies Registration Act, 1860 and recognised as such by the appropriate statutory authority or a university as defined in section 2 of the University Grants Commission Act, 1956 and includes an institution deemed to be a university under section 3 of that Act or under any other law for the time being in force; and

(h) “parent” in relation to a student includes guardian and every person who has the actual custody of the child for the time being;

(i) “prescribed” means prescribed by rules made under this Act; and

(j) “student” means any citizen who has taken admission in higher and technical educational institution;

Exemption from payment of fees and education loan by students and parents in case of death or physical disability or mental disability of the student.

3. Notwithstanding anything contained in any judgement or order of any Court or Tribunal, regulations and law for the time being in force dealing with payment of education loan to bank or tuition fee or any other fee to educational institution, no student or his parent shall be liable for payment of,—

(a) any outstanding fee or any other charges to an educational institution;

(b) any outstanding education loan to any bank or financial institution from where the student or his parents have borrowed educational loan; in case of untimely death or physical disability or mental disability of the student due to any reason.

Responsibility of Educational Institutions to waive off education fee in case of death or physical disability or mental disability of the student.

4. (1) It shall be the responsibility of every higher and technical educational institution to waive the outstanding dues of tuition or any other fee consequent of untimely death or physical or mental disability of the student due to any reason.

(2) Every higher and technical educational institution shall forward the details of students covered under sub-section (1) to the appropriate Government.

(3) The appropriate Government shall, on receipt of details of students under sub-section (2), pay the outstanding dues of tuition fee or any other fee to the education institution in such manner as may be prescribed.

5

10

15

20

25

30

35

40

45

	<p>5. Every higher and technical educational institution shall refund tuition or any other fee, if any, deposited by the student in advance during the academic year to the parents consequent of untimely death or physical or mental disability of such student due to any reason.</p>	<p>Educational Institutions to refund advance fee in case of death or physical or mental disability of the student.</p>
<p>5</p>	<p><b>6. The appropriate Government shall implement an insurance scheme to extend life insurance cover to every student who borrows education loan to pursue higher or technical education.</b></p>	<p>Appropriate Government to provide life insurance cover.</p>
<p>10</p>	<p>7. (1) It shall be the responsibility of every bank to write off the outstanding dues of education loan amount consequent of death or physical disability or mental disability of the borrower student due to any reason.</p>	<p>Responsibility of banks to waive of education loan on certain grounds.</p>
	<p>(2) Every bank shall forward the details of students covered under sub-section (1) to the appropriate Government.</p>	
<p>15</p>	<p><b>(3) The appropriate Government shall, on receipt of details of students under sub-section (2), pay the outstanding dues of education loan to the bank in such manner as may be prescribed.</b></p>	
	<p>8. (1) <b>The Central Government shall constitute a Fund to be known as the Educational Loan Fund for carrying out the provisions of this Act.</b></p>	<p>Constitution of Education Loan Fund.</p>
	<p>(2) <b>The Fund constituted under sub-section (1) shall be utilised for payment of—</b></p>	
<p>20</p>	<p><b>(i) premium of life insurance of students;</b></p>	
	<p><b>(ii) outstanding dues of tuition fee or any other charges to the educational institution in case of death or physical disability or mental disability of the borrower student due to any reason; and</b></p>	
<p>25</p>	<p><b>(iii) outstanding loan to banks in case of death or physical disability or mental disability of the borrower student due to any reason.</b></p>	
	<p>9. The provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force.</p>	<p>Act not to be in derogation of any other law.</p>
	<p>10. (1) The Central Government may by notification in the official Gazette make rules for carrying out of purpose of this Act.</p>	<p>Power to make rules.</p>
<p>30 35</p>	<p>(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive session aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.</p>	

## STATEMENT OF OBJECTS AND REASONS

Education is the fulcrum of any society. It is the responsibility of the State to provide quality education to all the citizens. As per the scheme of the Constitution, free education is being imparted at the elementary level. For the higher and technical education, the students and their parents have to strive for arranging of a lot money for payment of coaching fees, college fees and other expenditure to take admission in institutions of higher education. Our higher and technical education system is very expensive and all citizens cannot afford it. The poor parents with meagre incomes are unable to send their children for pursuing higher and technical and medical education.

Students and their parents take education loan for higher studies. The educational loans are given by banks to students for pursuing higher education. However, the policy of providing education loan is defective on many counts. In case of any disability arising due to any reason to students during the course of their study, they are bound to leave their study in the mid way. In such a difficult time, students as well as their parents find themselves in difficult situations to pay off their education loan to banks and outstanding fees to the educational institutions.

At present there is no statutory backing or proper guidelines regarding exempting students and parents from payment of outstanding education loan or education fees in case of untimely death, physical or mental disability of the student due to any reason.

There is need to provide for a mechanism regarding waiving off outstanding education loan and outstanding tuition fee or any other charges in case of untimely death, physical or mental disability of the student due to any reason. It will provide a relief to the affected families in their distressed time when they have become incapable to pay any outstanding education loan or fee due to any reason. There is also need for providing life insurance cover to students who seek education loan for pursuing higher education so that affected families may not face financial difficulties in the event of untimely death of students or other eventuality.

Hence this Bill.

NEW DELHI;

HASMUKHBHAI SOMABHAI PATEL

*July 5, 2021*

## FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for payment of such amount of the outstanding dues of tuition fee or any other fee to the educational institutions in respect of those students who become physically or mentally disabled or have died due to any reason, as may be prescribed. Clause 6 provides for life insurance cover to every student who borrows education loan. Clause 7 provides for payment of such amount of the outstanding dues of education loan to the bank in respect of those students who become physical or mental disabled or died due to any reason. Clause 8 provides that the Central Government shall constitute an Educational Loan Fund for the payment of premium of insurance of student and outstanding dues to educational institutions and banks in case of untimely death, physical disability or mental disability of the student due to any reason. The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. It is estimated that an annual recurring expenditure of about rupees five hundred crore may be involved from the Consolidated Fund of India.

No non-recurring expenditure is likely to be involved.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 10 of the Bill empowers the Central Government to make rules for carrying out of purpose of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is, therefore, of a normal character.

LOK SABHA

---

A

BILL

to provide for the exemption from payment of outstanding education fees to educational institutions or education loan to banks taken for pursuing higher studies in the event of death of student or physical or mental disability of student due to any reason and for matters connected therewith.

---

*(Shri Hasmukhbhai Somabhai Patel, M.P.)*