

**AGREEMENT**

This agreement for availing of interest subsidy under the Central Sector Scheme of Interest Subsidy on Student's Loan for Professional Education in India made at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_

**BETWEEN**

Shri/Smt. \_\_\_\_\_ (Parent / Guardian) S/o or D/o \_\_\_\_\_ aged \_\_\_\_\_ years, residing at \_\_\_\_\_

**AND**

Shri/Smt. \_\_\_\_\_ (Student) S/o or D/o \_\_\_\_\_ aged \_\_\_\_\_ years, residing at \_\_\_\_\_ represented by father / guardian Shri/Smt \_\_\_\_\_ S/o or D/o \_\_\_\_\_ aged \_\_\_\_\_ years, residing at \_\_\_\_\_

Parent and Student 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 / theirs / heirs, executors and assigns)

**AND**

\_\_\_\_\_ Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 having its Head Office at \_\_\_\_\_ and having among other Offices, a branch office at \_\_\_\_\_ represented by their duly constituted attorney Shri /Smt \_\_\_\_\_ hereinafter called the 'Bank' (which expression wherever the context so requires or admits shall also include its Attorneys, Administrators, Successors and Assigns) of the OTHER PART.

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

**WHEREAS**

1. The Borrowers availed / intend to avail Education Loan from the Bank and the Bank sanctioned / agreed to sanction Rs \_\_\_\_\_(Rupees \_\_\_\_\_) for pursuing *technical / professional* education in India. The Borrowers in consideration of the said sanction / promise has executed / shall execute the Education Loan Agreement, besides such other agreements/s or security/ies as per the Model Educational Loan Scheme.

2. Integrated Finance Division, Department of Higher Education, Ministry of Human Resource Development, Government of India (MoHRD) has come out with a Central Sector Scheme of Interest Subsidy on Students' Loan for *Technical / Professional* Education in India (hereinafter called the Interest Subsidy Scheme) to provide Interest subsidy on the Education Loans availed by students having lower than a specified parental income as decided by the MoHRD in the said Scheme for pursuing professional education in India, during their study / repayment holiday, *from the Academic Year 2009-10*.

3. The Borrowers represented that they are eligible for interest subsidy under the said Interest Subsidy Scheme and requested the Bank to grant such benefit to them.

4. *Based on the documents submitted by the Borrowers*, the Bank agreed to extend 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 AS FOLLOWS:

1. The borrowers hereby covenant:

- a) That they have read and understood the Interest Subsidy Scheme of the MoHRD which is enclosed as per this Agreement and declare and affirm that they are eligible under the said Scheme and are eligible for the interest subsidy as per the said Scheme.
- b) That they shall produce all proof and documents or any other further / supporting documents as required by the Bank / MoHRD.
- c) That all the clauses contained in the Education 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 Agreement / documents.
- d) That they shall return / refund the amount received towards interest subsidy under the Scheme, with applicable rate of interest then prevailing, forthwith on a mere demand by the Bank under the following circumstances:

- i. if MoHRD rejects the interest subsidy claim in respect of their Education Loan Account for whatever reason; or
- ii. if it is found that the subsidy has been claimed by misrepresented / fraud; or
- iii. if Borrower/s fail/s to furnish the documents / information, which they are called upon to furnish; or
- iv. if Borrowers commit breach of any of the covenants herein contained the ***terms and conditions of the Scheme*** as amended from time to time or any of the declarations made herein is found false / incorrect; or
- v. if Borrowers commit breach of any of the covenants contained in the Education 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 Education Loan.

The repayment holiday/other eligibility as is available under the Model Education Loan Scheme shall not be eligible for the subsidy.

The Bank shall also have the right to recall the loan, if the said refund is not made within the period stipulated by the Bank in its demand, besides the right not to claim further reimbursement from the MoHRD.

- e) That they shall directly take up with MoHRD, in case of rejection of their interest subsidy claim submitted by the Bank and the Bank shall not be made a party to the same. Borrower/s shall, on receipt of such intimation from the Bank/ MoHRD, submit further clarification / documents, if any, required by the MoHRD directly to MoHRD.
- f) 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 Education Loan.

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

IN WITNESS WHEREOF BORROWERS and the BANK have hereunto set their respective hands on the day and place mentioned above

BORROWERS:

FOR BANK

1 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_