IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.06.2018

CORAM:

THE HONOURABLE MR. JUSTICE S.VAIDYANATHAN

WRIT PETITION No.4963 OF 2018

S.Naveen ...Petitioner

Vs.

1. The Branch Manager,
Indian Bank,
Arni Branch,
Thiruvannamalai District.

2. The Chief General Manager,
Indian Bank Head Quarters,
Chennai 600 001.

3. The Principal,
Sri Sai Ram Siddha Medical College & Research Centre,
Sai Leo Nagar,
West Tambaram,
Chennai 600 045. ..Respondents

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of Certiorarified Mandamus, to call for the records of the order passed by the 1st Respondent Branch Manager in order dated 18.10.2016, quash the same and to direct the 1st Respondent to sanction educational loan as sought in the Petitioner's Application within the stipulated time.

For Petitioner : Mr.P.Paramasiva Doss

For Respondents 1 & 2 : Ms.S.R.Sumathy

For 3rd Respondent : Not Reddy

O R D E R

Seeking to quash the order dated 18.10.2016 passed by the 1st Respondent/Branch Manager, Indian Bank, Arni Branch and for a consequential direction to the 1st Respondent, to sanction education loan as sought in his Application, the Petitioner has come up with the present Writ Petition.

2. According to the Petitioner, she secured 1017 marks in the Higher Secondary Examination conducted by the State Board of Tamil Nadu for the academic year, 2014-2015. He joined Bachelor of Siddha Medicine and Surgery in the 3rd Respondent College/Sri Sai Ram Siddha Medical College & Research Centre, on allotment of seats made by the Selection Committee, Director of Indian Medicine & Homeopathy Medical Science, Government of Tamil Nadu.

3. It is stated by the Petitioner that he was able to pay Tuition Fees by taking hand loans from known sources and for further payment of Tuition Fees, he made an application to the 1st Respondent/Branch Manager, Indian Bank, Arni Branch, Tiruvannamalai District, with supporting documents and the Bank received his application on 28.03.2016. On 18.10.2016, the Petitioner was informed by the 1st Respondent that his application is rejected on the ground that the 3rd Respondent/College was not maintaining placement records of its outgoing students. It is the case of the Petitioner that if production of placement record is a pre-condition for granting student loan, then, it would defeat the purpose of granting education loan.

4. Learned counsel for the Petitioner contended that the reason assigned by the 1st Respondent/Bank that "No placement records furnished from the College" cannot be a ground to reject the Petitioner's loan application. He went on to contend that the procedure for grant of loan by the 1st Respondent/Bank requires production of necessary documents, which the Petitioner has produced and there cannot be any subsequent records that will be available with the student. Learned counsel for the Petitioner submitted that the Petitioner is a bright student and if education loan is denied to him, his education would be at stake.

5. Learned counsel appearing for Respondents 1 and 2 submitted that no document has been furnished by the Petitioner for sanctioning education loan, much less the Admission letter and Bonafide Student Certificate from the College/University. Hence, the Respondent/Bank was right in rejecting the request of the Petitioner. He further submitted that the Petitioner has failed to furnish the subsequent records as required by the Bank.

6. Heard the learned counsel on either side and perused the material documents available on record.

7. It is not in dispute that the Petitioner secured 1017 marks. According to the Petitioner, he has produced all the records required by the 1st Respondent/Bank. However, the 1st Respondent/Bank has rejected the education loan of the Petitioner on the ground that "No Placement records are furnished from the College". On investigation, it is learnt that the Petitioner is not pursuing his studies with Sai Ram Siddha Medical College, Tambaram, Chennai and his educational records were not produced before this Court for scrutiny.

8. A reading of the counter would make it clear that education loan of the Petitioner has been rejected only on the ground that no subsequent records have been furnished by the College and that cannot be a ground for rejection. If the Petitioner is able to produce the documents required by the 1st Respondent/Bank, then, loan ought to have been granted to him naturally.

9. This Court in the case of M.Chandru vs. General Manager, State Bank of India, reported in 2017 (6) CTC 719 has held that the attitude of the Bank only shows their pedantic approach instead of looking into the issue in a pragmatic manner, more particularly, when the issue involved is in respect of education loan sought by a poor student. This Court further held that financial Institutions should lend a helping hand to the needy students without finding some technical objections to reject the request for Education loan.

10. I had an occasion to consider the grant of education loan in the case of A.Deepika vs. The Branch Manager, State Bank of India, Vedharanyam Taluk in W.P.No.1661 of 2018, by an order dated 06.06.2018, whereby, the Petitioner's request was rejected for the reason that her father was a defaulter. For better understanding, relevant portion of the said judgment is extracted hereunder:

> "9. That apart, by an order dated 21.07.2017 in W.P.No.7516 of 2016, I have held that in view of Model Educational Loan Scheme for pursuing Higher Education in India and Abroad, fixation of 60% of marks as eligibility for education loan by the Bank, cannot be faulted with.
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> 10. Banks/Financial Institutions are giving loan to several persons under various political pressures and ultimately public money is being misappropriated and defaulters

flee from the country. Innocent employees, who are forced to sign the loan grant are ultimately taken to task. Whether the loan amount is small or huge, it needs to be recovered from the defaulters. Rather running behind the defaulters, a loan can better be rejected at the threshold by identifying a person's credentials. In this case, the Bank has rightly done so, as the petitioner's father has defaulted in paying serveral loans.

11. Hence, I find that except the reason that nursing course does not come under IBA guidelines, all other reasons are found to be sound and the petitioner is not entitled for the loan under the Model Educational Loan Scheme. Accordingly, the Writ Petition Stands dismissed. No costs."

11. In the case on hand, the Petitioner is a bright student and the co-obligation of his parents is sound to ensure repayment of loan in terms of the revised IBA Model Educational Loan Scheme, 2015. Hence, this Court is of the view that if the Petitioner fulfills the guidelines stipulated by the 1st Respondent/Bank, his request shall be considered by the Bank.

12. It is very unfortunate that the future of the student is at stake, due to the flimsy reasons given by the Respondent/Bank. Though cost of Rs.1,00,000/- should have been imposed on the officials, who have rejected the loan, which shall be recovered from their personal funds, taking note of the fact that henceforth, the Bank would act in terms of the aforesaid revised IBA Model Educational Loan Scheme, 2015, costs are not imposed.

The Writ Petition is disposed of with the above direction and observation. No costs. Consequently, connected W.M.P.Nos.6115 and 6116 of 2018 are closed.

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

(aeb)
To:

1. The Branch Manager,
   Indian Bank, Arni Branch,
   Thiruvannamalai District.

2. The Chief General Manager,
   Indian Bank Head Quarters,
   Chennai 600 001.

+1cc to Mr.P.Paramasiva Doss, Advocate Sr.41516
+1cc to Mr.S.R.Sumathy, Advocate Sr.40601

W.P.No.4963 of 2018

gj ii[co]
srg 06/07/2018