IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 8567 of 2015

DATE OF DECISION : 14.09.2016

Ashok Kumar Watts

.... PETITIONER

Versus

UCO Bank and others

..... RESPONDENTS

CORAM :- HON'BLE MR. JUSTICE AJAY KUMAR MITTAL
HON'BLE MR. JUSTICE RAMENDRA JAIN

Present: Mr. Peeush Gagneja, Advocate,
for the petitioner.

Mr. Sumit Batra, Advocate,
for the respondents.

* * *

RAMENDRA JAIN , J.

1. The petitioner claiming himself to be a person from economically weaker section availed the facility of education loan from the respondent bank, for study of his son Neeraj Watts. Thereafter, on the basis of a scheme (Annexure P-2) introduced by the Government of India, Ministry of Human Resources Development, Department of Education, to provide Interest Subsidy for the period of moratorium on Educational Loans taken by students from economically weaker sections from scheduled banks under the Education Loan Scheme of the Indian Banks' Association to pursue technical/ professional education studies in India, the petitioner approached the respondent bank to claim interest subsidy. However, vide communication dated 21.01.2015 (wrongly mentioned as 21.01.2014) (Annexure P-3), office of Banking Ombudsman informed the petitioner that

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as per the Head Office and Government of India guidelines, only interest component of those education loans which were availed upto 31.03.2009 and are outstanding as on 31.12.2013 shall be adjusted under the scheme of subsidy on interest payment. The petitioner was further informed that it was observed that in his case, an amount of interest charged was ₹ 83,456/- and repayment received was ₹ 1,02,455/-. Hence, finding that no interest component was outstanding as on 31.12.2013, claim of the petitioner was not found admissible. Thereafter, the petitioner served a legal notice/representation dated 10.02.2015 (Annexure P-4) requesting the respondent bank to release the amount of subsidy, which has not been decided so far.

2. Aggrieved by the action of the respondents in not releasing/ adjusting the amount of interest and not deciding the aforesaid legal notice/ representation dated 10.02.2015 (Annexure P-4), the petitioner filed this petition under Articles 226/227 of the Constitution of India for issuance of a writ in the nature of mandamus, directing the respondents to release/adjust the amount of interest, in pursuance of the guidelines/policy of the Government of India.

3. Learned counsel for the petitioner contended that in the guidelines/policy of the Government of India, copy of which has been annexed with the petition as Annexure P-2, there is no such condition that the subsidy will be given to the outstanding interest component, and the respondents have wrongly rejected the claim of the petitioner on this ground.

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4. Learned counsel for the respondents, while justifying the communication dated 21.01.2015 (wrongly mentioned as 21.01.2014) (Annexure P-3) informing the petitioner that his claim was not admissible, referred to the guidelines issued by the Head Office of the respondent bank issued vide circular dated 04.03.2014 (Annexure R-1), and argued that the petitioner is not entitled to interest subsidy.

5. After thoughtfully considering the arguments of learned counsel for the respondents, we do not find any substance in the submissions made by learned counsel for the petitioner.

6. A perusal of the circular dated 04.03.2014 of Head Office of the respondent bank, copy of which has been annexed by the respondents with the written statement as Annexure R-1, would reveal that it has been clearly mentioned that the Scheme of Government of India to provide interest subsidy is available to those, whose education loan accounts are NPA and Outstanding as on 31.12.2013. The interest during the moratorium period (the Capitalized Interest) or the interest outstanding as on 31.12.2013, whichever is less is eligible for the relief. Learned counsel for the petitioner has not been able to controvert this circular. Vide communication dated 21.01.2015 (wrongly mentioned as 21.01.2014) (Annexure P-3), office of Banking Ombudsman had already informed the petitioner that on 31.12.2013, no interest component was outstanding, as an amount of interest charged was ₹ 83,456/- and repayment received was ₹ 1,02,455/-. Hence, we are of the opinion that as per the guidelines of the respondents, the petitioner is not entitled for interest subsidy and his claim

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in this regard has been rightly rejected.

7. Dismissed.

(RAMENDRA JAIN)
JUDGE

September 14, 2016 **(AJAY KUMAR MITTAL)**
ndj **JUDGE**

Whether speaking/reasoned Yes

Whether Reportable Yes

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