IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.4075 of 2024

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Md. Sohail Son of Late Md. Zobair, Resident of village - Bari Baliya, P.O. - Bari Baliya, P.S. - Bari Baliya, District - Begusarai.

... ... Petitioner/s

Versus

1. The State of Bihar through its Principal Secretary, Education Department, Bihar, Patna.
2. Director, Education Department, Patna.
3. District Programme Officer, Planning and Account (Education Department)-cum-Nodal Officer, Bihar Student Credit Card Planning, Begusarai.
4. Branch Manager, United Bank of India, Bari Balia, Begusarai, now it has been merged in the Punjab National Bank.
5. Assistant Manager, United Bank of India, Bari Balia, Begusarai, now it has been merged in the Punjab National Bank.
6. Regional Manager, Punjab National Bank, Bihar, Patna.
7. Branch Manager, Punjab National Bank, Badi Ballia Branch, Badi Ballia, Begusarai.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Md Jawaid Akhter, Adv.
For the Respondent/s	:	Mr. Standing Counsel 21
For the Resp. Nos. 4 to 7	:	Mr. Shyam Kishor Das, Adv.
For the State	:	Mr. Shatahdi Sinha, AC to SC-21

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CORAM: HONOURABLE MR. JUSTICE A. ABHISHEK REDDY

ORAL ORDER

7 07-02-2025 The present writ petition has been filed challenging the notice dated 17.04.2021 passed by the respondent Bank.

2. It is the case of the petitioner that the authorities without waiting for the period of seven years after completion of his studies have initiated the proceedings against him for recovery of the amount. Further it is stated by the learned counsel for the petitioner that the authorities are charging 10.60% interest per annum instead of 4 per cent as envisaged

under the scheme. Learned counsel has, therefore, prayed this Hon'ble Court to allow the present writ petition.

3. Per contra, the learned counsel appearing on behalf of the respondent Bank has stated that the Government of Bihar with a view to encourage higher education among the youth has come up with a scheme whereby the students were given educational loans. Under the scheme, the students will apply for educational loan which is guaranteed by the Government of Bihar under the Bihar Student Credit Card Scheme. That as per the terms and conditions of the educational loan, the petitioner is obligated to pay interest at the rate of 10.60% per annum (simple quarterly during the moratorium period and on monthly rest with compounding effect period after during the moratoium after the expiry of moratorium). Further it is stated that by the learned counsel for the petitioner that the moratorium period which is there is for 12 months after the completion of the course or six months from the date of securing any employment by the loanee. That the loan with interest will be repaid in monthly installments spread over a period of seven years starting after the moratorium period as stated above. Learned counsel has drawn the attention of the court to Clause- h and Clause -7 which reads as under:

"h) Interest MCR + 2.00 + % (i.e.)

0.60% p.a. (Simple qurterly during the moratorium period and on monthly rest with compounding effect period after during the moratonum after the expiry of moratorium.

(The rate of interest will be subject to change a directive from time to time.) be prescribed by RBI/HO

Note: 1 concession in rate of interest shall be available during moratorium only if interest is serviced monthly and regularly am period during moratorium period However, penal interest @ 2% is liveable in case of overdue amount during the overdue period.

(7) REPAYMENT:

The repayment will commence after the moratorium peirod which is either 12 months after the completion of the course or six months after securing employment whichever is earlier. Loan with interest will be paid in monthly instalments spread over a period of 7 years starting after the moratorium period as stated.

The monthly instalment payable to the Bank will be worked out on the basis of loan amount outstanding at the end of lie moratorium period allowed as above plus interest led thereof with quarterly rest which will be treated as the loan outstanding at the time of starting of the repayment of the loan. Such outstanding loan amount is to be repaid in equal monthly statement besides."

4. A perusal of the above clauses is revealed that the authorities have a right to recover the amount after the period of 12 months from the date of moratorium and loans spread over a period of seven years. The contention of the petitioner is that the authorities without waiting for the seven year period to end have started the recovery not legally tenable and not supported by any document. Further, it is to be seen that as per the terms and conditions of the agreement, the bank has the right to collect the interest at the rate of 10.60% per annum.

5. Having regard to the above mentioned facts and circumstances, this Court does not find any merit in the present writ petition and the same is accordingly dismissed.

(A. Abhishek Reddy , J)

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