

Central scheme for interest subsidy (CSIS) on Education Loans taken by students from economically weaker sections: New CSIS scheme

For Education Loans sanctioned/disbursed up to 31.03.2009 and outstanding as on 31.12.2013

The Finance Minister, Government of India had announced in the Interim Budget for 2014-15 to **provide relief to students who were sanctioned/disbursed educational loans up to 31.03.2009 and outstanding as on 31.12.2013**, by taking over the liability for outstanding interest as on 31.12.2013 by Central Government. The borrower will have to pay the interest for the period after 01.01.2014.

Some of the main features of the scheme are as under:

1. The Government of India will take over the entire liability of **the interest outstanding as on 31.12.2013 for all education loans sanctioned up to 31.3.2009 and which are outstanding as on 31.12.2013, in respect of students belonging to Economically Weaker Sections** (annual gross parental/family income with **upper limit of Rs 4.5 lacs per year [from all sources]**) for pursuing any of the **approved courses of studies in technical and professional streams from recognized institutions in India**. Government of India will take over the liability for outstanding interest as on 31.12.2013, but the borrower would have to pay interest for the period after 01.01.2014.

2. INCOME LIMIT /PROOF OF INCOME:

The benefits of the scheme would be applicable to those **students belonging to economically weaker sections, with an annual gross parental/family income upper limit of Rs 4.5 lacs per year (from all sources) as on date/at the time of availing loan**, if available, from the appropriate authorities. **The responsibility of producing an income certificate lies with the student/parents claiming relief under the scheme. Income proof, in the form of Income Certificate Issuing Authorities* (ICIA) as designated by the respective State Governments under the existing CSIS shall be required from the students.** 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. The scheme is independent of any other schemes which may cater to EWS.

* Income certificate Issuing Authority list (issued by IBA) is attached as Annexure I

- **CLARIFICATION REGARDING INCOME CERTIFICATE:**

As per the latest guidelines of GOI/MOF regarding Income limit/Proof of Income to be replaced as under:

“ The income declared in the loan application by the student/parent at the time of loan sanction may be accepted for deciding on the eligibility under the scheme.

- In case the same is not declared in the application, the student has to submit Income certificate from the appropriate authorities already identified under existing CSIS scheme.”

All other Terms and Conditions of the scheme remain unchanged”.

3. BENEFITS AVAILABLE UNDER THE PRESENT SCHEME

A. For Standard Accounts:

Only the interest component of those education loans which were availed up to 31.03.2009 and are outstanding as on 31.12.2013 shall be adjusted under the Scheme. Principal amount (i.e. original loan amount + interest capitalized at the start of repayment) shall continue to be as it is and no kind of adjustment shall be done against the principal amount.

Illustration: Loan sanctioned date 01.01.2007, Loan amount disbursed till 31.03.2009 Rs.2, 00,000/-, Moratorium period end date 31.12.2010 and EMI start date 01.01.2011.

- Original loan amount Rs.2,00,000/- (Loan amount sanctioned & disbursed before 31.03.2009)
- Unpaid / capitalized interest at the start of repayment (Charged during moratorium period) accumulated in the account: Rs.75,000/-
- Loan amount (Original loan + interest capitalized at the start of repayment) at the time of commencement of EMI as on 01.01.2011 : Rs.2,75,000/-
- Principal & Interest paid on Rs.2,75,000/- during 01.01.2011 to 30.09.2013: Rs.1,35,000/- as under;
Principal Rs 40,000/-
Interest Rs 95,000/-
- Principal amount outstanding as on 01.10.2013: Rs.2,35,000/- (275000-40000)
- **Eligible Interest subsidy amount:** Interest charged/ due on Rs. 2, 35,000/- w.e.f. from 01.10.2013 to 31.12.2013 and not paid till 31.12.2013.

Note: Interest charged in October, November & December 2013:Rs.7,500/-

Interest paid during October 2013 to December 2013: Rs.3,000/-

Eligible Interest Subsidy amount Rs.4,500/- (7500-3000)

B. For cases which are NPAs & outstanding as on 31.12.2013, the interest during the moratorium period (the capitalized interest) OR the interest outstanding (unpaid) as on 31.12.2013, whichever is less, will be eligible for relief.

4. OTHER TERMS AND CONDITIONS:

The interest subsidy under the scheme shall be available to the eligible students only once, either for the first under-graduate degree or the post graduate degrees/ diplomas in India and for integrated courses (graduate + post graduate) courses, provided no subsidy has been claimed under the existing Central Scheme for Interest Subsidy (CSIS) after 01.04.2009. If any student borrower has claimed subsidy for post graduate course after 01.04.2009 then he is not eligible under this scheme. Interest Subsidy under this Scheme shall not be available for those students who had discontinued the course midstream, or who were expelled from the Institutions on disciplinary or academic grounds. However, the interest subsidy will be available if the discontinuation was due to medical grounds for which necessary documentation to the satisfaction of the Head of educational institution will have to be given.

- i. All other operational details as applicable for CSIS scheme shall be applied for this scheme.
- ii. **Subsidy claims lodgement with Nodal Bank/MOHRD.**
Subsidy claims to be lodged with Nodal Bank /MOHRD on within a given period of time provided by a MOHRD.

Presently Nodal Banks Web Portal is closed for lodgement of claims under New CSIS Scheme.

5. For further details eligible students have to contact the BOI Branch from where he/she had availed educational.

33.	West Bengal	<p>1 Dist.Magistrate or Addl.Dist.Magistrate - District Level</p> <p>2 Sub-Divisional Officer of the concerned - Sub-Divisional Level</p> <p>3 Block Development Officer - Block Level of the concerned Blocks</p> <p>4 The Collector, Kolkata - Kolkata Municipal Corpn.</p> <p>5 The Collector, Kolkata - Students residing within civil Jurisdiction of Hon'ble High Court, Kolkata</p> <p>6 Other areas covered in Kolkata Police are concerned i.e. areas over which Collector, Kolkata does not exercise jurisdiction – Concerned District Magistrate or any other Officer authorized by the District Magistrate of the respective districts i.e. South 24 Paraganas and North 24 Paraganas.</p>
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* In the remaining States/Union Territories, the Income Certificate issuing authority/ies are yet to be designated.

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