IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 10.03.2015

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

WP.No.4257 of 2015

C.M.Madhumitha
rep by his Natural Guardian/ Father
Mr.C.Marimuthu ... Petitioner

vs.

1. The Deputy General Manager
   Lead Branch-Educational Loan,
   Indian Bank, Salem Region,
   Sevapet, Salem - 1, Salem District

2. The Branch Manager,
   Indian bank,
   Mecheri - 636 453,
   Mettur Taluk,
   Salem District ... Respondents

Writ Petition filed under Article 226 of the Constitution of India praying for a Writ of Mandamus directing the respondent-Bank to grant the Education Term Loan including hostel and other fees to the petitioner namely Miss.C.M.Madhumitha to continue her BDS medical course based on her loan application dated 17.11.2014 forthwith.

For Petitioner : Mr.M.R.Jothimanian

For Respondents : Mr.R.Rameshkumar for
M/s RRK Associates

ORDER

Heard Mr.M.R.Jothimanian, learned counsel for the petitioner and Mr.R.Rameshkumar, learned counsel appearing for the respondents-Bank. With the consent of either side, the writ petition itself is taken up for final disposal at the admission stage.

2. The petitioner in this Writ Petition seeks for a issuance of Writ of Mandamus to direct the respondent -Bank to grant education loan to the petitioner to enable her to continue BDS Course in Ragas Dental College, Chennai.

3. The petitioner has joined in the said course during the Session 2014-2015. The petitioner applied to the Bank for grant of educational loan and co-applicant was the petitioner's father. The application was considered, but, the respondent-bank did not sanction the loan on the ground that the property is an agricultural property and the same cannot be offered as collateral security for securing loan transaction. According to the petitioner, merely because the property is agricultural property is not a ground to reject the property and the proper manner in which the Bank should have to consider the application is by assessing the value of the property. Further it is submitted that the property offered is not wholly an agricultural property and therefore, the respondent/Bank could have considered the same for sanctioning the loan.

4.On the last occasion when the matter was heard, this Court directed the learned counsel appearing for the respondent/Bank to produce the valuation certificate by the approved valuer of the bank valuing the property which the petitioner is willing to offer as collateral security. Today, ie., on 10.03.2015, a copy of the certificate issued by the approved valuer dated 17.11.2014 has been produced, from which it is seen that the fair market value of the property as Rs.18,10,000/- (Rupees eighteen lakhs and ten thousand only) and the realizable value of the property at Rs.17,00,000/-. The photograph of the property is also produced, which shows that the property consists of house with agricultural land.

5. In my view, since the value of the property is far more than the loan sought to be availed by the petitioner, the respondent/Bank could have considered the property for being accepted as collateral security, more so, when it is a land along with building.

6. It is submitted by the learned counsel for the respondent/Bank that the petitioner's father, namely, C.Marimathu had earlier availed loan for Rs.1,00,000/- (Rupees one lakh only) to enable his wife, i.e., petitioner's mother to undergo teacher education course and the petitioner's father defaulted in the loan and the Bank has initiated recovery action and ultimately, the loan was settled only after waiver was granted by the respondent/Bank.

7.This aspect of the matter is definitely a relevant factor, if the loan had not been settled. However, as on date, the loan has been settled and the petitioner's father is no longer a defaulter.

8.In the light of the above facts, the respondent/Bank is directed to take note of the collateral security offered by the petitioner without referring to earlier action initiated against the petitioner's father and consider the application for grant of loan and pass appropriate orders on the loan application within a period of three weeks from the date of receipt of a copy of this order, so as to enable the petitioner to continue her education in the BDS Course.

9. In the result, this Writ Petition is disposed of. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

SSD

To

1. The Deputy General Manager
   Lead Branch-Educational Loan,
   Indian Bank, Salem Region,
   Sevapet, Salem - 1, Salem District

2. The Branch Manager,
   Indian bank,
   Mecheri - 636 453,
   Mettur Taluk,
   Salem District

+1cc to Mr.M.R.Jothimanian, Advocate, S.R.No.13459
+1cc to M/s.RRK Associates, Advocate, S.R.No.13356

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VD(CO)
CA(13/03/2015)