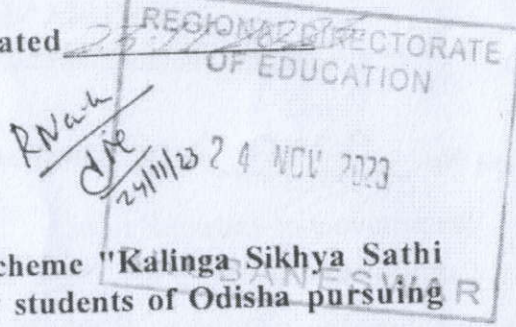


GOVERNMENT OF ODISHA
DEPARTMENT OF HIGHER EDUCATION

No. 51396 /H.E., Dated 25/11/2023
HE-LSFXI-MISC-0017-2016

NOTIFICATION



Subject: Guidelines for Interest Subvention Scheme "Kalinga Sikhya Sathi Yojana" on education loan availed by students of Odisha pursuing higher studies.

1. BACKGROUND:

Government of Odisha in Higher Education Department has been running the interest subvention scheme "Kalinga Sikhya Sathi Yojana" since 2017, benefitting students in larger number by providing them interest subsidy at such a rate that the net interest payable by the student after the moratorium period becomes 1% per annum on educational loans up to Rs. 10 lakhs for pursuing higher studies within India. The existing scheme has now been revised to provide 100% interest subsidy to the students on their Educational Loans for pursuing higher studies within India and abroad.

2. SCOPE:

- i. The scheme offers 100% interest subvention, relieving students from paying interest on educational loans, with a repayment period not exceeding 15 years.
- ii. The scheme is applicable on all educational loans from all the Scheduled Banks of India.
- iii. Interest subsidy under KSSY is admissible only once either for undergraduate or post graduate or integrated courses. Under the scheme, interest subsidy on education loan is provided for a maximum amount of Rs. 15.00 lakh (In case sanctioned loan amount is above Rs. 15.00 lakh, then interest subsidy will be limited to loan amount of Rs. 15.00 lakh only).
- iv. The Scheme will be applicable for the beneficiaries of CSIS Scheme/Educational Loan Scheme of Indian Banks' Association (IBA) to avail the benefits under KSSY Scheme.
- v. Claim of interest subvention for the students whose annual parental income is up to Rs. 4.5 lakhs shall be covered under the CSIS Scheme during moratorium period and subsequently from KSSY. Students whose parental income from all sources is within Rs. 4.5 lakhs to Rs. 8.0 lakhs, the claim of interest subvention will be covered under KSSY.

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- vi. Under KSSY Scheme, the interest payable on the Educational Loan for both the moratorium period (i.e., **Course Period plus one year**) and after the moratorium period will be borne by the Government of Odisha. The students have to pay only the EMIs after the moratorium period.

3. APPLICABLE ACADEMIC YEAR:

- i. The modified Scheme shall be applicable from the financial year 2023-24. It covers fresh bank loans availed on or after 01.04.2023.
- ii. Loans disbursed by banks prior to 01.04.2023 shall be covered under previous criteria of the scheme.

4. ELIGIBILITY OF STUDENTS FOR KSSY:

- i. Must be a resident of Odisha.
- ii. Family income up to Rs. 8.00 lakh per annum from all sources.
- iii. Must have secured admission to a higher education course in recognized institutions in India or abroad.
- iv. Must have availed loan from a scheduled bank under CSIS/ Education Loan Scheme of the Indian Banks Association (IBA) for the purpose.
- v. Applicable only once either for Undergraduate or for Post Graduate degree course. This is also admissible for Integrated Courses (Graduate + Post Graduate).
- vi. Interest subsidy under this scheme shall not be available to those students who discontinue their course midstream, or who are expelled from the Institution on disciplinary or academic grounds or gives up Indian Citizenship during the tenure of the period.

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

5. NODAL BANK:

The scheme shall continue to be implemented through State Bank of India which is the Nodal Bank for KSSY.

6. MODE OF IMPLEMENTATION:

The scheme will be administered through the State Scholarship Portal (website: <https://scholarship.odisha.gov.in/> website/ home), with payments made through the Direct Benefit Transfer (DBT) mode. For more clarity on the implementation process refer to the Modalities.

7. DISBURSEMENT OF INTEREST SUBSIDY CLAIMS:


- i. The interest subsidy claims made by the Nodal Bank on behalf of loanee students shall be directly disbursed to the education loan accounts of the beneficiaries in DBT mode through State Scholarship Portal.
- ii. It is the sole responsibility of lending bank to claim interest subsidy on behalf of eligible beneficiary on yearly basis.

8. MODE OF REPAYMENT:

- i. The total period for repayment of the loan shall be restricted to tenure of 15 years and the account should be 'standard'. Student shall start repaying the EMIs just after completion of the moratorium period.
- ii. 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 the Government.
- iii. 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 becomes a standard account, the benefit of interest subvention will apply from the date when the bad loan/NPA again turns 'standard'.

9. The earlier Resolution No.22869/HE, dated 10.08.2016 and subsequent corrigendum No.28402, dated 03.10.2016, corrigendum No. 20285, dated 04.08.2017 and No. 24467, dated 28.08.2018 issued to this effect is partially superseded accordingly. The students who have availed educational loan prior to 01.04.2023 shall be guided under the previous criteria of the scheme.
10. In case of any doubt, on any provision of this Notification, the matter shall be referred to the Government and the decision of the Government in Higher Education Department shall be final.

By order of the Governor


22/11/23

Commissioner-cum-Secretary to Government
Higher Education Department