

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

THE HONOURABLE MR. JUSTICE A.V.RAMAKRISHNA PILLAI

WEDNESDAY, THE 18TH DAY OF FEBRUARY 2015/29TH MAGHA, 1936

WP(C).NO. 22391 OF 2013 (Y)

PETITIONER(S):

- 1. SASIDHARAN C.S.,
CHANDRA VIHAR, THOTTAVARAM,
ATTINGAL, PIN- 695 101.**
- 2. BEENA.C.,
CHANDRA VIHAR, THOTTAVARAM,
ATTINGAL, PIN- 695 101.**

**BY ADVS.SRI.R.MANOJ,
SMT.SINDHU MANOJ,
SMT.P.P.BLESSY MOL.**

RESPONDENT(S):

- 1. UNION OF INDIA,
REPRESENTED BY THE SECRETARY,
MINISTRY OF FINANCE DEPARTMENT OF
ECONOMIC AFFAIRS (BANKING DIVISION), NEW DELHI-110 001 .**
- 2. RESERVE BANK OF INDIA,
REPRESENTED BY ITS JURISDICTIONAL OFFICER,
BAKERY JUNCTION, THIRUVANANTHAPURAM-695 001.**
- 3. THE INDIAN OVERSEAS BANK,
REPRESENTED BY ITS REGIONAL MANAGER,
REGIONAL OFFICE, THIRUVANANTHAPURAM-695 001.**
- 4. THE BRANCH MANAGER,
INDIAN OVERSEAS BANK, REGIONAL OFFICE,
THIRUVANANTHAPURAM-695 001.**

**R1 BY ADV. SRI.N. NAGARESH, ASST. S.G. OF INDIA.
R3 & R4 BY ADV. SRI.LEO GEORGE, SC.**

**THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION
ON 18-02-2015, THE COURT ON THE SAME DAY DELIVERED THE
FOLLOWING:**

rs.

APPENDIX

PETITIONER'S EXHIBITS:-

**EXHIBIT P1 COPY OF THE MODEL LOAN SCHEME WHICH HAS BEEN
APPROVED BY THE RESERVE BANK OF INDIA.**

EXHIBIT P2 COPY OF THE LAWYER'S NOTICE ISSUED TO THE PETITIONERS.

RESPONDENT'S EXHIBITS:- NIL.

//TRUE COPY//

P.S. TO JUDGE

rs.

A.V.RAMAKRISHNA PILLAI, J

WPC No.22391 of 2013

Dated this the 18th day of February, 2015

JUDGMENT

Ext.P2 notice, by which the petitioners were called upon to repay the amount of ₹1,15,317/- by the respondent bank, is under challenge.

2. The son of the petitioners availed a loan of ₹95,000/- on 25.10.2003 from the 4th respondent bank and as a collateral security, the property of the petitioners was offered. The petitioners stood as sureties for the loan amount. As per Ext.P1 guidelines, loans below ₹4 lakhs has to be disbursed to the students on his own application. The said position of law is affirmed in the decision of this Court in **Vasanthakumari v State Bank of Travancore** (2012 (1) KLT 755). It was pointed out by the learned standing counsel for the respondents that the aforesaid decision has been reversed by the Division Bench in **State Bank of Travancore v Vasantha Kumari** (2013(1) KLT 649) wherein it was observed that

though the directions of the RBI has binding force on banking companies in general or banking company in particular, it cannot invalidate terms of contract where the party voluntarily agrees to waive the benefit accrued to him by virtue of the directions or guidelines.

The learned counsel for the respondent bank submitted that it was on the basis of the agreement signed by the petitioners that the security was taken. As the legal position is now covered against the petitioners as per the decision of the Division Bench pointed out above, the writ petition is dismissed.

Sd/-A.V.RAMAKRISHNA PILLAI
JUDGE

css/

true copy

P.S.TO JUDGE