



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 26.10.2016

CORAM:

THE HONOURABLE Mr.JUSTICE V.BHARATHIDASAN

W.P. (MD) No.14568 of 2016

P.Rama Deepak

...Petitioner

Vs.

1.The District Collector,
Tirunelveli.

2.The Branch Manager,
Tamil Nadu Mercantile Bank,
Panagudi Branch,
27/13, Main Road I Floor,
Panagudi,
Tirunelveli District.

...Respondents

Prayer: The petition is filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records of the 2nd respondent dated 02.07.2016 and quash the same and consequently, direct the 2nd respondent to sanction the educational loan to the petitioner to pursue MBBS course accepting the collateral security offered by the petitioner and without insisting to offer purely non agricultural land.

For Petitioner : Mr.H.Arumugam

For Respondents : Mr.N.S.Karthikeyan, AGP for R1
Mr.V.Karthikeyan for R2

O R D E R

This Writ petition has been filed to quash the order dated 02.07.2016 passed by the 2nd respondent and consequently, direct the 2nd respondent to sanction the educational loan to the petitioner to pursue M.B.B.S. course by accepting the collateral security offered by the petitioner, without insisting to offer non agricultural land.

2.Heard the learned counsel for the petitioner, learned Additional Government Pleader for the 1st respondent and the learned counsel for the 2nd respondent.

3.According to the petitioner, after completing his Higher Secondary Course in the year 2014, he got admission in the School of Medicine Shihezi University at China and he has applied for



educational loan before the 2nd respondent to the tune of Rs.12 lakhs by offering collateral security of his agricultural land in Survey No.510/1 B & 1D to an extent 47.5 cents. But, the 2nd respondent by order dated 02.07.2016 returning the proposal, stating that the petitioner offered an agricultural land as collateral security and the 2nd respondent instructed the petitioner to offer 100% non agricultural property as collateral security. Challenging the above said order, the present Writ petition is filed.

4.The 2nd respondent filed a counter affidavit, stating that the collateral security offered by the petitioner is only an agricultural land and hence, it is not acceptable by the Bank, hence, the 2nd respondent directed the petitioner to give collateral security of 100% tangible non agricultural property.

5.The learned standing counsel appearing for the 2nd respondent / Bank submitted that even as per the Indian Banker's Association Model Educational Loan Scheme for Pursuing Higher Education in India and Abroad, for availing loan amount above Rs.7.5 lakhs, parents of the candidate have to be joined as borrowers along with suitable value of property (100% tangible collateral security) acceptable to the Bank and also with an assignment for future income of the student for repayment of the loan.

6.On 24.10.2016, when the matter was taken up for hearing, the learned counsel for the 2nd respondent submitted that the value of the property, which is offered by the petitioner, is not worth to the value of the loan. Hence, this Court directed the 2nd respondent to value the property and file a report. Accordingly, the 2nd respondent filed a valuation report, issued by a Registered Valuer, wherein the exact market value of the property was assessed as Rs.19,80,000/- and forced sale value was assessed as Rs.15,84,000/-. As per the report, the valuation of the property is over and above the loan amount.

7.As there is no bar for accepting the agricultural property of the petitioner as collateral security and nowhere it is stated in said Scheme that agricultural land cannot be accepted as security. In the above circumstances, the order passed by the 2nd respondent dated 02.07.2016 is set aside and the 2nd respondent is directed to consider the petitioner's application and accept the security offered by the petitioner for granting educational loan if otherwise the loan application is in order. Apart from this, the petitioner is directed to produce the documentary evidence showing that the petitioner is studying in the above said University.



8. The 2nd respondent Bank shall complete the above said exercise within a period of 4 weeks from the date of receipt of the application of the petitioner. The Writ petition is disposed of accordingly. No costs.

WEB COPY

/True copy/

Sd/-

Assistant Registrar (CS-II)

Sub Assistant Registrar

To

1. The District Collector,
Tirunelveli.

2. The Branch Manager,
Tamil Nadu Mercantile Bank,
Panagudi Branch,
27/13, Main Road I Floor,
Panagudi, Tirunelveli District.

+1 CC to Mr. H. ARUMUGAM, Advocate, SR No. 64660

W.P. (MD) No. 14568 of 2016
26.10.2016

nbj

SH/DB/SAR-2:12.12.2016:3P/4C