IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12-06-2017

CORAM

THE HONOURABLE MRS.JUSTICE PUSHPA SATHYANARAYANA

W.P.No.36526 of 2016

S.Sampathkumar ... Petitioner

-Vs-

1. The Chief Manager
Indian Overseas Bank, Regional Office,
Salem.

2. The Senior Manager,
Indian Overseas Bank,
Mugaiyur, Villupuram District-605 756.

3. The General Manager,
Indian Overseas Bank, Central Office,
763, Anna Salai,
Chennai - 600 002. ... Respondents

Writ petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorarified Mandamus, calling for the entire records pertaining to the order in RO/ADV/)1/2016-17 dated 24.06.2016 of the 1st Respondent herein, and quash the same and to direct the Respondents to consider the claim of the petitioner for the sanction of the Educational Loan applied for to the tune of Rs. 25,00,000/- or otherwise applicable, against the deposit of titles of Agricultural properties as collateral security for pursuing Higher Education under the scheme within the time frame by this Hon'ble Court.

For Petitioner : Mr.K.Thennan

For Respondents : Ms. Ananda Gomathy

O R D E R

The Writ Petition has been filed seeking to issue a Writ of Certiorarified Mandamus to quash the order of the first respondent-Bank in his RO/ADV/)1/2016-17, dated 24.06.2016 rejecting the proposal for sanction of educational loan to the petitioner. The reason given is that an agricultural property cannot be taken as collateral security for the educational loan.

2. The case of the petitioner is that he hails from poor family and secured about 95.75% in the Higher Secondary Examination and also got admission in Terna Medical College, run by Terna Public Charitable Trust at Nerul, Navi Mumbai. The admission to M.B.B.S course was purely on merit and based on the marks obtained by the students in the entrance test. The petitioner, hailing from a remote village, has got the rare opportunity to study M.B.B.S and he was very hopeful in pursuing the same by applying the educational loan. Accordingly, he applied the loan with the first respondent-Bank by offering the agricultural property owned by the family as collateral security and the same was rejected by the respondent-Bank stating that the agricultural property cannot be taken as collateral security. Aggrieved by the same, the above Writ Petition has been filed.

3. Heard the learned counsel appearing for the petitioner and the learned counsel appearing for the respondents.

4. The learned counsel appearing for the Bank vehemently opposed stating that the agricultural property cannot be taken as collateral security.

5. The petitioner has also obtained information through RTI wherein the Bank has stated that there is no restriction for taking agricultural property as collateral security for granting educational loan. As the educational loan is being taken for pursuing the medical course, the respondent-Bank should have extended its help to the petitioner, especially when there is no embargo for granting educational loan against the agricultural property as collateral security. Admittedly, the student has obtained very good marks and gained a seat in the M.B.B.S course. The purpose of educational loan scheme itself is only to attract and develop the pattern for pursuing the higher education, besides strengthening the status of financially oppressed people by providing them financial assistance for higher education. If the said financial assistance is recoverable in future from the petitioner himself, the Bank need not have any apprehension in extending the same. The petitioner is also willing to deposit the title deeds of the agricultural property as collateral security for the same, subject to enforceability, feasibility etc, considering the merit of the student, the respondent-Bank is directed to consider this as a special case and advance loan to the petitioner. When there are lots of philanthropic and welfare schemes are offered even by the Banks, these kinds of special cases may be considered by

them leniently and encourage the student community to pursue their goals.

6. Accordingly, the Writ Petition is disposed of, with the direction to the respondents to accept the collateral security offered by the petitioner and extend the educational loan within a period of four weeks from the date of receipt of a copy of this order. No costs.

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

srn

To

1. The Chief Manager
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Salem.

2. The Senior Manager,
Indian Overseas Bank,
Mugaiyur, Villupuram District-605 756.

3. The General Manager,
Indian Overseas Bank, Central Office,
763, Anna Salai,
Chennai - 600 002.

+1cc to Ms. Ananda Gomathy , Advocate, S.R.No.41596
+1cc to Mr.K.Thennan, Advocate, S.R.No.41593

W.P.No.36526 of 2016

NM(CO)
CS/30/06/17