IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.06.2016

CORAM

THE HONOURABLE MR. JUSTICE M.SATHYANARAYANAN

W.P.No.8004 of 2016

S.Kokila ..Petitioner

Vs.

1. The Regional Manager
   Central Bank of India P.B.No.557 Central
   Bank building 14 & 15 Variety Hall Road
   Coimbatore-641 001.

2. The Branch Manager
   Central Bank of India Krishnapuram Branch
   Dharmapuri District-635 202. ..Respondents

Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorarified Mandamus to call for entire records relating the impugned order KRIRIAM/2015;16 dated 05.01.2016 passed by the 2nd respondent and quash the same as illegal arbitrary in-operative in law and direct the respondents to sanction the education loan to the petitioner.

For Petitioner : Mr.M.RaVI
For Respondents : Mr.T.M.Hariharan

ORDER

By consent, the writ petition is taken up for final disposal.

2. The petitioner in the affidavit filed in support of the writ petition would aver among other things that she is the first year student of B-Tech (Bio-Technology) student studying in P.S.G college of technology, a Government aided autonomous college affiliated to Anna University and as per the bonafide certificate dated 28.7.2015 issued by the institution, she has to incur the following approximate expenses for the completion of the said course.

Details of Expenses	I Year	II Year	III Year	IV Year
	Rs.	Rs.	Rs.	Rs.
Special Fees	6600/-	6600/-	6600/-	6600/-
Development Fees	13400/-	13400/-	13400/-	13400/-
Examination Fees	3000/-	3000/-	3000/-	3000/-

3. The petitioner would further state that she is hailing from a poor family and her parents are finding it extremely difficult even to run a life with a minimum basic necessities and therefore, she applied for grant of education loan to the second respondent and they insisted for submission of merit certificates of schools as well as bonafide certificate and all the required certificates have been submitted and formalities have also been completed but to the shock and surprise, the application for education loan was rejected by the first respondent stating that the NPA level of the branch is more than the trigger point and branch cannot sanction any education loan and only loans that are collaterised is to be forwarded to Regional Office for consideration. The petitioner challenging the legality of the said order has filed this writ petition.

4. The learned counsel appearing for the petitioner would submit that as per the relevant norms, only if the loan is beyond Rs.4.5 lakhs, concerned person has to offer either prime security or collateral security. In the case on hand, the petitioner requires only Rs.80,000/- each year to complete her B-Tech course and the 2nd respondent without due and proper application of mind to the relevant norms has erroneously rejected the application and prays for interference.

5. Per contra, the learned standing counsel appearing for the respondents 1 and 2 has drawn the attention of this Court to the counter affidavit filed by the 2nd respondent and would submit that as per the bank's policy, the NPA accounts with this branch are above the trigger point and the application of the petitioner came to be rightly rejected and prays for dismissal of the writ petition.

6. This Court has carefully considered the rival submissions and also perused the materials placed on record.

7. It is not in serious dispute that as per the relevant norms and regulations only if the loan to be sanctioned is beyond the limit of Rs.4.5 lakhs, the collateral security has to be offered and admittedly, the petitioner prays for loan for Rs.80,000/- per year to complete her studies. If the stand of the respondent as per the impugned order is accepted, they cannot advance any loan to anybody and when this Court put a specific question to the learned counsel for the respondents as to whether the bank has intended to stop sanctioning all loans to the needy persons for the reason that the NPA level has reached the trigger point, the counsel is unable to give any plausible answer.

8. In the considered opinion of this Court, the reason assigned in the impugned order, is perverse and the respondent bank being a nationalised bank is expected to come to the aid of needy and poor and in the case on hand, the petitioner got her admission on merit in one of the leading Engineering colleges in the State.

9. In the light of the reasons assigned above, the writ petition is allowed and the impugned order dated 05.01.2016 is set aside and the respondent is directed to grant education loan as required by the petitioner in accordance with the relevant norms and regulations, forth with. No costs.

kua

Sd/-
Asst.Registrar

/true copy/

Sub Asst. Registrar

To

1. The Regional Manager
Central Bank of India P.B.No.557 Central
Bank building 14 & 15 Variety Hall Road
Coimbatore-641 001.

2. The Branch Manager
Central Bank of India Krishnapuram Branch
Dharmapuri District-635 202.

+ 1 cc to Mr.M.Ravi, Advocate Sr 29986

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