

**GOVERNMENT OF ODISHA
DEPARTMENT OF HIGHER EDUCATION**

No 28952 ^{*****}
HE-LSFXI-PLAN-0001-2016, Dated 6.10.2016

OFFICE MEMORANDUM

Subject: Modalities for implementation of “Kalinga Sikhya Sathi Yojana”

In order to encourage poor and meritorious students of Odisha aspiring for higher studies in the fields of management, integrated law, medicine and engineering, Government of Odisha have formulated an interest subsidy scheme in the nomenclature “Kalinga Sikhya Sathi Yojana” for its implementation from the current financial year 2016-17. The detailed terms and conditions including objective, eligibility and scope have already been issued in this Department Resolution No 22869/HE, dated 10.08.2016 read with Corrigendum No 28402/HE, dated 03.10.2016. As per the provisions laid down in the above Resolution, students who have availed fresh bank loans on or after 01.04.2016 under the Government of India scheme shall only be eligible for such benefit and the selection of beneficiaries and the documentation including security against the loan will be as per the terms of the respective banks. Therefore, in order to channelize the interest subsidy under the scheme and to co-ordinate with all other banks within the State of Odisha, declaration of a nodal bank was under active consideration of the Government.

2. Government have, therefore, after careful consideration, been pleased to declare **State Bank of India** as the **nodal Bank** in the State of Odisha for implementation of the interest subsidy scheme “Kalinga Sikhya

Sathi Yojana” and formulate the following guidelines for effective management of processes related to receipt of applications, processing, sanction & disbursement of interest subsidy in favour of students. This initiative is aimed to facilitate faster and efficient disposal of interest subsidy applications and timely payment of subsidy amount to scheduled banks for its transfer to beneficiaries’ accounts through RTGS/NEFT mode.

3. (i) A Savings Bank account is being opened in the secretariat branch, State Bank of India in the name of DDO-cum-Under Secretary to Government, Higher Education Department for transaction of interest subsidy under the scheme.
- (ii) The scheme shall be adopted by all scheduled banks in Odisha as per listing by Reserve Bank of India.
- (iii) The State Government shall develop software to monitor the scheme online through which a student can apply for interest subsidy after availing education loan from any scheduled bank under CSIS scheme. The student shall furnish all required information like proof of income, residence, aadhaar number and bank details outlined in the Resolution No 22869/HE, dated 10.08.2016 of Higher Education Department.
- (iv) All Regional Heads of the scheduled banks shall be given user id and password to monitor and validate the online applications of the students availing loan from those banks.
- (v) The scheduled banks will submit the claim on account of interest subsidy on or before 30th September every year. However, in exceptional case on the suggestion of the nodal bank, the scheduled bank may be permitted to submit the claim latest by

31st December. No claim shall be entertained after 31st December pertaining to a particular year.

- (vi) While furnishing the claim on account of interest subsidy, the Regional Head of the Bank/ Bank shall furnish the followings to the nodal bank and Higher Education Department:-
 - (a) an **undertaking** to the effect that the claim submitted in respect of the students is as per terms and conditions of the scheme as at **Annexure I**.
 - (b) A **certificate** indicating details of interest subsidy amount with number of accounts duly certified by the statutory auditors of the banks as at **Annexure II**.
- (vii) The respective banks will be liable for any omission/ deletion of subsidy claim.
- (viii) All the scheduled banks will display the terms and conditions of the scheme within their premises so that a student before applying for education loan from a bank can be educated about the scheme.
- (ix) The claims lodged by different scheduled banks shall be remitted from the subsidy account maintained at the Secretariat Branch of State Bank of India to the designated account of the respective banks through RTGS/ NEFT.
- (x) After receiving the subsidy amount, respective banks will credit the proceeds to the respective beneficiaries' accounts and submit a confirmation for the same to the nodal bank and Higher Education Department.
- (xi) Excess amount of subsidy, if any, claimed by the bank which is reported at a later time shall be refunded to the subsidy account

forthwith with an interest @ 18% per annum for the period of delay.

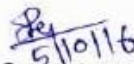
- (xii) The Government Officials authorized by Higher Education Department will have authority to verify the veracity of the claim of subsidy and its utilization by the banks at any point of time.
- (xiii) MIS in respect of subsidy account maintained at Secretariat Branch shall be submitted to Higher Education Department from time to time.
- (xiv) Revision of any provision(s) , if so required, outlined above can only be made by Higher Education Department in consultation with the nodal bank.


5/10/2016

Principal Secretary to Government

Memo No. 28953 /HE, Dated, 6-10-16

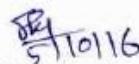
Copy forwarded to ALL Departments of Government/ /All Directorates under Higher Education Department/Director of Treasuries & Inspection, Odisha, Bhubaneswar/Accountant General,(A&E), Odisha, Bhubaneswar/Treasury Officer, Special Treasury No.II, OLA Campus, Bhubaneswar/ Circle Head, UCO Bank-cum-Convener, State Level Bankers Committee(SLBC), Ashok Nagar, Bhubaneswar/ Chief General Manager, State Bank of India, Local Head Office, III/1, Pandit Jawaharlal Nehru Marg, Bhubaneswar-751001 for information and necessary action.


5/10/16

F.A.-cum-Addl. Secretary to Government

Memo No. 28954 /HE, Dated, 6-10-16

Copy forwarded to the P.S. to Hon'ble Chief Minister, Odisha/ P.S. to Hon'ble Minister, Higher Education/ OSD to Chief Secretary/ P.S. to D.C.-cum-ACS, P&C Department/ P.S. to Principal Secretary, Higher Education Department/ all Officers of Higher Education Department/ All Desk Officers & Section Officers of Higher Education Department/ Guard File (10 Copies) for information.


5/10/16

F.A.-cum-Addl. Secretary to Government

BANK NAME
ADDRESS

Certificate and Undertaking
Education Interest Subsidy Claim 2015-16

1. Certified that interest subsidy (reimbursement) claim/(s) submitted by us is/are in respect of the Student/(s) who is/are eligible under the Interest Subsidy Scheme announced by the Government of Odisha.
2. Certified further that we have verified and are satisfied about the genuineness and correctness of the interest subsidy claim/(s) submitted by us and the same is/are correct, accurate and is/are as per the Interest Subsidy Scheme announced by the Government of Odisha.
3. Certified that we have exercised due diligence in furnishing the information in the reporting Format to claim the reimbursement of the interest subsidy from Government of Odisha.

Regional Head of the Bank
(Signature & Seal)

Name:

BANK

Date:

BANK NAME
ADDRESS

CERTIFICATE

SCHEME YEAR : 2015-16

SUB: KALINGA SIKSHYA SATHI YOJANA

ON EDUCATION LOANS TO STUDENTS

Statement on Interest subsidy claimed for the period ending March 2016

(Financial year from April 1,2015 to March 31,2016)

(A/cs & Amt. Rs in Actuals)

Particulars	Interest Subsidy claims	
	No. of Accounts	Amount
Total		

We certify that the amounts stated above is strictly in terms as per the ODISHA GOVT notification no..... dated issued by Higher Education Department, Government of Odisha and the courses covered under CSIS Scheme are as per IBA's Model Education Loan Scheme issued from IBA time to time. We also certify that the above claims as true and correct and declare that the same is as per the records of the books of the Bank.

Officer-I

Officer-II

HEAD

Place:

Date:

CHARTERED ACCOUNTANT/S

This claim should be certified by the Statutory Auditor

Highlights of Kalinga Sikhya Sathi Yojana

Govt. of Odisha has introduced new interest subsidy Scheme on Education Loan namely KALINGA SIKHYA SATHI YOJANA w.e.f . 01.04.2016.

1. Name of the Scheme-KALINGA SIKHYA SATHI YOJANA

2. Purpose Interest subsidy on Education Loan will be provided by Govt. of Odisha.

3. Courses to be covered: Higher studies in the field of Engineering, Medicine, Management and Integrated Law in any approved Institution in India.

4. Periodicity of loan:

i) For loan amount up to Rs 7.5 lakh Repayment period is 10 Years including Moratorium Period

ii) For Loans above Rs 7.5 Lakh to Rs 10 Lakh: Repayment period is 15 years including Moratorium Period.

5. Eligibility: i) Must be resident of Odisha.

ii) Annual parental Income must be below Rs 6 lakh.

iii Loan amount should be up to Rs 10 lakh

iv) Must have availed Education loan from any Bank in Odisha.

Note1: The residential certificate shall be issued by the Revenue Officer not below the rank of Additional Tahasildar for the above purpose.

Note 2: The income certificate can either be self-certified based on the copy of the validly submitted Income Tax Returns(for parental income above Rs 4.5 lakh to below Rs 6 Lakh) / or it can be a certificate issued by Revenue Officer not below the rank of Additional Tahasildar.

6. Rate of Subsidy: Subsidy will be provided at such a rate that the net interest Payable by student is @1 %

a) For student's whose parental income is up to Rs 4.5 lakh: Interest subsidy will be provided after Moratorium Period(only to those borrowers who are covered under CSIS) till closure of the loan(as the interest subsidy during moratorium period is provided by GOI under CSIS)

b) For students having parental Income more than Rs 4.5 lakh to below Rs 6 lakh: Interest subsidy will be provided by Govt. of Odisha from date of disbursement till closure of the loan.

Modification in “Kalinga Sikhya Sathi Yojana”

In respect of education Loans for students of Odisha pursuing higher studies in technical/professional courses by Government of Odisha.

In substitution of Para 6 of the Resolution No.22869/HE, Dated 10.08.2016 and in partial modification of Para 2 of the Corrigendum no.28402/HE, dated 03.10.2016, the following change in the Scheme will apply:

Interest subsidy will be provided if the repayment of loan is regular. Temporary default in repayment of loan up to a period of 90 days is permitted for payment of interest subsidy. The interest subvention towards penal interest, if any, charged by bank for the default period will not be borne by Government. The total period of repayment as mentioned in the guideline will not be enhanced.

i) If any default in repayment of loan beyond 90 days is corrected by the borrower through repayment of arrear interest and principal and the NPA a/c becomes a standard account, the benefit of interest subvention will apply from the date when the bad loan/NPA again turns 'standard'. Interest subvention towards penal interest, if any, charged by the bank will not be borne by Government. The total period of repayment as mentioned in the guide line will not be enhanced.

ii) Interest subsidy shall be provided in case of fresh education loans sanctioned after 01.04.2016. The interest subsidy shall be paid to bank from which the student has availed the loan.

iii) The interest subsidy during the moratorium period in respect of students with annual parental income exceeding Rs.4.50 lakh but less than Rs.6.00 lakh, i.e. those who have not been covered under Government of India Scheme, shall be borne by the Government of Odisha.”

The Corrigendum shall come into force with immediate effect. All other provisions as in the aforesaid Resolution and the Corrigendum shall remain unchanged.

Under KSSY, all Commercial banks have disbursed Rs 6.39 Crore in 226 accounts during 01/04/2017 to 30./06/2017. The balance outstanding as on 30.06.2017 is Rs 36.11 Crore in 2050 accounts.

Kalinga Sikhya Sathi Yojana (KSSY) || Educational Loan

The Odisha Government has come up with a new scheme named as Kalinga Sikhya Sathi Yojana (KSSY) for the aspiring students at only 1% interest. It has been launched by Hon'ble CM of Odisha, Shri Naveen Patnaik on 27th June 2016. This scheme has been launched to bring down the financial burden on the parents of the students who want to move forward with higher education.

Details about the scheme Kalinga Sikhya Sathi Yojana

A student can avail loan under the scheme "Kalinga Sikhya Sathi Yojana" from scheduled banks for pursuing higher studies. The scheme will give them up to 10 lakh rupees to proceed for the higher courses.

- **Maximum Loan:** According to the rules of the scheme, a student can get maximum of 10 lakh rupees as an educational loan under this scheme.
- **Minimum Loan:** There is no minimum loan amount mentioned in the scheme. One can get any amount of loan up to Rs. 10 lakh.
- **Period of Loan:** The period of repayment will be up to 10 years and 15 years in respect of loan sanctioned up to 7.5 lakhs and 10.00 lakhs respectively.
- **Rate of Interest:** The applicants will have to pay only 1% interest on the loan amount. The balance amount of the interest will be borne by Government of Odisha, Higher Education Department.

Eligibility Criteria

- The student must be a resident of Odisha.
- As per the eligibility criteria, the annual income of the family of the applicant must be between 4.5 lakhs to 6 lakhs per annum. The terms and conditions of loan will be as per norms of individual schedule banks. The loan applications will be processed by the rules of the banks. The poor students who are willing to continue higher studies can apply for the loan under this scheme

Moratorium period of the loans

Generally, the moratorium period of education loans is course period plus one year depending on the banks. But under KSSY, the financial assistance in the form of interest subvention shall be provided for the period of repayments including moratorium period after the completion of course. This will prove to be very beneficial to students.