

Annexure - I

AGREEMENT

(To be stamped as an Agreement)

(Between the Student and the Branch of the Bank)

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

Sri/Smt. _____ (Parent/Guardian) Sin D/o _____ aged _____ Years, residing at _____

AND

Sri/Smt. _____ (Student) S/o D/O _____ aged _____ Years, residing at _____ represented by father/guardian Sri/Smt. _____ S/o 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/their heirs. executors and assigns).

AND

The South Indian Bank Ltd, a body corporate within the meaning of Companies Act, 1956 and governed by Banking Regulation Act, 1949 and having its registered office at 'SIB House', T.B Road, Mission Quarters, Thrissur, Kerala State and having among other Offices, a branch office at _____ represented by their duly constituted attorney Sri/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 Educational 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 Educational Loan Agreement. besides such other agreements 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 2009-2010,

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 part of 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 Educational 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 Educational Loan Account for whatever reason; or

ii) if it is found that the subsidy has been claimed by misrepresentation/ 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 or of 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 Educational Loan Agreement or any other documents/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 Educational Loan.

The repayment holiday/other eligibility as is available under the Model Educational 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, Borrowers 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 Educational 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. _____