

Annexure-8.48

Scheme for Bank Guarantee scheme for students to secure MBBS admission in the designated self financing Medical colleges of Kerala

<u>Type</u>	: Financial Guarantee
<u>Amount</u>	: Rs 6 lakhs
<u>Term</u>	: 6 months
<u>Beneficiary</u>	: The Principal of the Self Financing Medical College

Principal debtors: The student & parent (spouse if student is married)

Collateral security

Personal Guarantee of a third person with sufficient net worth

Kerala Government Guarantee for the full amount (for which the Government shall issue a Government order)

Margin : Nil

Charges

- At normal applicable rates.
- Waived for students belonging to SC/ST , BPL and dependents of Cashew workers coir workers , handloom workers and fishermen
- Entry in the 10th pass certificate shall be taken as proof for SC/ST category. If the 10th pass certificate does not contain the information , the student may bring a certificate from appropriate authority
- BPL ration card shall be taken as proof for BPL category
- Membership of the parent/spouse in the respective welfare fund shall be taken as proof for families of cashew, coir, handloom workers and fishermen.
- GST @ 18 % on the applicable bank charges is to be borne by the applicant

Accounting and Recovery of devolved liability

- In the event of the Guarantee getting devolved, the bank shall pay the invoked amount and recover from the debtors and guarantors as per the normal procedure in vogue
- The bank may at its discretion , sanction a bridge loan to the principal debtors , with tenure of 6 months for any needy student having short term difficulty in mobilizing the devolved amount. The devolved liability shall be debited to such bridge loan and recovered in 6 monthly installments In such case , the bank shall obtain necessary documents as applicable to the above facility , along with Guarantee documents
- If such a bridge loan is sanctioned to the student , the Government guarantee shall cover the bridge loan also

Documentation

In addition to the normal papers and documents as applicable to the facility, the bank shall also obtain the following

- Declaration in the format given below (countersigned by the College Principal/CEE
- Copy of the NEET seat allotment
- Receipt for having remitted the cash portion of Rs 5 lakhs in the College

Guarantee format

- Guarantee shall be issued in the standard format of the bank for financial guarantees

Other conditions

- This facility is extended for the sole purpose of facilitating a student to submit the necessary bank guarantee as directed by the Hon'ble Supreme Court in order secure admission to the MBBS course in any approved self financing medical college in Kerala, and is not intended for meeting the educational expenses that will be incurred for studying the course
- Sanctioning of this bank guarantee does not imply any commitment from the bank to sanction education loan or any other type of loan to meet the cost of education of the student
- After the fees for MBBS Course is fixed by the Fee Regulatory Commission, the Student is required to remit the applicable fees for the 1st year to the college
- If the student desires to avail Education loan or any other credit facility to meet the cost of the course, he/she has to apply separately to this bank or any other bank. Such facility shall be considered by that bank strictly on its merits and conditions applicable to such loans.
- In the case where the student is sanctioned an educational loan subsequently from the same bank, the initial disbursement from the loan shall be made towards the liquidation of the contingent /invoked liability arising out of this Guarantee.
- In the case, where the educational loan is availed from another bank, that bank shall counter guarantee the bank which issued the original standalone guarantee where the guarantee has not expired. In the cases where the guarantee has been devolved , the first disbursement in the loan shall be towards the liquidation of the devolved liability
- In the case where the student subsequently gains admission to a college at Government fees, this guarantee shall be returned to the issuing bank.
- In the case where the student secures admission in another self financing medical college with the same guarantee requirements, he/she shall apply afresh for a new guarantee after surrendering the present one.
- In case the student does not apply for an educational loan but is able to raise the additional fee on his/her own, the guarantee will cease to be in force at the end of six months or when the original guarantee letter is surrendered to the Bank whichever is earlier.
- In cases, where the student has already applied and been sanctioned an educational loan for the entire course, the guarantee amount of Rs.6 lakhs will be issued from the limit sanctioned.

Declaration to be submitted by the applicant

Date:_____

From

Name of Student:
Guardian's name:
Relationship with Guardian:
Address 1:
Address 2:
Municipality:
Taluk:
District:
PIN:

To Branch Manager:
Name of the Bank Branch:
Address 1:
Address 2:

Dear Sir/Madam

In view of the directions of the Hon. Supreme Court in its order in dated 28th August 2017, I am to furnish a bank guarantee for the payment of an additional amount of Rs. 6 lakhs to the college in which I intend to take admission to the first year MBBS Degree Course (Here: Enter the name and address of the College)

The interim order applies to such time as the Fee Regulatory Commission finalises the fee structure for MBBS Degree Courses, after which my total additional liability payable as fees shall be the difference between the Rs.5 lakhs and the fees fixed by the Fee Regulatory Commission.

I request you to issue a bank guarantee for an amount of Rs.6 lakhs (Six Lakhs) for a period of SIX months or till such time as I apply for and am sanctioned an educational loan for an amount up to a maximum of the excess of the fee fixed by the Fee Regulatory Commission over Rs.5 lakhs.

In the event of my not requiring an educational loan from your bank, I agree that the guarantee shall expire and cease to be valid after a period of SIX months.

Yours faithfully

Signature of student

To be entered by the College/CEE

This is to confirm that the above applicant has been offered a seat for the Ist Year MBBS Degree Course in our college and the particulars of the student stated above are true.

Commissioner of Entrance Examination or
Principal of the College or Authorized Signatory

Name of College:_____

Address of the College:_____

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