

GUIDELINES - DR. AMBEDKAR CENTRAL SECTOR INTEREST SUBSIDY SCHEME ON EDUCATION LOANS FOR OVERSEAS STUDIES TO STUDENTS BELONGING TO OTHER BACKWARD CLASSES (OBCs) AND ECONOMICALLY BACKWARD CLASSES (EBCs)

1. Background:

This scheme of Interest Subsidy on Education Loans for overseas studies will promote educational advancement of students from Other Backward Classes and Economically Backward Classes.

2. Objective:

The objective of the scheme is to award interest subsidy to meritorious students belonging to the Other Backward Classes and Economically Backward Classes so as to provide them better opportunities for higher education abroad and enhance their employability.

3. Scope:

This is a Central Sector Scheme to provide interest subsidy to the student belonging to the OBCs and EBCs on the interest payable for the period of moratorium for the Education Loans for overseas studies to pursue approved courses of studies abroad at Masters, M.Phil. and Ph.D. level.

4. Conditions for Interest Subsidy:

- i. This Scheme is applicable for higher studies abroad. The interest Subsidy shall be linked with the existing Educational Loan Scheme of Indian Banks Association (IBA) and restricted to students enrolled for course at Masters, M.Phil and Ph.D level.
- ii. The interest subsidy under the scheme shall be available to the eligible students only once, either for Masters or Ph.D levels. Interest subsidy shall not be available to those students who either discontinued the course mid- stream due to any reason, or those who are expelled from the institutions on disciplinary or academic grounds.

- iii. If a student violates any condition of the scheme, the subsidy will be discontinued forthwith.
- iv. If a student is found to have obtained the subsidy by false statement/certificates, the subsidy will be withdrawn/ cancelled forthwith and amount of the subsidy paid shall be recovered with penal interest, apart from taking criminal action as per law.
- v. The students obtaining benefits under this Scheme shall not be given the interest subsidy if he gives up Indian citizenship during the tenure of the loan.
- vi. The scheme be available on preferential basis for the professional courses first.

5. Eligibility:

- i. The students should have secured admission in the approved courses at Masters, M.Phil or Ph.D levels abroad for the courses listed at **Para12***.
- ii. He/She should have availed loan from a scheduled bank under the Education Loan Scheme of the Indian Banks Association (IBA) for the purpose.
- iii. For the candidate applying under the OBC category, OBC Caste certificate in the prescribed Performa issued by the competent authority must be taken by the Banks.
- iv. The students who have availed interest subsidy under any other scheme including the CSIS scheme **for undergraduate courses**, shall also be eligible for interest subsidy under the present scheme.
- v. The student should belong to the OBCs & EBCs communities. The OBCs communities shall be as per the notification in the National Commission for Backward Classes Act, 1993. The OBC Certificate issued by the Competent Authority as per the prescribed perform would be a proof to determine OBC community. EBCs are those communities /caste who are not included in SC/ST/OBC categories.

6. Income Ceiling:

- i. **For OBC candidates**, total income from all sources of the employed candidate or his/her parents/guardians in case of unemployed candidate shall not exceed

present Creamy Layer criteria i.e. **Rupees 8.00 lakh per annum.**

- ii. **For EBC candidates**, total income from all sources of the employed candidate or his/her, parents/guardians in case of unemployed candidate **shall not exceed** as per chart below:

Education Loan Sanction Date	Family income per annum
On or before 30.06.2020	Rs. 2.50 Lakh
On or after 01.07.2020 to 31.03.2021	Rs. 8.00 Lakh
From 01.04.2021 onward	Rs. 5.00 Lakh

- iii. Under this Scheme, **Income certificate produced by the student for availing Educational Loan viz. ITR/Form 16/Audited Accounts Certificate/Income certificate issued by the authority of State Government/UT Administration is acceptable to determining Income ceiling. Income certificate is required to be submitted by eligible student only once.**

7. Rate of Interest Subsidy:

- i. Under the scheme, interest payable by the students availing the Education Loans of the IBA for the period of moratorium (i.e. course period, plus one year) as prescribed under the Education Loan Scheme of the IBA, shall be borne by the Government of India.
- ii. After the period of moratorium is over, the interest on the outstanding loan amount shall be paid by the student, in accordance with the existing Educational Loan Scheme as may be amended from time to time.
- iii. The candidate will bear the Principal installments and interest beyond moratorium period

8. Implementing Agencies:

The Scheme will be implemented by the Nodal Bank i.e. CANARA BANK as per MoU between the Banks and the Ministry of Social Justice & Empowerment.

9. Monitoring and Transparency:

- i. The Ministry of Social Justice and Empowerment shall monitor the performance of the scheme.
- ii. For this purpose, a web enabled monitoring mechanism shall be put in place by Nodal Bank.
- iii. The Nodal Bank will be required to furnish quarterly financial and physical progress reports to the Ministry.
- iv. The Nodal Bank will maintain year-wise details of the students receiving Interest subsidy, indicating institute, location of the institute, course, gender, new or renewal, permanent address and parents address.
- v. The Nodal Bank will place relevant physical and financial details on their official website.

10.Minor Modifications/Changes:

Minor modifications/changes in the scheme with no financial implications may be made by the Competent Authority.

11.Evaluation:

The monitoring of the financial and physical performance of the scheme will be periodically evaluated by the assigning evaluation/impact studies to reputed institutions/agencies by the Ministry of Social Justice and Empowerment, Government of India.

12.*Indicative Subjects/Disciplines covered under the scheme (for Masters, M. Phil and Ph. D)

The subjects/disciplines in which courses may be undertaken for the grant of interest subsidy are listed below: -

1	Arts/Humanities/Social Sciences	22	Nuclear Engineering
2	Commerce	23	MCA
3	Pure Sciences	24	Industrial Safety Engineering
4	Engineering	25	Agriculture & Agro technology
5	Biotechnology/Genetic Engineering	26	Agronomy
6	Industrial Environmental Engineering	27	Medical

7	Nano-Technology	28	Floriculture & Landscaping
8	Marine Engineering	29	Food Sciences & Technology
9	Petro-chemical Engineering	30	Forestry & Natural Resources
10	Plastic Technology	31	Horticulture
11	Cryogenic Engineering	32	Plant Pathology
12	Mechatronics	33	Energy Studies
13	Automation Robotics including artificial intelligence	34	Farm Power & Machinery
14	Laser Technology	35	Veterinary Sciences
15	Low Temperature Thermal Dynamics	36	Soils & Water Management
16	Optometry	37	Plant Breeding & genetics
17	Art Restoration Technology	38	Small Scale Rural Technology
18	Dock and Harbour Engineering	39	Ocean & Atmospheric Sciences
19	Imaging System Technology	40	MBA
20	Packaging Engineering/Technology	41	Any other Subject *
21	Composite Materials Engineering including Decentralized Power Distribution (for solar heat) system, Energy Storage Engineering, Energy Conservation, Energy Efficient Habitat.	42	Information Technology including Computer Engineering, Software, Software Quality assurance, Networking /Connectivity Engineering, Communication System under hazardous or Post-Disaster conditions, Multimedia communication

* Subject may be deleted or added by the Ministry from time to time as situation demands.

For any queries, Kindly contact to the Nodal Officer.

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