IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16.06.2017

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THE HONOURABLE MR. JUSTICE M.DURAISWAMY

W.P.No.15701of 2016

G.Neelamegam .. Petitioner

v.

1 Union Bank of India
Head Office, Mumbai

2 Union Bank of India
Regional Office, rep by its Chief Manager
313-1, Annapuram Gandhinagar
Opp. to Raja Kalyanamandapam
Junction Road
Salem-636 004.

3 Union Bank of India
Branch Office rep by its Branch Manager
Attur, Salem District .. Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of Certiorarified Mandamus, Calling for the entire records relating to the proceedings in ROS/PSD/ 1575/ 2015, dated 12.10.2015 from the file of the 2nd respondent and also the proceedings in ATR/ CEN/1099/15, dated 08.10.2015 from the file of the 3rd respondent and the proceedings in ATR/GEN/16, dated 12.02.2016 from the file of the 3rd respondent all of which are to the effect of rejecting the educational loan application of Shanmuganathan

Neelamegam @ N.Shanmuganathan, viz., the son of the petitioner herein, to quash the same and further direct the respondents to consider the above said educational loan application of the petitioner's son along with the additional securities for the immovable properties belonging to the loan applicant's parents-in-law and the pay certificate of the loan applicant's parents-in-law, within the time frame as may be stipulated by this court.

For Petitioner : Mr.D.Shivakumaran

For Respondents : Mr.Srinath Sridevan

O R D E R

The petitioner has filed the above writ petition to issue a Writ of Certiorarified Mandamus to call for the records relating to the proceedings dated 12.10.2015, on the file of the 2nd respondent and also the proceedings dated 08.10.2015, on the file of the 3rd respondent and the proceedings dated 12.02.2016 on the file of the 3rd respondent, all of which are to the effect of rejecting the educational loan application of Shanmuganathan Neelamegam @ N.Shanmuganathan, viz., the son of the petitioner, to quash the same and further direct the respondents to consider the educational loan application of the petitioner's son along with the additional securities for the immovable properties belonging to the loan applicant's parents-in-law and the pay certificate of the loan applicant's parents-in-law, within the time frame as may be stipulated by this court.

2.1 According to the petitioner, his son has completed the Higher Secondary Public Examination conducted by the Board of Higher Secondary Examinations in the year 2008 and he applied for admission for degree course, viz., Doctor of Medicine at St.Lucia, West Indies, which is equivalent to the M.B.B.S. Degree in India, offered at Spartan Health Sciences University, School of Medicine, which is a World Health Organization listed institution, established in 1980.

2.2 According to the petitioner, the course, viz., Doctor of Medicine is a 5 year academic programme which consists of pre-med, basic sciences and clinical sciences. The petitioner's son was given a seat in the said course offered by the University and the classes for basic sciences commenced in January 2010. Further, the petitioner has stated that his son has undergone and completed the pre-med requirements and basic sciences programme without any academic default regarding his examinations. Thereafter, when he completed the pre-med requirements and basic sciences programme and when he was about to resume 6th semester, which is the clinical part of the programme in January 2013, the tuition fee then was US $ 66,250/- (INR Rs.35,67,900/-). The petitioner's son approached the 3rd respondent for the grant of educational loan under the Government of India Schemes. According to the petitioner, the 3rd respondent, without application of mind, construing that the loan is sought only to pay the fees for a diploma course, declined the request for educational loan.

3. By the impugned letter dated 08.10.2015, the bank had informed the petitioner's son that the educational loan could not be processed due to non satisfaction of the collateral security offered by him. By letter dated 12.10.2015, loan proposal of the petitioner's son was declined for the reason that requisite papers called for from him were not submitted by the petitioner's son to the bank. Further, the bank had also informed that the third party collateral offered by him, which is situated at Kattukoittai, has no legal validity, as it is already mortgaged to State Bank of Mysore by the Power Agent of the Principal. Considering the unsatisfactory financial track record of the petitioner, the loan application was declined. Thereafter, by letter dated 12.02.2016, the bank had reiterated the earlier stand and

declined to reconsider the loan application.

4. Mr.D.Shivakumaran, learned counsel appearing for the petitioner submitted that subsequent to the three letters referred above, the petitioner has submitted fresh documents as collateral security for availing educational loan, however, the bank declined to consider the same.

5. Mr.Srinath Sridevan, learned counsel appearing for the respondents submitted that since the petitioner has not produced sufficient security and also produced the valid certificate at the first instance, his application was not considered by the bank. Further, the learned counsel submitted that the Spartan Health Sciences University, St.Lucia, West Indies, has been disapproved by the State of California as early as 13.06.1985 and therefore, the said aspect should also be taken into consideration by the bank while scrutinizing the petitioner's application.

6. Now, the petitioner has submitted fresh documents as security along with all necessary documents before the bank. I am of the view

that the bank can be directed to consider the petitioner's application along with all the necessary documents produced by the bank and pass necessary orders, considering all the documents and also with regard to other aspects stated in the counter filed by the bank.

7. In such view of the matter, I direct the respondents to consider the petitioner's documents and pass orders, in accordance with law, taking into consideration the contentions raised by the bank in their counter filed in the writ petition and pass orders, within a period of four weeks from the date of receipt of a copy of this order.

With these observations, the writ petition is disposed of. No costs.

16.06.2017

Index: Yes/No

Note : Issue copy of the order by 20.06.2017

Rj

To

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3 The Branch Manager
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Branch Office, Attur,
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M.DURAISWAMY,J.,

Rj

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