BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **08.02.2017**

CORAM:
THE HONOURABLE **MR.JUSTICE K.RAVICHANDRABAABU**
W.P.(MD)No.1980 of 2017

K.Balaji .. Petitioner

Vs.

1.The Chief Manager,
Specialised Mortgage Store,
Bank of Baroda, Ponmeni, Madurai.

2.The Branch Manager,
Bank of Baroda, Kovilpatti Branch,
27-1, Ettayapuram Road,
Kovilpatti - 628 501,
Tuticorin District. ... Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus calling for the records relating to the impugned order passed by the 2nd Respondent in his proceedings BOB/KVP/edlloan/10 dated 12.01.2017 quash the same and further direct the Respondents to sanction educational loan of Rs.4,00,000/- on the basis of the representation of the Petitioner dated 10.01.2017.

For Petitioner : Mr.D.Sivaraman
For Respondents : Mr.B.Rajesh Saravanan

O R D E R

The petitioner is aggrieved against the order passed by the second respondent, dated 12.01.2017 and consequently sought for a direction to the respondents to sanction educational loan of Rs.4,00,000/- on the basis of his representation, dated 10.01.2017.

2.By consent of parties, the main writ petition itself is taken up for final disposal.

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

4.The petitioner's son namely Venkatesh, after completion of his higher secondary examination, got admission in AMET Univeristy in B.E. Marine Engineering course. The said course is of four years duration. The total fee payable for the entire course is Rs.13,45,000/-. The petitioner's son has to pay the fee to the institution every year by way of three installments, one lakh each for every term.

5.According to the petitioner, he is having source to make the payment only to the tune of total Rs.9,45,000/-. Therefore, he wanted the educational loan for the remaining amount of Rs.4 lakhs. Consequently he approached the second respondent for extending such educational loan. After considering the petitioner's request, the second respondent bank issued the impugned communication directing the petitioner to provide source of income to pay the balance of Rs.9,45,000/- and further directing the petitioner to remit Rs.2.36 lakhs in his account every year so as to release the same to the educational institution through the second respondent bank itself. Aggrieved against the said communication, the petitioner has approached this Court and filed the present writ petition.

6.Mr.D.Sivaraman, learned counsel for the petitioner submitted that it is not for the second respondent bank to direct the petitioner to deposit the sum of Rs.2.36 lakhs every year so as to pay the same to the educational institution through the bank, when the petitioner himself would make his own arrangements and pay such fee to the institution. Therefore, he contended that when the petitioner sought for educational loan of Rs.4 lakhs only, imposing of such onerous condition as set out in the impugned order, is not at all warranted. He further pointed out that for extending the loan of Rs.4 lakhs, the bank is not even required to seek for any security or deposit of any marginal money. Under such circumstances, the learned counsel for the petitioner submitted that the impugned order cannot be sustained.

7.The learned counsel for the respondent/bank submitted that since the total amount payable to the college is Rs.13,45,000/-, in order to ensure that the petitioner would certainly pay such amount to the college, apart from the loan amount of Rs.4 lakhs, bank wanted those particulars, with which, the petitioner cannot find fault with.

8.Upon considering the facts and circumstances of the case and the submissions made by the learned counsel appearing for both sides, this Court is of the view that the condition imposed by the bank, as set out in the impugned order, is not at all warranted. Admittedly, the petitioner has given an undertaking that he would make arrangements for payment of the first and second term fees for every year and the bank has to release the loan only in respect of the third term fee for every year.

9.The amount sought for as educational loan from the respondent bank is Rs.4 lakhs, for which, admittedly no security is needed. When that being the factual position, the respondent bank cannot insist upon the petitioner to deposit the money representating the first and second term fees so as to route the same through bank to the educational institution. Such course of action is totally unwarranted, as the petitioner himself can directly pay the same to the educational institution. Therefore, I find that the impugned order cannot be sustained and accordingly, the same is liable to be set aside. Consequently, the writ petition is allowed and the impugned order is set aside. The respondent bank is directed to consider the application of the petitioner for educational loan of Rs.4 lakhs and disburse the same as follows:-

"The respondent bank shall pay a sum of Rs.1 lakh every year towards the third term fees subject to the condition that the petitioner should furnish the proof of paying the first and second term fees for each year. The first payment shall be made by the respondent bank before the end of February, 2017." No costs.

Sd/-
Assistant Registrar (Records)

/True Copy/

Sub Assistant Registrar

To

1.The Chief Manager,
Specialised Mortgage Store,
Bank of Baroda,
Ponmeni, Madurai.

2.The Branch Manager,
Bank of Baroda,
Kovilpatti Branch,
27-1, Ettayapuram Road,
Kovilpatti – 628 501,
Tuticorin District.

+1 cc to Mr. B.SIVARAMAN, Advocate, Sr.No:6976

+1 cc to Mr. B.RAJESH SARAVANAN, Advocate, Sr.No:7157

MAS/RSK/SAR3:13.02.2017:3P/5C

W.P.(MD)No.1980 of 2017
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