

Central Scheme of Interest Subsidy on Education Loan		
Sr. No.	Features	Norms
1	Objective	To provide full interest subsidy for the period of moratorium on Education Loan to the students from Economically Weaker Section (EWS) with a total parental income upper limit of Rs. 4.50 lacs for pursuing approved technical/professional courses in India after class XII.
2	Eligibility	<ul style="list-style-type: none"> Students from Economically Weaker Sections (EWS) with a parental upper income limit of Rs. 4.50 lacs per annum. As per scheme, the income documents of parents will be certified by designated authority/ authorities appointed by District Level Consultative Committee (DLCC) at the district / sub – district / Block etc. level. The Branches / RACs have to contact their respective DLCC to obtain the list of such delegated authorities. Admission to approved technical/professional courses in India after class XII in India in Educational Institutions established by Acts of Parliament (<u>List attached as Annexure I</u>), other institutions recognized by the concerned statutory bodies (<u>List attached as Annexure II</u>), Indian Institutes of Management (IIMs) and other institutions set up by the Central Government. (<u>List of institutes are available on Statutory Councils' website</u>). This scheme shall be applicable in respect of disbursements made on or after 01st April 2009 and for the academic year 2009-10, irrespective of date of sanction. In case of loans sanctioned prior to 01.04.2009 and for the courses beginning prior to the academic year 2009-10, the interest subsidy is available only to the extent of disbursement made after 1.4.2009.
3	Loan Amount Range	<ul style="list-style-type: none"> Studies in India - Maximum Rs.10 Lakh
4	Extent of assistance	Full Interest during the moratorium period of the loan.
5	Other Important Features	<ul style="list-style-type: none"> ➤ The interest subsidy under the scheme shall be available to the eligible students only once, either for the first under graduate degree course or the post graduates degrees/diplomas. Interest subsidy shall, however be admissible for combined undergraduate and post graduate courses. ➤ Interest subsidy under this scheme shall not be available for those students who either discontinue the course midstream, or for those who are expelled from the institutions on disciplinary or academic grounds. However, the interest subsidy will be available for the actual period of study, only if the discontinuation was due to medical grounds for which necessary documentation to the satisfaction of the head of educational institutions will have to be given. ➤ Customer needs to submit an application form prescribed by the institution for the purpose along with an agreement and undertaking. ➤ Canara Bank has been designated as Nodal Agency for the Scheme by the Central Government. ➤ Interest Subsidy claim is to be submitted to the Nodal Agency online and once received from it shall be appropriated to respective beneficiary accounts as per the guidelines of the scheme. ➤ As per the communication received from Indian Bank's Association (IBA), this Scheme is applicable to loan accounts disbursed on and after April 01, 2012 only and prior disbursements will not be considered by the Nodal Agency for subsidy under the said scheme.

For further clarification please visit your nearest branch / Retail Asset Centre of IDBI Bank.

\Presently the facility would be available only in states and Union Territories mentioned in the list hosted on the site.

For details please refer to website of Ministry of Human Resource Development (MoHRD)

www.education.nic.in

Additional Documentation:

The additional documents to be collected under the interest subsidy scheme are as under :

1. Duly filled-in Interest Subsidy Application form for capturing the required details.
The format of application form has been in **Annexure III**.
2. As this scheme is offered to Economically Weaker Sections (EWS), income proofs are required to be certified by competent authorities designated by the respective State Government in this regard. The RACs/Branches have to collect the said certificate from the applicant at the time of receiving the education loan Proposals(for both existing and fresh cases)under this scheme. The list of competent authorities for certifying income documents under the said scheme for the purpose of determining Economically Weaker Section(EWS) has been uploaded on the intranet. The same is also being updated as and when received from the concerned issuing authorities/Indian Banks' Association(IBA).
3. Separate agreement to be executed between IDBI Bank and student borrower on applicable stamp paper (**Annexure-IV**).
4. Rest of the documentation and process remains same as per existing education loan scheme of our bank.

Annexure I

I. List of Universities/Institutes established under Acts of Parliament:

Sr. No.	Name of Universities / Institutes
01	University of Delhi
02	Jawaharlal Nehru University
03	Jamia Millia Islamia
04	Indira Gandhi National Open University(IGNOU)
05	Banaras Hindu University
06	Aligarh Muslim University
07	Visva-Bharati
08	Hyderabad University
09	Pondicherry University
10	North-Eastern Hill University
11	Assam University
12	Tezpur University
13	Nagaland University
14	Babasaheb Bhimrao Ambedkar University
15	Maulana Azad National Urdu University
16	Mahatma Gandhi Antar Aashtriya Hindi Vishwavidyalaya
17	Mizoram University
18	University of Allahabad
19	The Institute of Chartered Accountants Of India (ICAI)
20	The Institute Of Company Secretaries Of India (ICSI)
21	The Cost And Works Accountants Of India (ICWAI)

Annexure II

II. List of Statutory Councils :

Sr. No.	Statutory Councils
01	Union Grants Commission (UGC)
02	All India Council of Technical Education (AICTE)
03	Distance Education Council (DEC)
04	Indian Council for Agriculture Research (ICAR)
05	Bar Council of India (BCI)
06	National Council for Teacher Education (NCTE)
07	Rehabilitation Council of India (RCI)
08	Medical Council of India (MCI)
09	Pharmacy Council of India (PCI)
10	Indian Nursing Council (INC)
11	Dentist Council of India (DCI)
12	Central Council of Homeopathy (CCH)
13	Central Council of Indian Medicine (CCIM)

Annexure III

IDBI Bank Ltd. Application form

Central Scheme to provide Interest Subsidy on Educational Loans

S. No.	Particulars of Applicant/s	Characters / Amount (₹)
A. To be filled in by the Applicant/s :		
1	Borrower / Loanee Student Name	
2	Undergraduate (U) / Post Graduate (P)	
3	Professional Course-Engineering/ Medical/Law/ Management/ Nursing/ Other professional/technical(pls specify)	
4	Name of Institution/College/University	
5	Affiliation / Accreditation of the Institution / College / University (to be crossed check by the Branch /RAC)	
6	If Minority- (M)uslim / (C)hristian / (S)ikhs / Buddhist / Zorastrian	
7	Sex – Male(M)/Female(F)	
8	Category –SC/ST/OBC/GEN	
9	District	
10	State	
11	Area -(U)rban / (S)uburban / (R)rural / (M)etro	
12	Parental Income (in ₹)	
13	Income certificate No./ Date	
14	If Post Graduate, Whether subsidy claimed under this scheme during UG (Yes/No)	
15	Physically disable/ Handicapped (Y/N) (If yes (Y), attested copy of the Certificate from Medical Practitioner to be attached)	
16	Exceptional case - Extension of course duration in Year	
17	Subsidy availed / claimed under other scheme, if any (Amt. in ₹)	

Declaration

- I/ We have received details & full information as regards Banks' rules & regulation and Central Scheme to provide Interest subsidy for the period of moratorium on Education Loan
- I/We declare that I/We am /are eligible for interest subsidy under the said Interest Subsidy Scheme and hereby request the Bank to process my/our application to extend the benefit under the said Scheme to me/us.
- I/We declare that the information supplied above, is correct and that this application will form the basis of claiming reimbursement of interest paid during moratorium on my/our

Education loan from the Central Government under the said scheme • I/We shall inform the Bank immediately in case of any change in the above details and information given in this application form. • I/We agree to provide any further information and /or documents required and demanded by the Bank. • I/We hereby offer my /our consent for disclosure of information relating to me / us & any of the facilities proposed by me /us to regulators i.e. Reserve Bank of India, Credit Information Bureau of India Ltd., Nodal agency appointed under the scheme, State Government, Central Government of India or any other regulatory Agency etc. • I/We declare that I am not / none of us is a partner/ director or specified near relation of a Senior officer / Director of the Bank or any Banking Company. (If yes full details of relationships should be furnished).

Signature of Applicant
Applicant

Signature of Co-

Date :

Place :

B. To be filled in by the Branch / RAC :		
18	Account Number	
19	Loan Limit	
20	Loan Amount Disbursed during 2009-10 (₹)	
21	Bank code	IDBIB
22	Branch code	
23	Branch IFSC Code	

Checked by the Branch/RAC(Checking to be done by RAC in case of RAC sourced cases only).

**Stamp and Signature of Branch
Head/RAC Head**

Verified by the Branch/ Center

Stamp and Signature of Branch/ Center Head

Annexure IV
AGREEMENT

(To be stamped as an Agreement)

(Between the Borrowers of Educational Loan and the Bank)

This Agreement for availing of interest subsidy under the Central Sector Scheme of Interest Subsidy on Student's Loan/Education Loan for Professional Education in India made at _____ on this _____ day of _____ in the year _____.

BETWEEN

1. Sri/Smt. _____ (Parent/Guardian) S/o D/o _____
aged _____ years, residing _____ at _____

2. Sri/Smt _____ (Student) S/o _____ D/o _____
aged _____ years, residing _____ at _____

Parent/Guardian and Student are hereinafter jointly called the Borrowers and individually as Borrower of the FIRST PART (which term wherever the context so requires or admits shall also include his/her/their heirs, executors, administrators and legal representatives and permitted assigns).

AND

IDBI Bank Limited, a company incorporated and registered under the Companies Act, 1956 and a banking company within the meaning of Section 5 (c) of the Banking Regulation Act, 1949 and having its Registered Office at IDBI Tower, WTC Complex, CuffeParade, Mumbai – 400 005 and branch offices among other places at _____ herein called as the "Bank" (which expression wherever the context so requires or admits shall also include successors and assigns.) of the OTHER PART

Borrowers and the Bank shall be individually referred to herein as a 'Party' and collectively as 'Parties'.

WHEREAS

1. The Borrowers availed/intend to avail Educational Loan from the Bank and the Bank sanctioned _____ (Rupees _____) as Educational Loan for pursuing

technical/professional education in India on the terms and conditions contained in the Educational Loan Agreement dated _____ executed between the Parties. The Borrowers have also executed/ shall execute the documents and/or security/ies as per the Educational Loan Scheme of the Bank.

2. Integrated Finance Division, Department of Higher Education, Ministry of Human Resource Development, Government of India (MoHRD) has come out with a Central Scheme (hereinafter called "the Interest Subsidy Scheme") to provide interest subsidy for the period of moratorium (i.e., course period, plus one year or six months after securing the job, whichever is earlier) on the education loans availed by students having lower than a specified parental income as decided by the MoHRD in the said Interest Subsidy Scheme for pursuing professional education in India, during their study /repayment holiday, from the Academic Year 2009-2010.

3. The Borrowers represented that they are eligible for interest subsidy under the said Interest Subsidy Scheme and requested the Bank to submit their claim to MoHRD or any other agency specified under the Interest Subsidy Scheme to get such benefit to them.

4. Based on the representation by the Borrowers, the Bank agrees to process their application/submit their claim to MoHRD or any other agency specified under the Interest Subsidy Scheme to avail the benefit under the said Interest Subsidy Scheme to the Borrowers and the Parties hereto desire to enter into an agreement setting out the terms and conditions as hereinafter appearing, in addition to the loan/security documents executed /to be executed by the Borrower/s.

IT IS HEREBY AGREED AND DECLARED BY AND BETWEEN THE PARTIES AND THIS DEED WITNESSETH FOLLOWS:

1. The Borrowers hereby covenant that :

- a) They have read and understood the Interest Subsidy Scheme of the MoHRD which is enclosed as part of this Agreement and declare and affirm that they are eligible for the interest subsidy under the said Interest Subsidy Scheme.
- b) They shall produce all proof and documents including but not limited to the economic background of the Borrowers, course of studies, etc or any other further/ supporting documents as required by the Bank/ MoHRD to consider the benefit under the Interest Subsidy Scheme.
- c) The Bank has no obligation or liability on any reason what so ever if the Borrowers are not considered for interest subsidy under the Interest Subsidy Scheme or the Interest Subsidy scheme is withdrawn or modified.
- d) All the clauses contained in the Educational Loan Agreement or any other documents executed by them shall be binding on them and this is in addition to the covenants/ clauses contained in the said Educational Loan Agreement and the documents/securities executed thereto. In the event of any conflict between this Agreement and the Educational Loan Agreement, the provisions of the Educational Loan Agreement shall prevail.

- e) That they shall return/ refund the amount received towards interest subsidy under the Interest Subsidy Scheme, with applicable rate of interest then prevailing, forthwith on a mere demand by the Bank under the following circumstances:
- i) if MoHRD or the Bank finds at any time that the Borrowers are not eligible for interest subsidy under the Interest Subsidy Scheme; or
 - ii) if it is found that the representations made or document(s) submitted for claiming interest subsidy is false or incorrect or forged ; or
 - iii) if Borrower/s fail/s to furnish the documents/ information, which they are called upon to furnish by the Bank/MoHRD; or
 - iv) if Borrower/s commit/s breach of any of the covenants herein contained, or the terms and conditions of the Interest Subsidy Scheme, as amended from time to time, or on any of the declarations made by the Borrower/s found false/incorrect; or
 - v) if Borrower/s commit breach of any of the covenants contained in the Educational Loan Agreement or any other document/s executed by the Borrower/s; or
 - vi) if the Borrower/s discontinue the said professional education in India; or
 - vii) any other reason by which the Bank recalls the said Educational Loan. Or
 - viii) any other reason as per the Interest Subsidy Scheme or communicated by MoHRD/other agency of MoHRD.

The Bank shall also have the right to recall the Educational Loan, if the said refund is not made within the period stipulated by the Bank in its demand, besides the right (a) not to claim further reimbursement from MoHRD and (b) treat the same as an outstanding under the Educational Loan.

- f) That they shall directly take up with MoHRD, in case of rejection of their interest subsidy claim submitted to the Bank and the Bank shall not be made a party to the same. The Borrowers shall, on receipt of such intimation from the Bank/MoHRD/nodal agency, submit further clarification/documents, if any, required by the MoHRD/nodal agency directly to them.
- g) That they shall comply with and faithfully observe all the terms and conditions of the said Interest Subsidy Scheme and also all the subsequent amendments and modifications and additions thereto together with the conditions of the sanction of the said Educational Loan.
- h) The Bank shall not be responsible for rejection of the claim submitted by the Borrower, for whatever the reason, by MoHRD or any other nodal agency as specified in the Interest Subsidy Scheme.

That they shall bear all expenses required in connection with the execution of this Agreement or enforcement of its terms and conditions.

The obligations of Borrowers under this Agreement shall be joint and several and shall be binding on their legal heirs and administrators.

IN WITNESS WHEREOF THE BORROWERS and the BANK have here upto set their respective hands on the day and place mentioned above –

BORROWER
(Student / Applicant and Co-applicant)

FOR BANK

1. _____

#2. _____

(If the student is a minor, signature of Student and parent/guardian are to be obtained here. If the parents/guardian are the co-applicants then parents/guardian will also sign as guardian.)