

**CENTRAL SECTOR INTEREST SUBSIDY SCHEME, 2009**  
**(As Revised - Applicable for loans taken w.e.f. 01.04.2018)**

The Department of Higher Education, Ministry of Human Resource Development, Government of India, is implementing the Central Sector Interest Subsidy Scheme since 2009. Under the scheme, interest subsidy is provided during the moratorium period (course period + 1 year) on the education loans taken by the students belonging to EWS category (having annual parental income up to Rs. 4.50 Lakh) for pursuing approved technical/professional courses in India after class XII. The existing scheme has been modified with the approval of the Cabinet on March 28th, 2018 and applicable from the academic year 2018-19, starting 1st April, 2018.

The eligibility criteria for the scheme are as under:

- Education Loans taken under IBA Model Education Loan Scheme.
- Students having parental income up to Rs. 4.5 lakhs per annum.
- Students enrolled in professional/ technical courses only from NAAC accredited institutions or professional/ technical programmes accredited by NBA or Institutions of National Importance or Central Funded Technical Institutions (CFTIs). Those Professional institutions/ programmes, which do not come under the ambit of NAAC or NBA, would require approval of the respective regulatory body viz. approval of Medical Council of India for Medical courses, Nursing Council of India for Nursing courses, Bar Council of India for Law etc.
- Admissible only for once either for UG, PG- Also admissible for integrated courses (graduate + post graduate).

- CSIS Scheme – Existing v/s Revised guidelines

Parameter	Existing (up to 31.03.2018)	Revised (wef 01.04.2018)
Course eligible	Technical and professional streams from Educational Institutions established by Acts of Parliament, other Institutions recognized by concerned statutory bodies, Indian Institute of Management (IIMs) and other institutions set up by Central /State government.	Professional/technical courses only from NAAC accredited Institutions or professional/technical programmes accredited by NBA or Institutions of National importance or Central Funded Technical Institutions (CFTIs). Those professional Institutes/programmes, which do not come under the ambit of NAAC or NBA, would require approval of respective regulatory body viz, approval of Medical Council of India for Medical courses, Nursing council of India for nursing courses, Bar council of India for Law
Loan limit up to which subsidy is eligible	Rs. 10.00 lakhs	Rs. 7.50 lakhs

The detailed scheme guidelines are given in [Annexure](#).

## ----- Annexure -----

### Central Scheme for Interest Subsidy on Education Loan (CSIS)-Revised Guidelines

Sr. No.	Parameters	Details
1.	Objective	To provide <b>full interest subsidy</b> 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 Lakh for pursuing approved technical/professional courses in India after class XII
2.	Target clientele	<ul style="list-style-type: none"> <li>• Students from Economically Weaker Sections (EWS) with a parental upper income limit of Rs. 4.50 lakh per annum.</li> <li>• Admitted to approved professional/ technical courses in India after class XII.</li> </ul>
3.	Eligibility	<ul style="list-style-type: none"> <li>➤ Education Loans taken under IBA Model Education Loan Scheme.</li> <li>➤ Students having parental income up to Rs. 4.5 lakhs per annum (from all sources).</li> <li>➤ Students enrolled in professional/ technical courses only from NAAC accredited institutions or professional/ technical programmes accredited by NBA or Institutions of National Importance or Central Funded Technical Institutions (CFTIs). Those Professional institutions/ programmes, which do not come under the ambit of NAAC or NBA, would require approval of the respective regulatory body viz. approval of Medical Council of India for Medical courses, Nursing Council of India for Nursing courses, Bar Council of India for Law etc.</li> <li>➤ Admissible only for once either for UG, PG- Also admissible for integrated courses (graduate + post graduate).</li> <li>➤ The revised scheme shall be applicable from the academic year 2018-19, starting 1st April, 2018.</li> </ul>
4.	Loan limit up to which subsidy is eligible	Studies in India - Maximum Rs. 7.5 Lakh
5.	Extent of assistance	Full Interest during the moratorium period of the loan.
6.	Moratorium Period	Under the Scheme, the interest payable on the Educational Loan for the moratorium period i.e., Course Period plus one year will be borne by the Government of India. After the period of moratorium, the interest on the outstanding loan amount shall be paid by the student, in accordance with the provisions of the existing Model Educational Loan Scheme of Banks and as may be amended from time to time.

7.	Income Proof	Income proof is required from authorised Public authority of the State Government. The present scheme is intended to cater to the needs of students belonging to economically weaker sections with prescribed upper parental gross income limit of the family from all sources, which is based on economic index and not on social background.
8.	Competent Authority	<p>The Banks shall implement the Scheme based on the notification of the certification authority by State Governments communicated through District Level Consultative Committees (DLCCS).</p> <p>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 level etc. The Branches have to contact their respective DLCC to obtain the list of such delegated authorities.</p>
9.	Processing fee	Processing fee is as per the IDBI Bank's existing Education Loan Policy
10.	Interest Rate	As per the existing interest rates of Education Loan scheme of IDBI Bank.
11.	Security	As per the existing norms of Education Loan policy of IDBI Bank.
12.	Other terms and conditions	<ul style="list-style-type: none"> <li>• 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 is due to medical grounds for which necessary documentation to the satisfaction of the Head of educational institutions will have to be given.</li> <li>• Banks charge interest on monthly basis to eligible education loan accounts (as per RBI norms).</li> <li>• The interest subsidy scheme is independent of any other schemes, which may cater to EWS.</li> </ul>

13.	List of Institutions- Technical/ Professional courses	<p>List of Centrally Funded Technical Institutions and Institutions of National Importance is available on MHRD website: URLs <a href="http://mhrd.gov.in/technicaleducation1">http://mhrd.gov.in/technicaleducation1</a> and <a href="http://mhrd.gov.in/institutions-national-importance">http://mhrd.gov.in/institutions-national-importance</a>.</p> <p>The list of NAAC accredited universities/ institutions is available at NAAC website URL <a href="http://www.naac.gov.in/Universities_Colleges.asp">http://www.naac.gov.in/Universities_Colleges.asp</a> and</p> <p>NBA recognised professional courses is available at NBA website URL <a href="http://www.nbaind.org/accreditation-status.aspx">http://www.nbaind.org/accreditation-status.aspx</a>.</p> <p>In case of doubt, Banks may approach UGC/AICTE and other councils (<b>Annexure I</b>) for clarification, for which UGC/AICTE and other councils would be requested to create Cells and identify Nodal officers, whom banks can approach for relevant information.</p>
14.	Awards/ Certificates	There would be tag/marker on the degree of the student indicating his repayment liabilities. Electronic Tags will enable employers to identify loanees.
15.	Similar Schemes	The National Minorities Development and Finance Corporation (NMDFC) has an Educational Loan Scheme for individual beneficiaries, which is implemented through State Channelizing Agencies (SCAs). The National Safai Karamcharis Finance and Development Corporation (NSKFDC), National Backward Classes Finance and Development Corporation (NBCFDC), National Scheduled Castes Finance and Development Corporation (NSCFDC), and the National Handicapped Finance and Development Corporation (NHFDC), under the Ministry of Social Justice and Empowerment also provide educational loan to the students of the target group for higher education. Interest on Education Loan provided under the educational loan schemes of these four corporations, if the loans are for pursuing professional courses after XII class, shall also be subsidized for the period of moratorium as per the terms and conditions of this Scheme. The interest charged by NMDFC, NSKFDC, NBCFDC, NSCFDC and NHFDC are to be paid by Government direct to the respective Corporations.
16.	Nodal Bank	The Scheme shall continue to be implemented through Canara Bank, which is the Nodal Bank for the Ministry of Human Resource Development. Modalities for implementation and monitoring shall be finalised in consultation with the Canara Bank.

17.	Monitoring	An Interest Subsidy & Credit Guarantee dashboard would be set up by the Nodal Bank for the Scheme with real time data from banks on geographical/ socioeconomic/ gender/ institution/ accreditation grade of the institution/ category/ course wise distribution of loan applications, sanctions, subsidy released and adjusted, loan repayments, NPAs, etc. This dashboard will ensure effective monitoring and enable the Ministry to measure the outcome of the Scheme.
18.	Disbursement of Interest Subsidy claims	The disbursement of interest subsidy claims to the Banks shall be on half yearly or yearly basis, as decided by the Ministry of HRD, Govt. of India
19.	Audit	Statutory Audit of the Accounts coinciding with the Annual Statutory Audit of the Bank should be conducted once a year.
20.	Label Code	CSISEL

### 3. 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 is given in **Annexure II**.
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 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-III**).
4. Rest of the documentation and process remains same as per existing education loan scheme of our bank.

**Annexure I**

**List of Statutory Councils :**

<b>Sr. No.</b>	<b>Statutory Councils</b>
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)
14	Council of Architecture (CoA)
15	National Council for Rural Institutes (NCRI)
16	State Council of Higher Education (SCHE)

## Annexure II

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 /College / University (to be crossed checked by the Branch)	
A	Accreditation of the Institution-NAAC accredited Institution or Professional/ technical programmes accredited by NBA or Institutions of National importance or Central Funded Technical Institutions (CFTIs)	
B	Those professional Institutes/ programmes, which do not come under the ambit of NAAC or NBA, would require approval of respective regulatory body viz, approval of Medical Council of India for Medical courses, Nursing council of India for nursing courses, Bar council of India for Law etc.	
6	If Minority- (M)uslim / (C)hristian / (S)ikh / 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 Rs.)	
18	Moratorium Period End Date	
19	Aadhar Number (This is mandatory) of Student and Parent whose Income Certificate is submitted	Student -
		IC holder -

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

\_\_\_\_\_  
Signature of Co-Applicant

Date :

Place :

<b>B. To be filled in by the Branch :</b>		
18	Account Number	
19	Loan Limit	
20	Loan Amount Disbursed during 2018-19 (₹)	
21	Bank code	<b>IDBIB</b>
22	Branch code	
23	Branch IFSC Code	

**Checked by the Branch.**

\_\_\_\_\_  
**Stamp and Signature of Branch Head**

**Annexure III**

**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, Cuffe Parade, 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) 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 2018-2019.

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/is 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 up to 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.)