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IN THE HIGH COURT OF KARNATAKA AT BANGALORE

W.P.NO. _____/2020 (PIL)

BETWEEN:

Dr.Ram Manohar Lohiya Thinkers Forum,
Represented by its President
Sri.B.S.SHIVANNA

...PETITIONER

AND:

Union of India
Represented by its secretary & Others

...RESPONDENTS

SYNOPSIS

Sl.No.	Date	Events
1	2009	The Respondent Union of India has formulated a Scheme called CENTRAL SECTOR INTEREST SUBSIDY SCHEME (CSIS) to enable all eligible students get the benefit and no eligible and deserving student is deprived of the benefit of higher Technical/Professional Education.
2	2018	The said scheme has been Revised and several Guidelines were introduced in the previous scheme.
3	10.05.2018	The Respondent Ministry of Human Resource Development Department of Higher Education vide its letter dated 10.05.2018 addressed to The Chairman, Indian Banks Association intimating that with CSIS scheme has been approved with certain modification and revised guidelines in respect of the said scheme has been issued which enable all the eligible students get the benefit under the scheme.

4	Jan 2020	First case of Corona found in the country.
5.	23/24.03.2020	The Government has announced LOCK DOWN as a preventive measure to spread the Corona Virus.
6.	April-May – June 2020	The Government has extended the LOCK DOWN from time to time apprehending the spread of virus.

BRIEF FACTS OF THE CASE

The petitioner being aggrieved by the in-actions on the part of Respondents Authorities in not waiving off all Education Loans of the Student community in the state of Karnataka or in the alternative to waive off entire interest on existing Educational Loans in the state of Karnataka w.e.f. 01.03.2020 until the period of 2 years and further to extend the benefits of Revised Central Sector Interest Subsidy Scheme (CSIS) 2009 to all students/loanee s without any discrimination, on account of sudden outbreak of Covid-19 pandemic in the Country and particularly in Karnataka State wherein due to the said pandemic the economic situation and economic activities have come to standstill and they are on the verge of downfall and collapse.

It is further humbly submits that the economic impact of the 2020 Coronavirus pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India said that this drop is mainly due to the Coronavirus pandemic effect on the Indian economy. Notably as India had witnessed a pre-pandemic slowdown, and according to the World Bank, the current pandemic has "magnified pre-existing risks to India's economic outlook". Unemployment rose from 6.7% on 15th March to 26% on 19th April and then back down to pre-lockdown levels by mid-June. During the

lockdown, an estimated 14 crore (140 million) people lost employment while salaries were cut for many others. More than 45% of households across the nation have reported an income drop as compared to the previous year. Under complete lockdown, less than a quarter of India's \$2.8 trillion economic movement was functional. Up to 53% of businesses in the country were projected to be significantly affected. Supply chains have been put under stress with the lockdown restrictions in place. Those in the informal sectors and daily wage groups have been at the most risk. A large number of farmers around the country who grow perishables also faced uncertainty. It is further submitted that major companies in India such as Larsen & Toubro, Bharat Forge, UltraTech Cement, Grasim Industries, Aditya Birla Group, BHEL and Tata Motors had to temporarily suspend or significantly reduced their respective operations. Young startups have been impacted as funding has fallen. It is further submitted that fast-moving consumer goods companies in the country have significantly reduced operations and had to focus on essentials. Stock markets in India posted their worst loses in history on 23 March 2020.

As a matter of fact, prior to March 2020 i.e. before LOCK DOWN itself the country has been facing huge economic crises and gigantic unemployment problem. The outbreak of COVID 19 has added fuel to the difficulties.

Under the circumstance, it is just and necessary that the Respondents Authorities differ and waive off all Education Loans of the Student community in the state of Karnataka or in the alternative to waive off entire interest on existing Educational Loans in the state of Karnataka w.e.f. 01.03.2020 until the period of 2 years and to extend the benefits of Central Sector Interest Subsidy Scheme (CSIS) 2009 to all the Loanees across the state without making any differentiations. Therefore, the petitioner is invoking the jurisdiction of this Hon'ble Court seeking by

virtue of present PUBLIC INTEREST LITIGATION on the following amongst other grounds.

Date: 28/07/2020
Bangalore



Advocate for petitioner

(S.ISMAIL ZABIULLA)

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

(Original Jurisdiction)

W.P.NO. _____/2020(PIL)

BETWEEN:

Dr.Ram Manohar Lohiya Thinkers Forum,
Having its registered office at

Represented by its president
Sri.B.S.SHIVANNA,
S/o.Late.Subbe Gowda,
Aged about 60 years,
Residing at NO.480, Dollor s colony,
RMV IInd Stage,
Bangalore -560094

Petitioner

And:

1. Union of India
Represented by its secretary,
Department of Finance,
Government of India,
North Block, Sansad Marg, Parliament Street,
New Delhi-110001
2. Union of India
Represented by its secretary,
Department of Human Resources Development,
Shastri Bhavan,
New Delhi-110001.
3. Union of India
Represented by its secretary,
Department of Higher Education,
Shastri Bhavan,
New Delhi-110001.
4. Reserve Bank of India
Represented by its Governor,
SBS Road, Mumbai-400001

5. Indian Banks Association,
Represented by its Chairman,
World Trade Centre Complex,
6th Floor, Cuffe Parade,
Mumbai-400005
6. The Medical Council of India,
Pocket -14, Sector -8,
Dwarka Phase-1,
New Delhi-110077
Represented by its Director,
7. The Nursing Council of India,
8th Floor, NBCC Center, Plot NO.2,
Community Center, Okhla Phase-1,
New Delhi-110002,
8. The Bar Council of India
Bar Council Bhavan,
NO.21, Rouse Avenue,
Institutional Area,
New Delhi-111002
9. The state of Karnataka
Represented by its Secretary,
Finance Department,
Vidhana soudha,
Bangalore-560001
10. The State of Karnataka
Represented by its Secretary,
Co-operative Department,
Vidhana Soudha,
Bangalore-560001

Respondents

MEMORANDUM OF WRIT PETITION UNDER ARTICLE 226 AND 227
OF CONSTITUTION OF INDIA

The Petitioner above named begs to submit as follows:

1. The petitioner being aggrieved by the in-actions on the part of Respondents Authorities in not waiving off all Education Loans of the



Student community in the state of Karnataka or in the alternative to waive off entire interest on existing Educational Loans in the state of Karnataka w.e.f. 01.03.2020 until the period of 2 years and further to extend the benefits of Revised Central Sector Interest Subsidy Scheme (CSIS) 2009 to all students/loanee s without any discrimination on account of sudden outbreak of Covid-19 pandemic in the Country and particularly in Karnataka State where in due to the said pandemic the economic situation and economic activities have come to standstill and they are on the verge of downfall and collapse, therefore, the petitioner is invoking the jurisdiction of this Hon'ble Court seeking by virtue of present PUBLIC INTEREST LITIGATION on the following amongst other grounds.

BRIEF FACTS OF THE CASE

2. The Petitioner is Represented by its President is public spirited person striving hard for the welfare of poor, needy, downtrodden and deprived communities. The Petitioner being member of backward community in the State of Karnataka is concerned about the welfare, education, social status, rights and duties of underprivileged communities in the state of Karnataka. In this regard the Petitioner had undertaken various social welfare activities and fighting for the social justice and discrimination on the basis of caste, colour, religion, status etc in the society.

3. It is submitted that previously the Petitioner had taken up several issue and public causes for the benefit of public at large. During the year 2009 opposing the high handed and illegal mining operation in the state of Karnataka, the Petitioner has agitated urging the nationalization of entire mining industry. Some of the representations and communications in this regard is herewith produced as ANNEXURE-A, A1 respectively. The Petitioner further submits that the present Public Interest Litigation involves purely public interest more particularly interests of the Students Community at large in India. It is further submitted that the Petitioner herein is neither availed any educational loan/s nor beneficiary under the present Public Interest Litigation and therefore, the present petition is not



a politically motivated petition. The present petition discloses hardship, inconvenience and injury to the Student Community at large and their respective parents due to the in-actions on the part of Respondent Authorities for not exercising their powers conferred under the Statutes by waiving off the Education Loans and extending the subsidies provided under the Scheme called Central Sector Interest Subsidy Scheme across the Country which is under challenge.

4. The Petitioner further humbly submits that the first case of COVID-19 in India, which originated from China, was reported on 30th January 2020. The Petitioner further humbly submits that on 22 March, 2020 India observed a 14-hour voluntary public curfew at the instance of the Hon'ble Prime Minister. It was followed by mandatory lockdowns in COVID-19 hotspots and all major cities. Further, on 24th March 2020 the Prime Minister ordered a nationwide lockdown for 21 days. It is further submitted that on 14th April 2020, the Hon'ble Prime Minister extended the nationwide lockdown till 3rd May 2020 which was followed by two-week extensions starting 3rd May and 17th May with substantial relaxations. Thereafter from 1st June 2020, the Government started "unlocking" the country (barring "containment zones") in three unlock phases. India currently has the largest number of confirmed cases in Asia and has the third highest number of confirmed cases in the world after the United States and Brazil with the number of total confirmed cases breaching more than the 100,000 mark as on 19th May, 200,000 on 3rd June, and more than 12Lakhs confirmed cases as on 24th July 2020.
5. It is submitted that pursuant to outbreak of Covid-19 India has witnessed a more widespread infection with the four states of Maharashtra, Tamil Nadu, Karnataka, and Delhi accounting for two-thirds of India's total cases. At the same time, the United Nations (UN) and the World Health Organization (WHO) has praised India's response to the pandemic as

'comprehensive and robust,' terming the lockdown restrictions as 'aggressive but vital' for containing the spread and building necessary healthcare infrastructure.

6. It is further humbly submits that the economic impact of the 2020 Coronavirus pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India said that this drop is mainly due to the Coronavirus pandemic effect on the Indian economy. Notably as India had witnessed a pre-pandemic slowdown, and according to the World Bank, the current pandemic has "magnified pre-existing risks to India's economic outlook". Unemployment rose from 6.7% on 15th March to 26% on 19th April and then back down to pre-lockdown levels by mid-June. During the lockdown, an estimated 140 million (14 Crore) people lost employment while salaries were cut for many others. More than 45% of households across the nation have reported an income drop as compared to the previous year. Under complete lockdown, less than a quarter of India's \$2.8 trillion economic movement was functional. Up to 53% of businesses in the country were projected to be significantly affected. Supply chains have been put under stress with the lockdown restrictions in place. Those in the informal sectors and daily wage groups have been at the most risk. A large number of farmers around the country who grow perishables also faced uncertainty. It is further submitted that major companies in India such as Larsen & Toubro, Bharat Forge, UltraTech Cement, Grasim Industries, Aditya Birla Group, BHEL and Tata Motors had to temporarily suspend or significantly reduced their respective operations. Young startups have been impacted as funding has fallen. It is further submitted that fast-moving consumer goods companies in the country have significantly reduced operations and had to focus on essentials. Stock markets in India posted their worst loses in history on 23 March 2020.

7. The Petitioner further submits that considering the situation due to this Covid crisis the Government of India announced a variety of measures to tackle the situation, from food security and extra funds for healthcare and for the states, to sector related incentives and tax deadline extensions. To tackle these issues, India's overall economic package was announced.

8. The Petitioner submits that Education plays a vital role in the development of a Nation. It is further submitted that one of the vital assets of the country is its educated population. The Government has a vital role to play in providing education to all those who require the need for finance. The cost of education in India and outside India being quite extortionate, but the Students do not have the financial resources look at lending institutions like commercial banks for support. Even though government provides scholarships, government subsidies etc, but due to high competition and limited number of such opportunities. Banks especially the Public Sector has a social responsibility and an obligation to finance educational aspirations of poor but meritorious students. It is submitted that Education loans facilitate the Students including those who hails from poor backgrounds to pursue higher and technical education. It is submitted that in fact, the National loan scholarship scheme started in the year 1963 to finance the meritorious students for pursuing higher education had discontinued the said facility due to non-recovery of granted loans and other financial difficulties of the central government. The educational policy of 1992 of the Government of India signaled private participation in higher education. Self financing colleges and Deemed universities were permitted to operate in the country. It also suggested educational loans for meeting educational expenses, Tuition fee in the self financing colleges and deemed Universities were not affordable for many students specially the poorer section students. The state owned or aided colleges and Universities had no capacity to absorb all eligible students in their rolls. In



order to address these issues, the central government and Indian Banker's Association has introduced a model educational scheme in 2001 to provide educational loans at affordable rates.

9. The Petitioner further submits that similarly in the year 2009 the Government of India through Ministry of Human Resource Development with an objectives and to ensure that no Student is denied the opportunity to pursue higher education because he or she is poor has launched a Scheme titled "Central Sector interest Subsidy Scheme" (CSIS) in 2009. The scheme provides full interest subsidy during the moratorium period on modern education loans without any collateral security and third-party guarantee, for pursuing technical/professional courses in India- Students whose annual gross parental/ family income is up to Rs.4.5 lakhs are eligible under the scheme. This scheme benefits all categories of economically weaker students for pursuing professional/ technical courses in India only, and intends to provide affordable higher education. The Scheme, envisages uplifting the students from the grassroots level and increasing the number of qualified technicians / professionals in the nation. CSIS aims to check the existing geographical imbalance with regard to Gross Enrolment Ratio (GER) in Higher Educational institutions.

10. It is further submitted that the Scheme is adopted by all Scheduled Banks and is linked with the existing Model Educational Loan scheme of the Indian Banks' Association, and restricted to students enrolled in professional/ technical courses only from NAAC accredited institutions or professional/ technical programmes accredited by NBA or institutions of National importance or Central Funded Technical Institutions (CFTIs). Those Professional institutions/programmes, which do not come under the ambit of NAAC or NBA, would require approval of the respective regulatory body viz, approval of Medical Council of India for Medical courses, Nursing Council of India for Nursing courses, Bar Council of India for Law etc. The scheme is applicable to students belonging to

Economically Weaker Sections, i.e. students whose annual gross parental income is up to Rs.4.5 lakhs. Subsidy is admissible only once either for undergraduate or post graduate or integrated course. Under the scheme, education loan is provided without any collateral security and third-party guarantee and for a maximum amount of Rs. 7.5 lakhs. The aforesaid existing Scheme has been modified with the approval of the Cabinet on March 28th, 2018. The copy of the letter dated 10.05.2018 issued by the Government of India, Ministry of Human Resource Development Department of Higher Education to Chairman of Indian Banks Association is herewith produced as ANNEXURE-B. The copy of the Central Sector Interest Subsidy Scheme 2009 is herewith produced as ANNEXURE-C.

11. The Petitioner submits that under the Scheme the interest rates charged on the educational loan shall be as per the BPLR/Base Rate of the individual banks and as per the provisions for interest rates under the IBA Model Educational Loan Scheme. It is further submitted that under the said Scheme, the interest payable on the Educational Loan for the moratorium period i.e., Closure Period plus one year as will be borne by the Government of India. After the period of moratorium, the interest on the outstanding loan amount shall be paid by the student, in accordance with the provisions of the existing Model Educational Loan Scheme of Banks and as may be amended from time to time. It is further submitted that the Banks are the implementing body of the Scheme based on the notification of the certification authority by State Governments communicated through District Level Consultative Committees (DLCCs).

12. The Petitioner herein further submits that due to the outbreak of Corona Pandemic the present economic crisis and unemployment issues have sharply risen and therefore, the said scheme and its benefits available under the scheme to few beneficiaries has to be uniformly extended to all the students and loanees irrespective any either Social or Economic criteria for better achievement of the objectives of the Scheme and on

failure do so it will deny lakhs of desirous students across the Country who are hailing from economically poorer section in the state of Karnataka from pursuing Higher and Technical Education.

13. It is submitted that as stated supra the nationwide lockdown due to the current pandemic situation has severely disrupted the Indian economy and also world Economy, causing unemployment and salary cuts, lay offs etc., across various sectors. Moreover, experts foresee a sharp dip in new jobs, as most companies are in no position to hire or recruit fresh employment. In this scenario, students who have availed loans for pursuing higher studies and education in the Country and abroad are anxious and dreadful in anticipation that whether they get placements, jobs or recruitments so that they could start repaying their loans amounts. It is submitted that the Students who have taken an education loan have also become anxious and are more worried about the impact of the Covid-19 on the existing Education Loans and its repayment. At this stage, due to the unfortunate spread of Novel Corona Virus - 19 ("N-Covid-19"), the Government of India was forced to invoke the Disaster Management Act, 2005 ("DMA", for short) by its order dated 24.03.2020.

14. It is further submitted that Directions were issued to all the Ministries, Departments of Government of India/State, Union Government and State/Union Territory authorities to take effective measures so as to prevent the spread of Covid 19 pandemic. On the very same day, the Secretary, Ministry of Home Affairs, Government of India also issued guidelines under the provisions of Disaster Management Act [in short-DMA] as regards the measures to be taken for containment of N-Covid 19 in the country which included a direction for the closure of all commercial and private establishments, suspension of transportation, etc. It is submitted that thereafter from time to time, the Government of India and also the various State Governments have been under the DMA, issuing directions as regards maintaining of social distancing, closure or restrictive

operation of private and public enterprises/establishments etc., These directions being required to be followed by all borrowers, the non-following would result in punitive action under the DMA. The Reserve Bank of India acting with alacrity realizing the potential disturbance that could be caused to the economy and Institutions across the country due to Covid-19 vide its press release dated 27.03.2020 set out the various development and regulatory policies to address the stress in the financial condition caused by Novel Covid-19 so as to ease the financial stress. One of the modes for doing so was by relaxing the repayment pressures on the loan borrowers and by improving access to the working capital by such borrowers. Realizing that much of the economic establishment across the country would not be able to operate on account of social distancing, lockdown, the prohibition of transportation, etc., as also realizing that there would not be many economic activities and/or revenue generated there from, the Reserve Bank of India had also proposed initially a moratorium for a period of three months and the same was kept extending till date on the repayment of all loans by way of installments in respect of loans outstanding as on March 1st, 2020 to be provided by all commercial Banks (including regional rural Banks, small finance Banks, local area Banks), Co-operative Banks, All India Financial Institutions and NBFCs (including Housing Finance Companies and Micro Finance Institutions) - for brevity referred to as lending institution/s. It is further submitted that on the very same day, the Reserve Bank of India also issued a Circular dated 27.03.2020 which contains detailed instructions as regards the above Regulatory Package permitting the aforesaid lending institutions to grant a moratorium of three months on payment of all term loan installments including Education Loan installments falling due between March 1st 2020 and May 31st 2020. But however, the RBI advisory does not mandate an interest waiver and it is only a deferment of the payment. Hence, the interest would be accrued at the contractual rate of the loan for the principal amount outstanding before the moratorium scheme being availed. The interest accrued during the period will be added to the principal outstanding and leading to an increase in EMI/Tenor and by

doing so the very purpose of relaxation due to Covid-19 would not be served as still the liability of interest continue to haunt the Borrower even after lifting of relaxations. Thus, the relaxation/moratorium is only a interim relief and not conclusive.

15. The Petitioner further submits that Higher education has become very expensive in India. Varied fee structures are followed by different educational institutions. Moreover, the expenditure on non-fee components of education has been increasing at a much faster rate. Poor accessibility of higher education to a sizable section of the Indian society has become a serious issue. With a sharp decline in economic activities throughout the country the Students and parents are becoming vulnerable and prone to mental agony, stress, anxiety and depression on account of sudden outbreak of Covid-19 and its impact on repayment of scheduled Education Loans and it has severe and harsh impact on their studies, placements, employment, repayment of Education Loan amount etc., and on the Parents Income and Business. By understanding the present requirements and needs of the students the interference by this Hon'ble Court is essential as this should be seen as an investment for educational development and prosperity in the Country. Therefore, the Petitioner herein has sought waiver of the entire Education Loans across the country/State and alternatively waiver of Interest on all Educational Loans and extension of benefits of the Scheme [CSIS Scheme] for all Loanees by way of the present Public Interest Litigation.

16. It is further submitted that the issue of complete waiver of Education Loan is warranted having regard to the present situation due to Covid-19 in the State of Karnataka. The Students who have availed Education Loans to pursue higher studies in the Country and Abroad from various both Government and Private Banking Sectors are facing huge problems and troubles towards payment of monthly EMIs though relaxations provided by the Reserve Bank of India by way of 6 months moratorium period and the same is proposed to be extended further. It is submitted that due to

the advent of modern Education, the cost of education became very high in India and Abroad. It is further submitted that Education loan have been a great assistance to those students who have not been able to pursue professional education due to financial constraints. But however, due to Covid-19 the Students have been exposed to anxiety, stress, depression, mental pain, mental agony since the Students community are more worried about the continuation of their academic year/s, repayment of Education Loan amounts to their respective Banks and certainty of securing placements and jobs on account of huge fall of economy worldwide. It is submitted that even prior to Covid-19 pandemic number of cases of Non-Performing Assets were growing at an alarming rate amongst the Education Loans. According to the Mr. Sreenivasan Education Task Force Convener there has been several reasons which causes NPA's due to lack of Insensitivity of Banks which ultimately pulls the students into the debt trap. Under these circumstances, there is a urgency to safeguard the future of Students Community in the State.

17. It is submitted that India being the fastest-growing major economy of the world cannot ignore the Student Community who plays a vital role in the development of a Country and therefore, there is a genuine need to help the Student Community who are suffering from stress, anxiety, depression, mental pain, etc., on account of Education loan liabilities and bleak career due to Covid-19. The banking industry though managed to provide interim relaxation by way of Moratorium towards the payment of EMIs does not serve the very purpose of such relaxation. Therefore, a loan waiver can help bankers to renew the loans, and Student Community can use the borrowed money for continuation of their education appropriately for the purpose for which it was secured. In fact, a loan waiver can actually benefit the economy. It is submitted that due to Covid-19 and its impact on the Economy in all aspect has hindered the cycle of payment of EMIs to the Bank. Since Economy is shaken, employments or placements to the Student are bleak and weak. Thus, due to lack of placements and



Job opportunities post Covid-19 the student community will not be in a position to pay the monthly EMIs to the Banks.

18. The Petitioner submits that Schools & Colleges are shut, and students are stranded at home, with extremely limited access to the education and virtually no physical activity due to the Covid-19 pandemic raging across the world. IB, A Levels, ICSE, CBSE all known and recognized boards have postponed or cancelled examinations. Likewise, top colleges like MIT, Harvard, and Princeton have also closed. Closer home, institutions like IITs and IIMs have all closed their campuses and moved classes online. Even standardized tests like GMAT, GRE, SATs, and ACT remain suspended and the future of many students hangs in balance. Clearly, there is panic all around and educators and students alike are confused as to next steps and continuity with respect to educational objective. These are those students who are caught in the limbo on account of education outcomes being withheld due to the Covid-19 pandemic. Some of them do not have a result because exams either did not happen or were left in the middle. Many of them face uncertainty as to their future because their next steps further education or careers are dependent upon them clearing their school or college leaving exams.
19. The Petitioner submits that to tackle the situation, borrowers/Students depending on their parents' financial status who too are severely affected due to Covid-19. No doubt, the Banks have provided certain options like a moratorium, rescheduling of tenure, etc. But however, these relaxations are not that helpful since down fall of Economy, loss of Jobs, Layoffs, resumption of economic activities are weak and remote etc. Even restructuring of loan account or further extension of moratorium period will not serve any purpose for the Students community having regard to the economic situation in the country. The Petitioner submits that even the students who have passed out are anticipating job loss or salary cuts. Even there are no alternate paid Internship and/or free-lance short or medium-term projects due to Covid-19 Impact. Therefore, the Students

will be subjected to untold hardship or misery if the Education Loans or in the alternate the Interest on all Educational Loans be waived off by the Banks in the State.

20. The petitioner further submits that having no other alternative or efficacy remedy available to him, is seeking interference of this Hon'ble Court directing the respondent authorities to waive off entire Education Loans or in the alternate the Interest on all Educational Loans be waived off by the Banks in the State across the Country and also further directs the other Respondent Authorities to extend the benefits under the Scheme [SCIS Scheme] to all Students and directions to implement the same appropriately as possible on the following and among other grounds.
21. The Petitioner has not filed any other Writ petition or any proceedings are pending on the same cause of action either before this Hon'ble Court or before any other courts or authorities.

G R O U N D S

22. It is submitted that the in-actions on the part of the Respondent Authorities in not waiving off the Education Loans across the Country on account of outbreak of Covid-19 is absolutely un-sustainable and arbitrary. It is submitted that Corona virus has disrupted the lives of people all over the world causing a slowdown. These unprecedented times have a trail of uncertainty for students about their careers, studies, and future. "Thus, the pandemic has also impacted the Students in more ways than one.
23. It is submitted that in the year 2012 Sri. R. Tharamraiselvan [Dharampuri District-Tamil Nadu] in Lok Sabha Deabate has raised an issue of waiving of Educational Loans of educated unemployed Youths across the Country. In the said Debate Sri. R. Tharamraiselvan brought to the kind attention of the Government that "today the education has become very expensive and out of reach of poor students. However, without a professional qualification getting an employment has become a daunting

task. Therefore, it has become necessary for every student to go in for higher education whether he/she belongs to rich or poorer sections of the society. For the economically poor students, the bank loan is the only source to attain a higher qualification. Even after obtaining higher educational qualification through bank loan, the job is not guaranteed and there are several lakhs of educated youths who are running from pillar to post for employment to support their families and to repay the bank loan taken by them for their education. Therefore, I urge upon the Government to waive the bank loan of the educated unemployed youth taken for education purpose as is being done in the case of farmers". Thus, from the above it is evident that prior to invasion of Covid-19 in the Country, there has been a massive unemployment in the Country and now added fuel to this, Covid-19 has destructed the lives and careers of Students Youths in India. Therefore, present Petition is requires to be considered on merits and the same is for the welfare of Students Community at large.

24. It is further submitted that there are lakhs of Students across the Country who were planning to do their masters abroad, are now left with so many things to consider before taking a major decision on whether it is the right time to go or not. Even if he/she choose to stay back, it is really hard to get a job since most companies have stopped hiring due to Pandemic. The intake for the new academic year at universities abroad will only begin next year causing a delay in their studies. Also, the first semester classes are being contemplated to conduct online and students will have to stay back in the home country. On the other hand there is no sustenance to the Students by way of internships or part time job either in India or abroad due to fall of Economy throughout the world. The entire world is now gearing up to face severe Recession. Under these circumstances, the Students community or their parents are not in a position to bear the burden of payment of either Interest or EMIs to the Bank even near future. Therefore, the Respondent Authorities ought to have considered the

implications of outbreak of Covid-19 and ought to have ordered for waiving of all Education Loan across the State.

25. It is submitted that due to Covid-19 normal classes have been suspended on account of Social Distancing. In fact, many colleges in India and Abroad are figuring out ways to conduct classes and examinations online through various technical expertise. But however, there are quite some hindrances to such methods and the said actions are currently stand still. It is further submitted that most of the colleges don't seem to have the resources for online classes and examinations and the students feel like it's more of a vacation than a lockdown. Internships are not just about marks, but also about the experience one gains from these opportunities and now it all seems like they are devoid of that knowledge. Thus, overall the Student Community is suffering at large in all aspects. Neither they pursue their studies nor are they in a position to secure any Job/employment/Internships due to covid-19. Under these circumstances, the Students Community and their Parent are finding tough to cope with either payment of Interest amount and Principal amount in future and therefore, interference is required and warranted by this Hon'ble Court to this effect.
26. It is submitted that with rising unemployment at a time when the country was witnessing unprecedented economic slowdown, then comes the news of Covid-19. This Covid-19 pandemic has added fuel to the fire and resulted in serious down fall of Economic activities across the Country. It is submitted that prior to Covid-19 itself the clamor for waiver of outstanding dues from borrowers of educational loans was already rising. The Unemployment rate in the country stood at 7.5% as per Centre for Monitoring Indian Economy (CMIE), while the GDP growth at 4.5% — slowest in more than 6 years as on 2019 itself. As per the data provided by Public Sector Banks, during the last three years from 2016-17 to March 2019 the amount of outstanding education loans has increased from Rs.

67,685.59 Crore to Rs. 75,450.68 Crores in September 2019. This increase can be attributed safely to the unprecedented unemployment in the Country. Even after the completion of Courses the Students do not get suitable job/employment as per their education qualifications. This led to the non-payment of loan amount and which leads to the increase in the outstanding amounts. Thus, the students' community who were facing serious problems in respect of securing Jobs/employment as per their respective qualifications are now forced to undergo another hardship of coping the impact of Covid-19 pandemic. The Students and Parents are caught in limbo as to whether to save the health first or pay the Interest amount and Principal amount coupled with another problem of placement or employment. Therefore, the Respondent Authorities are duty bound to have considered all these issues and waived off the entire Education Loan Amounts and at least the Interest amount. But however, the Respondent Authorities failed to discharge their duties in protecting the Students Community at large by not waiving off their Education Loans or interest amount. **Therefore, this in-action on the part of the Respondent Authorities is violative of Fundamental Rights of the Students guaranteed under the Constitution of India.** The Students Community has suffered great injury at the hands of the Respondent Authorities who failed to protect the rights of the Students in a time of Covid-19.

- .27. It is further submitted that Covid-19 has caused significant distress around the globe. Apart from the evident physical symptoms in infected cases, it has caused serious damage to public mental health. It is further submitted that in times of an epidemic, the Students are experiencing fear of getting infected with the virus/disease resulting in anxiety, stress, and depression, etc. Stress can be explained as a feeling of emotional and physical tension which arises from any event that threatens our homeostasis. On the other hand, the fear of the unknown is termed as anxiety that is the body's natural response to stress. Depression is viewed as a state of disinterest in daily activities. It is surmised that people facing a pandemic with no

vaccination would result in fear of the unknown (in this case, the coronavirus) making them anxious, stressed and depressed. It is further submitted that the Students across the Country are also experiencing distress because of the uncertainty of examinations in their schools and colleges, and with regards to availability of jobs/employment/internships, etc. In spite of teachers trying their level best to teach students online, the impact of such teaching is not optimum. The primary reason being, that all students are unable to afford online platforms usage and smoothly transition to online learning which can have a huge negative effect on students' career path. It has been opined that anxiety issues among students during Covid-19 are related to their poor economic conditions, daily life events and hampered academic activities. In a Study it has been found high levels of anxiety among Indians during the Covid-19 outbreak. It was further found that among different professions, Students and healthcare professionals were found to experience stress, anxiety, and depression more than others. It is submitted that the Policymakers and other authorities are also contemplating to take the assistance of mental health professionals to help overcome psychological issues related to Covid-19. Therefore, under these conditions the Students and Parents will find serious difficulty in paying either the Interest amount or principal amount post covid-19 since the effect of the Covid-19 is such that the Economy would take minimum 3 to 4 years to rejuvenate. Therefore, the Respondent Authorities are required to consider these aspects and waive off the entire Education Loans of the Students or at least waive off the entire Interest amount that would be accrued on the entire Moratorium period. Hence interference is required by this Hon'ble Court.

28. It is submitted that an Agricultural credit is a critical resource support to farm sector in India, given the dependence of a large section of its population on agricultural activities. In the recent times, multiple challenges have led to stress in the agricultural sector, which also got manifested in episodes of untimely deaths of distressed farmers. Farm and crop loan waiver is often suggested as a possible solution to such

distress situations. The first ever nation-wide farm loan waiver was announced in 1990. Subsequently, the Government of India implemented the Agricultural Debt Waiver and Debt Relief Scheme in 2008 to address the then prevailing agrarian crisis. In the recent years too, there have been demands for similar policy response and some of the state Governments have implemented such schemes. It is submitted that in six years to 2019-20, 10 states have announced farm loan waivers totaling Rs 2.4 lakh crore--which amounts to four times the 2019-20 budget for the rural jobs programme, or 9 percent of the 2019-20 union budget--as per a September report on agricultural credit by the Reserve Bank of India. In these six years, the year 2017-18 saw the most waivers, reaching 12 percent of the gross fiscal deficit (total expenditure in excess of income) in seven of these states in India. The petitioner further submits that it was also observed by the Respondent Authorities while dealing with the issue of waiver of Agricultural Loans that loan waivers for highly indebted farm households can "free up lines of credit enabling them to make new investments", the waivers "do impact the credit flow to agriculture" and create a "moral hazard" whereby borrowers default strategically in anticipation of a loan waiver, regardless of whether they will benefit from the waiver or not, noted the internal working group. As a result, non-performing asset levels in states that announced loan waivers showed an increase. Despite these aspects and observations however, loan waiver though often considered to be an imprudent policy due to its resultant fiscal burden as well as the adverse impact on credit discipline/banking habits of borrowers, the Respondents Authorities have from time to time waived off Agricultural Loans of the Farmers in India. Therefore, similar approach by way of Loan amount or Interest amount waiver are required to be extended to the Students Community in times of Covid-19 pandemic and Economic Chaos across the Globe, more particularly in India. This non-extension of Loan Waiver Scheme to the Students community is purely amounts to discrimination which is prohibited under the provisions of the Constitution of India as it violates the very fundamental rights of the

Students at large and therefore interference is required by this Hon'ble Court.

29. It is further submitted that the waiver of the Agricultural/Farm loans are justified "on social welfare grounds with the Government citing urban-rural divide in growth, social unrest and farmers' suicides as the justifications for the national ADWDRS [Agricultural Debt Waiver and Debt Relief Scheme, 2008] programme. Therefore, the Respondent Authorities required to extend similar treatment to the Educated Unemployed Youths of the Country by waiving off their Education Loans. Failure to do so the Students Youths across the State or Country would choose to take harsh steps in their life due to persistent fear of career development, employment opportunities, repayment of Education Loan etc. Therefore, considering this situation in mind the Respondent Authorities are required to waive off the Education Loans in question and therefore, interference by this Hon'ble Court is warranted and required.
30. It is submitted that the covid-19 pandemic has taken up unemployment levels to historic highs in several countries. Even as lockdowns continue to disrupt livelihoods, the larger mental health issue cannot be ignored. As a new study suggests, job losses due to covid-19 could result in up to 9,570 more suicides globally than is normal in a year. The estimate was made by Swiss researchers Wolfram Kawohl and Carlos Nordt in a new Lancet note. Using International Labour Organization (ILO) estimates, they said global unemployment could rise from 4.9% to 5.6% in the worst-case scenario after covid-19, and to 5.1% in the best case. As a result, suicides would rise by 9,570 a year in the first case, and by 2,135 in the latter, they estimated. Citing the ILO estimates, the study projected between 5.3 million and 24.7 million job losses due to the situation arising out of covid-19. Thus, the Educated Unemployed Youths are going to be affected by this situation and this may result in prompting them to take harsh decisions and

therefore, the Government is duty bound to protect its Educated Unemployed Youths by waiving off their Education Loans.

31. The COVID-19 pandemic and the subsequent lockdown has left thousands jobless as companies grapple with the economic slowdown and loss in revenues. From hospitality, to retail and startups, companies across the board have let go scores of employees. While some have laid off employees, while offering them a good compensation and support, some have forced employees to resign with no prior notice. It is submitted that according to Centre for Monitoring Indian Economy has said that 27 million youth in the age group of 20-30 years lost their jobs in April 2020 following a nationwide lockdown to prevent the spread of Covid-19. According to the CMIE weekly report, the unemployment rate fell from 27.1% to 24% for the week ended May 10 while the labour participation rate rose from 36.2% to 37.6% as the government opens up industries in a staggered manner. Employment rate also rose from 26.4% to 28.6%. Data from CMIE's Consumer Pyramids Household Survey shows youngsters in the age group 20-24 years accounted for 11% of those who lost jobs while they constituted 8.5% to the total employed persons in the country in 2019-20. It is further submitted that a survey by naukri.com revealed that at least 1 in 10 Indian jobseekers have confirmed that they have been laid off and nearly three in 10 jobseekers fear a layoff is imminent. Here is a comprehensive list of companies that have so far laid off employees is as follows:

Company/Establishment	Number of Lay-offs
BookMyShow	The latest company to announce layoffs is movie and event ticketing platform BookMyShow, which has said that 270 employees out of its total workforce of 1450 in India and globally will be impacted.

Indiabulls	Financial services group Indiabulls Group has reportedly asked over 2000 employees to resign.
Swiggy	Swiggy is laying off 1,100 of them across levels and business functions as it looks to build a leaner organization and reduce costs to achieve profitability.
Zomato	Zomato is letting go 13% of its workforce, which adds up to around 650 employees. It also announced pay cuts for the entire organisation.
Ola	With the volume of cab rides falling drastically due to the lockdown, Ola is laying off 1,400 employees across its mobility, foods and financial services businesses.
Uber	In India, Uber has laid off 600 employees across business functions as part of the global layoffs where 6,700 employees lost their jobs. The company is also closing 45 offices globally. In total, Uber has now laid off 25% of its global workforce.
Cure.fit	As Cure.fit moved to a digital fitness model, the company downsized its employee base across cities it is present in and also closed some operations in tier 2 cities.
WeWork	Co-working major WeWork India has said that 20% of its staff will be let go as companies continue to work from home, impacting the revenue of the company.
Raymond	Clothing and retail major Raymond has reportedly let go around 700-1,000 employees. An employee took to Reddit to claim that the company was forcing employees to resign. However, the company has denied reports of any layoffs.
Lendingkart	Fintech lending startup Lendingkart has reportedly laid off nearly 200 employees. In

	Lendingkart's case as well, employees have taken to Twitter and local media in Ahemdabad to complain that they were called by the HR and their managers via Google Hangouts and WhatsApp calls and ask them to send in their resignation citing 'personal reasons' for the same.
Sharechat	Regional language social media platform ShareChat has let go one-fourth of its employees, amounting to 101 amid COVID-19-induced uncertainties in the advertising market.
Extramarks	Noida-based edutech company Extramarks Education has laid off around 1% of its total workforce of 5000 employees as the pandemic affected its business, resulting in it having to shut down its coaching centres.
Udaan	B2B trade platform Udaan has reportedly laid off over 3,500 contract workers across the country in April. This happened in April, where around 600 in Bengaluru alone lost their jobs.
Livespace	Home design startup Livspace has reportedly laid off 450 employees, which is around 15% of its workforce as the lockdown had an adverse impact on its business.
Cardekho	Used car platform CarDekho has reportedly laid off over 200 employees as the automobile sector takes a major hit not just due to COVID, but also due to the economic slowdown over the past year.
Bounce	The bike-rental startup reportedly laid off 20% of its staff, who mostly belonged to mid and senior levels as a measure to cut costs.
Travel Triangle	The holiday package marketplace laid off 250-300 people, reported Entrackr.

Fab Hotels	The budget hotel chain laid off over 100 employees due to hardships caused by COVID-19,
Acko	The insurance technology startup laid off around 45-50 employees, while the top management took pay cuts of 45-70%.
Meesho	The social commerce copy reportedly laid off around 200 employees.
Shuttl	The app-based office commute service reportedly let go of 40 people and asked 100 people to resign voluntarily.
IT and ITeS	While large IT companies have said that they will not be laying off employees, Centre of Indian Trade Unions (CITU) claimed in a letter to the Union Labour Ministry in April that at least 496 people working in Bengaluru's IT and ITES sectors have lost their jobs.
INDIGO Airways	10% out of its workforce employees were laid off
	Other than this, many media houses have laid off people. This includes Hindustan Times, Vikatan and Times of India. Read TNM coverage on Vikatan and Tol. Many media companies have instituted pay cuts, read a list here.

Therefore, from the above it can be seen as to how Covid-19 is affecting the employment of Youths of the Country and Economy of the Country. The Educated Unemployed Youths and under-education Youths who are completely dependent on the placements and recruitments by the

Multinational companies, Private Companies, Limited Companies will face serious hardship in the form of unemployment. As a result of which these Educated and Under-education Youths will not be in a position either pay either Interest rate under Moratorium or the outstanding amount to the Banking Sectors across the State. Therefore, the Government is duty bound to protect its future i.e., the Students/Youths by waiving off their Education Loans or at least Interest amount on the Education Loan for a period of minimum of two years with effect from 1-3-2020.

32. It is further submitted that as stated supra the Government of India through its Ministry of Human Resources Development has launched a Scheme called " Central Sector Interest Subsidy Scheme" to the students belonging to Economically Weaker Sections, i.e. students whose annual gross parental income is up to Rs.4.5 lakhs. Subsidy is admissible only once either for undergraduate or post graduate or integrated course. Under the scheme, education loan is provided without any collateral security and third-party guarantee and for a maximum amount of Rs. 7.5 lakhs.
33. It is submitted that India's Higher Education System is the World's third largest in terms of Students, next to China and United States. It is further submitted that India educates approximately 11 per cent of its youth in higher education as compared to 20 per cent in China as on 2011. The Main Governing Body at the tertiary level is the University Grants Commission[India] which enforces its standards, advises the Government and helps co-ordinates between the Centre and the State. It is further submitted that time has now come to modernize our education system so that our country can get much more technically graduated people which can help our country to developed state. Today's youth always try to go foreign for his/her higher education as they have much better facilities and quality of their system. In order to achieve these objective Schemes like Central Sector Interest Subsidy Scheme needs to be more generous. Therefore, effective measures will have to be adopted to mobilize resources for higher education. There is also a need to relate the fee

structure to the Student's capacity to pay for the cost so that Student at lower economic levels can be given highly subsidized and fully subsidized education. This can be achieved only if the Government extend this facility provided under the Scheme [CSIS Scheme] uniformly to all the Students across the State irrespective of their Social and Economic Background and further to enhance the quantum of loan amount and also quantum of student parents income. It is submitted that the world is entering into an Information Age and developments in communication, information and technology and this extension of benefits will open up new and cost-effective approaches for providing the reach of higher education to the Youth in India as well as to those who need continuing education for meeting the demands of explosion of information, fast changing nature of occupations and lifelong education.

34. The petitioner craves leave this Hon'ble Court to permit the petitioner to adduce any other or additional grounds which are not specifically urged herein during the time of arguments.

GROUNDS FOR INTERIM PRAYER

35. It is submitted that the COVID-19 pandemic and the subsequent lockdown has left thousands jobless as companies grapple with the economic slowdown and loss in revenues. From hospitality, to retail and startups, companies across the board have let go scores of employees. While some have laid off employees, while offering them a good compensation and support, some have forced employees to resign with no prior notice. It is submitted that according to Centre for Monitoring Indian Economy has said that 27 million youth in the age group of 20-30 years lost their jobs in April 2020 following a nationwide lockdown to prevent the spread of Covid-19. According to the CMIE weekly report, the unemployment rate fell from 27.1% to 24% for the week ended May 10 while the labour participation rate rose from 36.2% to 37.6% as the government opens up

industries in a staggered manner. Employment rate also rose from 26.4% to 28.6%. Data from CMIE's Consumer Pyramids Household Survey shows youngsters in the age group 20-24 years accounted for 11% of those who lost jobs while they constituted 8.5% to the total employed persons in the country in 2019-20. Under these circumstances, it is humbly prays to this Hon'ble Court that it may kindly be pleased to Pending disposal of the above Writ Petition, it is humbly prays to this Hon'ble Court to direct the Respondent No.6 RBI and organized banks including private banks across the state of Karnataka, not to insist and take coercive action against the student borrower/Loanees who have availed educational loan across the state of Karnataka, in the interest of justice.

PRAYER

Wherefore the petitioner above named prays that this Hon'ble court may be pleased to grant the following:

- I. Issue a Writ in the nature of mandamus or any writ or direction or order directing the respondent authorities to waive off all Educational Loans which are outstanding w.e.f from March 2020 across the state of Karnataka, availed from the concerned Banking companies i.e Government, non government and private Banking institutions.

Or/ in the alternative,

- II. Issue a Writ in the nature of Mandamus or any writ or direction or order directing the respondent authorities to waive off the entire Interest on all existing Educational Loans of the beneficiary/Loanees w.e.f March 2020 until a period of TWO years across the state of Karnataka, availed from the concerned Banking companies i.e Government, non government and private Banking institutions.

- III. Issue a Writ in the nature of Mandamus or any writ or order or direction directing the respondent authorities to extent the benefits available under scheme i.e Revised Central Sector Interest Subsidy Scheme 2009 formulated by the Government of India through its Ministry of Human Resources Development to all Students/Loanees without there being any discrimination vide ANNEXURE-B1.
- IV. Issue any other writ or order/s as this Hon'ble court deems fit to grant under the facts and circumstance of the case.

INTERIM PRAYER

Pending disposal of the above Writ Petition, it is humbly prays to this Hon'ble Court to direct the Respondent No.6 RBI and organized banks including private banks across the state of Karnataka, not to insist and take coercive action against the student borrower/Loanees who have availed educational loan across the state of Karnataka, in the interest of justice.

Bangalore

Date: 28/07/2020



ADVOCATE FOR THE PETITIONER

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BY SPEED POST
& E-MAIL

F. No. 7-4/2017-U.5 (Vol.II)
Government of India
Ministry of Human Resource Development
Department of Higher Education
(U-5 Section)

Ann-B.

Shastri Bhawan, New Delhi
Date: 10.05.2018

To

The Chairman,
Indian Banks' Association
World Trade Centre Complex,
6th Floor, Cuffe Parade,
Mumbai - 400 005

Subject: Revised guidelines of Central Sector Interest Subsidy Scheme
(CSIS), 2009

Sir,

I am directed to bring to your notice that Central Sector Interest Subsidy Scheme, 2009 has been approved for continuation up to 2019-20 with certain modifications. Accordingly, please find enclosed a copy of revised guidelines in respect of the said scheme. The same may be shared with all the participating banks so as to enable all the eligible students get the benefit under the Scheme. The guidelines should be widely disseminated so that no eligible and deserving student is deprived of the benefit under the Scheme. A list of NBA accredited programmes, NAAC accredited Institutions, Institutes of National Importance (INIs) and Centrally Funded Technical Institutions (CFTIs) are being forwarded by mail. The latest list of institutions may also be verified from the respective websites of NAAC and NBA and MHRD website for INIs and CFTIs.

Encls: As above:

Yours faithfully,


(Rajiv Narayan)

Under Secretary to the Govt. of India
Tele: 011 2307 3528

CENTRAL SECTOR INTEREST SUBSIDY SCHEME, 2009
(As Revised – Applicable for loans taken w.e.f. 01.04.2018)

Introduction

One of the major objectives of the Government is to ensure that no student is denied the opportunity to pursue higher education because he or she is poor. To achieve this objective, Ministry of Human Resource Development (MHRD) launched a Scheme titled "Central Sector Interest Subsidy Scheme" (CSIS) in 2009. The scheme provides full interest subsidy during the moratorium period on modern education loans without any collateral security and third-party guarantee, for pursuing technical/professional courses in India. Students whose annual gross parental/ family income is up to Rs.4.5 lakhs are eligible under the scheme. The existing Scheme has been modified with the approval of the Cabinet on March 28th, 2018.

Objective of the Scheme

CSIS is a unique scheme which pivots around the vision that no student desiring to pursue higher education is denied of the opportunity if he/ she is financially poor. This scheme benefits all categories of economically weaker students for pursuing professional/ technical courses in India only, and intends to provide affordable higher education. The Scheme, envisages to uplift the students from the grassroot level and increase the number of qualified technicians/ professionals in the nation. CSIS aims to check the existing geographical imbalance with regard to Gross Enrolment Ratio (GER) in Higher Educational Institutions.

Features of the Scheme

The Scheme is adopted by all Scheduled Banks and is linked with the existing Model Educational Loan scheme of the Indian Banks' Association, and restricted to students enrolled in professional/ technical courses only from NAAC accredited Institutions or professional/ technical programmes accredited by NBA or Institutions of National Importance or Central Funded Technical Institutions (CFTIs). Those Professional Institutions/programmes, which do not come under the ambit of NAAC or NBA, would require approval of the respective regulatory body viz, approval of Medical Council of India for Medical courses, Nursing Council of India for Nursing courses, Bar Council of India for Law etc. The scheme is applicable to students belonging to Economically Weaker Sections, i.e. students whose annual gross parental income is up to Rs.4.5 lakhs. Subsidy is admissible only once either for undergraduate or post graduate or integrated course. Under the scheme, education loan is provided without any collateral security and third-party guarantee and for a maximum amount of Rs. 7.5 lakhs.

Eligibility

- Education Loans taken under IBA Model Education Loan Scheme.
- Students having parental income up to Rs. 4.5 lakhs per annum.
- Students enrolled in professional/ technical courses only from NAAC accredited Institutions or professional/ technical programmes accredited by NBA or Institutions of National Importance or Central Funded Technical Institutions (CFTIs). Those Professional Institutions/programmes, which do not come under the ambit of NAAC or NBA, would require approval of the respective regulatory body viz, approval of Medical Council of India for Medical courses, Nursing Council of India for Nursing courses, Bar Council of India for Law etc.
- Admissible only for once either for UG, PG. Also admissible for integrated courses (graduate + post graduate).

Interest Subsidy under this Scheme shall not be available to those students who discontinue their course midstream, or who are expelled from the Institution on disciplinary or academic grounds. However, the interest subsidy would be available only if discontinuation is due to medical grounds for which necessary documentation to the satisfaction of the Head of educational institution needs to be provided.

Interest Rates

The interest rates charged on the educational loan shall be as per the BPLR/Base Rate of the individual banks and as per the provisions for interest rates under the IBA Model Educational Loan Scheme.

Moratorium Period

Under the Scheme, the interest payable on the Educational Loan for the moratorium period i.e., **Course Period plus one year** as will be borne by the Government of India. After the period of moratorium, the interest on the outstanding loan amount shall be paid by the student, in accordance with the provisions of the existing Model Educational Loan Scheme of Banks and as may be amended from time to time.

Income Limit/Proof

- The benefits of the Scheme is applicable to students belonging to economically weaker sections, with having parental income upto Rs. 4.5 lacs per year (from all sources). Income proof is required from authorised Public authority of the State Government. The present scheme is intended to cater to the needs of students belonging to economically weaker sections with prescribed upper parental gross income limit of the family from all sources, which is based on economic index and not on social background. The scheme is independent of any other schemes which may cater to EWS.

Competent Authority

The Ministry of HRD, Government of India has issued an Advisory to all the State Governments requesting them to designate appropriate authority or authorities who are competent to issue income certificates, based on economic index and not social background, for the purpose of this scheme.

- The Banks shall implement the Scheme based on the notification of the certification authority by State Governments communicated through District Level Consultative Committees (DLCCs).

Awards/Certificates

There would be tag/marker on the degree of the student indicating his repayment liabilities. Electronic Tags will enable employers to identify loanees.

Similar Schemes

The National Minorities Development and Finance Corporation (NMDFC) has an Educational Loan Scheme for individual beneficiaries, which is implemented through State Channelizing Agencies (SCAs). The National Safai Karamcharis Finance and Development Corporation (NSKFDC), National Backward Classes Finance and Development Corporation (NBCFDC), National Scheduled Castes Finance and Development Corporation (NSCFDC), and the National Handicapped Finance and Development Corporation (NHFDC), under the Ministry of Social Justice and Empowerment also provide educational loan to the students of the target group for higher education. Interest on Education Loan provided under the educational loan schemes of these four corporations, if the loans are for pursuing professional courses after XII class, shall also be subsidized for the period of moratorium as per the terms and conditions of this Scheme. The interest charged by NMDFC, NSKFDC, NBCFDC, NSCFDC and NHFDC are to be paid by Government direct to the respective Corporations.

Nodal Bank

The Scheme shall continue to be implemented through Canara Bank, which is the Nodal Bank for the Ministry of Human Resource Development. Modalities for implementation and monitoring shall be finalised in consultation with the Canara Bank.

Applicable Academic Year

The Modified Scheme shall be applicable from the academic year 2018-19, starting 1st April, 2018.

List of Technical/ Professional courses

- List of Centrally Funded Technical Institutions and Institutions of National Importance is available on MHRD website URLs <http://mhrd.gov.in/technical-education-1> and <http://mhrd.gov.in/institutions-national-importance>. The list of NAAC accredited universities/ institutions is available at NAAC website URL http://www.naac.gov.in/Universities_Colleges.asp and NBA recognised professional courses is available at NBA website URL <http://www.nbaind.org/accreditation-status.aspx>. In case of doubt, Banks may approach UGC/AICTE and other councils for clarification, for which UGC/AICTE and other councils would be requested to create Cells and identify Nodal officers, whom banks can approach for relevant information.

Monitoring

An Interest Subsidy & Credit Guarantee dashboard would be set up by the Nodal Bank for the Scheme with real-time data from banks on geographical/ socio-economic/ gender/ institution/ accreditation grade of the institution/ category/ course-wise distribution of loan applications, sanctions, subsidy released and adjusted, loan repayments, NPAs, etc. This dashboard will ensure effective monitoring and enable the Ministry to measure the outcome of the Scheme.

Disbursement of Interest Subsidy claims

- The disbursement of interest subsidy claims to the Banks shall be on half yearly or yearly basis, as decided by the Ministry of HRD, Govt. of India.

Interest Concession

Under the IBA Scheme, 1% interest concession is provided for the loanees if the interest is serviced during the period when repayment holiday is specified for interest/repayment under the scheme. This 1% interest concession would be extended under the Central Scheme of Interest Subsidy, provided the Government of India disburses interest subsidy claims to the Banks on half-yearly or yearly basis.

Claims by RRBS

RRBS should submit their claim directly to Canara Bank, the nodal bank and not to route it through the sponsor bank.

Audit

Statutory Audit of the Accounts coinciding with the Annual Statutory Audit of the Bank should be conducted once a year.