



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 16.12.2015

CORAM:

THE HONOURABLE MR. JUSTICE K. RAVICHANDRABAABU
W.P. (MD) No. 21731 of 2015

WEB COPY

B. Tamilselvam

... Petitioner

Vs.

The Branch Manager,
State Bank of India,
Narayanapuram Branch,
No.1, First Main Road,
Narayanapuram West Main Road,
New Natham Road,
Madurai-625 014.

... Respondent

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India for the issue of a Writ of Certiorarified Mandamus to call for the records in pursuant to the impugned communication letter dated 23.11.2015 from the respondent Bank and to quash the same and consequently directing the respondent Bank to grant Educational Loan to the petitioner's son within a stipulated time.

For Petitioner : Mr. D. Rameshkumar

For Respondent : Mr. Pala. Ramasamy

ORDER

The petitioner is aggrieved against the communication of the respondent Bank dated 23.11.2015 rejecting the request of the petitioner for the grant of educational loan for a sum of Rs. 3,10,200/-, on the reasons that the employment opportunities are very poor and that the petitioner has neglected the selection process conducted by the Government.

2. The learned Counsel for the respondent Bank vehemently opposed the present writ petition and submitted that the reasons set out in the impugned order with regard to the employment opportunities are well considered reasons and therefore this Court need not interfere with the same.

3. Heard the learned Counsel appearing for the petitioner and the learned Counsel appearing for the respondent Bank and perused the records placed before this Court.



4. The petitioner's son, after completion of the +2 course, joined first year B.E.(Civil) Decree course in Sethu Institute of Engineering and Technology, Madurai. The duration of the course is four years and it will be completed in the year 2019. For undergoing the above said course, the petitioner along with his son applied for educational loan before the respondent Bank seeking a sum of Rs.3,10,200/-. Now the said application is rejected by passing the present impugned order, on the reasons which are already stated supra.

5. I do not think that the respondent Bank is justified in rejecting the request of the petitioner on the ground that the employment opportunities are very poor due to stiff competition at the time of campus placements. The other reason stated in the impugned order also cannot be justified, as the same cannot be a bar for granting the educational loan, in view of the fact that it is only the loan that is being extended which will be recovered from the loan applicants as per the terms and conditions of the agreement entered between the parties while disbursing the educational loan. Moreover, when the petitioner has offered to give necessary sureties for the educational loan as found in the affidavit filed in support of the writ petition, I do not think that there will be any impediment for the respondent Bank in extending the educational loan to the petitioner's son without citing the reasons set out in the impugned order. The respondent Bank cannot presume that the petitioner's son will not get any employment after the completion of the course without having any basis for such presumption. Needless to say that it is for the petitioner to seek for appropriate employment and repay the loan to the Bank as per the terms and conditions. At this juncture, it is to be noted that object of granting educational loan is to extend a helping hand to students to pursue their studies without facing financial inability. Such help by way of financial assistance is not being done by these Banks as a charity but as a repayable loan with interest. So these Financial Institutions, instead of venturing to find out a hypertechnical reason or objection to reject the application, should search for a positive reason to grant educational loan and extend such helping hand to the poor students.

6. Therefore, I find that the impugned order passed by the respondent Bank cannot be sustained and accordingly the same is set aside. Consequently the writ petition is allowed. The respondent Bank is directed to consider the application of the petitioner seeking for educational loan to the petitioner's son and disburse the amount if the petitioner satisfies other criteria. No costs.

Sd/-

Assistant Registrar(P&A)



TO

The Branch Manager,
State Bank of India,
Narayanapuram Branch,
No.1, First Main Road,
Narayanapuram West Main Road,
New Natham Road,
Madurai-625 014.

+One cc to Mr.D.Rameshkumar, Advocate, SR.No.72344

+One cc to Mr.Pala.Ramasamy, Advocate, SR.No.72119

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