IN THE HIGH COURT OF JUDICATURE AT PATNA
Letters Patent Appeal No.648 of 2024
In
Civil Writ Jurisdiction Case No.12233 of 2022

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Raj Kumar Mishra son of Sri Subedar Mishra, Resident of Arpana Bank Colony, Phase-II, Near Ganga Colony, Ramjaipal Road, Bailey Road, Patna, P.O.-Danapur Cantt., P.S. Rupaspur, District-Patna.

... ... Appellant/s

Versus

1. The State of Bihar through the Chief Secretary, Govt. of Bihar, Patna.
2. The Principal Secretary, Education Department, Govt. of Bihar, Patna.
3. The Additional Secretary, Education Department, Govt. of Bihar, Patna.
4. The Director (Higher Education), Education Department, Govt. of Bihar, Patna.
5. The Zonal Manager, Bank of India, R. Block, Birchand Patel Path, Patna-800001.
6. The Branch Manager, Bank of India, Branch Bailey Road, Jagdev Path, Patna-800014.

... ... Respondent/s

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Appearance :

For the Appellant/s	:	Mr. Amit Shrivastava, Sr. Advocate
		Mr. Girish Pandey, Advocate
		Mr. Subodh Kumar Barnwal, Advocate
For the State	:	Mr. Sarvesh Kumar Singh, AAG 13
For the Bank (BOI)	:	Mr. Ajit Kumar Sinha, Advocate
		Ms. Dilkash Khan, Advocate
		Ms. Zeba Akhtar, Advocate
		Mr. Pravin Kumar, Advocate

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CORAM: HONOURABLE MR. JUSTICE SUDHIR SINGH
and
HONOURABLE MR. JUSTICE RAJESH KUMAR VERMA

CAV JUDGMENT
(Per: HONOURABLE MR. JUSTICE RAJESH KUMAR VERMA)

Date : 09-02-2026

Heard Mr. Amit Shrivastava, learned senior counsel for the appellant, Mr. Ajit Kumar Sinha, learned counsel for the respondent-Bank and Mr. Sarvesh Kumar Singh, learned AAG-13 for the State.

2. The present letters patent appeal is directed against the judgment dated 23.04.2024 passed in C.W.J.C No. 12233 of 2022 by the Hon'ble Single Judge, whereby the writ petition was dismissed on the ground that the petitioner, having knowingly signed the loan agreement is bound by the terms and condition and cannot claim benefit contrary to the agreement under the student credit scheme. The brief fact of the case is that on the basis of the scheme formulated by the State of Bihar, the son of the appellant had applied for a loan from the respondent-Bank. Under the said scheme which is formulated by the Government of Bihar the student would be entitled to a student loan for pursuing higher education at nominal rate of interest and also eligible for moratorium for a period of three years for repaying the loan.

3. Learned counsel for the appellant submits that as per the scheme, the students will be given a loan covering the tuition fees and they are obliged to repay the said loan only after a moratorium period of three years and in case they are still unemployed even after completion of the course, a further moratorium period of one year is granted at the interest chargeable at the nominal rate of 2% to 4%. The bank authority has issued a letter to the appellant stating that the appellant is due with an amount of Rs. 4,60,319/- as on 25.04.2022 and charging interest at

the rate of approximately 11.7%. He further submits that as per the scheme, in case the student is unable to repay the loan amount, the State Government will reimburse the loan amount to the maximum of Rs. 4,00,000/- to the Bank and the interest payable is between 2% to 4% only.

4. The appellant had secured a loan after obtaining Student Credit Card and after completing his education, has obtained an employment as well. The dispute arose when he had to return the bank loan. As per the agreement with the respondent-Bank of India, which had granted a loan of Rs. 3,34,000/- to the appellant, the Bank would have charged interest on the said amount after a moratorium period of three years at the rate of 11.7% and if the moratorium period was extended for another year, the interest would get compounded. The agreement for repayment of the loan amount was signed by the appellant and the Bank of India. It appears from the pleadings that the appellant has been making a payment of the installments regularly, but he has questioned the correctness of the loan amount including the interest thereupon which is being charged by the respondent-Bank. It also appears from the pleadings of the writ petition that the issues were different before the learned Single Judge. The appellant had sought complete reimbursement of the loan amount as for a student who is unable to

pay back, the State comes in aid as the guarantor to the extent of Rs. 4,00,000/- of the loan amount. The other contention raised before the learned Single Judge was that the rate of interest on such loan amount is not fixed one, but has to be commensurated with the rate prescribed for student loan.

5. Learned counsel for the Bank submits that the appellant while applying, signing the loan agreement with open eye was fully aware of the terms and condition of the agreement and they cannot now brickle out of the same on the basis of the scheme followed by the State of Bihar for facilitating the grant of loan to poor and needy students.

6. The application for sanction of loan is Annexure-E of the writ petition. The appellant along with his son has signed an undertaking which reads as following:-

> *"I/We hereby apply for a loan from BOI (Name of the Bank) to the extant indicated in the Loan Request Section of this application form. I/We declare that the foregoing particulars and information furnished in this application form are true, accurate and complete and that they shall form the basis of any loan BOI (Name of the Bank) may decide to sanction to me/us. I/We confirm that I/We have/had no insolvency proceeding against me/us. Nor have, I/We been adjudicated insolvent. I/We further conform that I/We have read the terms and conditions and understood the contents therein. I/We am/are aware that I/We opt for loan at floating rate of interest, the equated Monthly installment will comprise Principal and interest based on BOI (Name of the Bank) Advance Rate which is subject to change from time to time".*

7. Plain reading of the above clearly reveals that the appellant as well as his son who is the main applicant of the loan were fully aware of the terms and conditions of the loan and voluntarily signed the agreement. Learned counsel for the Bank further submits that the above scheme is only to facilitate the student in getting easy loans but not granting loans at the nominal interest rate to the student as claimed by the appellant. He further submits that on the last occasion i.e., 17.04.2025 when the matter was taken up, the only question was what rate of interest was being charged from the appellant is not clear, however, the contention of the Bank was that he has charged only 11.7% rate of interest and the Court has directed to the Bank to come out with a specific affidavit as to the rate of interest which is being charged from the appellant. He further submits that pursuant to the aforesaid direction, the Bank has filed an affidavit on 12.05.2025 of which paragraph nos. 3 and 4 are quoted hereinbelow:-

> *"3) That the loan was sanctioned to the appellant with agreed rate of interest i.e. 1.70% above the yearly BOI MCLR. p.a. as may be reset by BOI on actual basis with monthly rest presently 10% p.a (floating) interest.*
> *4) That the respondent bank is filing the chart indicating the rate of interest being charged in the account from time to time till date @1.7% p.a above BOI MCLR p.a which is between 7.25% p.a and 9% p.a. The interest charged is thus maximum 10.7% p.a during the said period."*

8. From perusal of the aforesaid it appears that the

Bank had charged the rate as mentioned in the agreement.

9. We have heard the learned counsel for the parties and perused the materials available on record. We are of the considered opinion that the appellant has failed to make out a case for the reliefs sought in the present appeal. The writ court has rightly rejected the appellant's claim and we find no merit in the present appeal.

10. Accordingly, the present letters patent appeal stands dismissed.

11. The appellant is directed to continue the payment of installments regularly without any fail.

12. Pending application(s), if any, shall stands disposed of.

(Sudhir Singh, J)

I agree

(Rajesh Kumar Verma, J)

Vanisha/-

AFR/NAFR	NAFR
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