BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
DATED: 08.10.2018
CORAM:
THE HONOURABLE MR.JUSTICE V.PARTHIBAN
W.P.(MD) No.16700 of 2018

G.Muthumeena ... Petitioner

vs.

The Manager,
Bank of India,
No.105/B, Jaihindpuram 2nd Main Road,
Madurai 625 011. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of writ of Mandamus directing the respondent to grant and disburse education loan to the petitioner within the time stipulated by this Court.

For Petitioner : Mr.S.Vinodh
For Respondent : Mr.Pala Ramasamy

ORDER

The petitioner's husband was working as Junior Assistant in ITI, K.Pudur, Madurai. Unfortunately, while he was in service, he died on 29.06.2004 and after his death, the petitioner has become the sole breadwinner of the family. The petitioner has three daughters. The first daughter had been married and the second daughter is studying Lab Technician course and the third daughter is studying 2nd year B.Tech in Sethu Institute of Technology, Kariapatti, Virudhunagar District. Although the writ petitioner had been in receipt of family pension on the death of her husband, the said pension amount was not sufficient enough to fund the professional education undergoing by the third daughter viz., Ms.G.Atchaya. In the above circumstances, during the year 2017, she approached the respondent bank for grant of educational loan for her daughter to pursue B.Tech course under the management quota in the above said institution. In higher secondary examination, the petitioner's third daughter had secured 949 marks. Although a due application was made in the year 2017 itself to the respondent bank, the application had not been processed nor the loan had been sanctioned and the petitioner had somehow managed to pay the fees for the first year. Originally, the loan sought by the petitioner was to the tune of Rs.4,25,300/- representing the total fees structure in respect of the course to be undergone by the petitioner's daughter. In view of the payment of the fees for the first year, the present required amount is to the tune of Rs.3,22,800/-. However the bank instead of responding to the request of the petitioner, has been dragging its feet and has not sanctioned the loan as requested by the petitioner and therefore, the petitioner is before this Court for issuance of a writ of mandamus.

2. In response to the notice issued by this Court, Mr.Pala Ramasamy, learned Counsel entered appearance and filed a counter affidavit. In the counter affidavit, it is stated that the loan could not be sanctioned to the petitioner's daughter for the following reasons:



"(i) The petitioner's daughter has not submitted all the required documents.

(ii) The petitioner's daughter has not obtained admission to her Professional Course through common entrance test. Hence, it cannot be considered as merit based.

(iii) The petitioner's daughter has got admission through Management Quota not under the revision of convenience (Proximity) or choice of the course."

3. Moreover according to the respondent, as per the guidelines for grant of educational loan, the petitioner's daughter was not entitled particularly when she got admission through Management quota. According to the bank, they have certain parameters for sanctioning educational loan to the students like credit worthy of the borrower and employability of the students/employment potential. According to the bank, while applying the said parameters it was found that the petitioner's daughter was not entitled to sanction of educational loan.

4. At this juncture, the learned Counsel appearing for the petitioner would submit that as per the guidelines of Indian Banks Association(IBA) in respect of grant of model educational loan, upto Rs.4,00,000/-, no security is insisted upon. Although the original claim of the petitioner towards educational loan was little over Rs.4,00,000/-, now the first year fees has been paid by the petitioner herself with great difficulty and the amount remains to be paid is Rs.3,22,800/-, for which no security is required at all under the guidelines issued by IBA.

5. The learned Counsel appearing for the respondent bank would submit that the petitioner's daughter had obtained seat under the Management quota and therefore, the educational loan was not sanctioned.

6. However, this Court is unable to appreciate the arguments advanced on behalf of the respondent bank. It is immaterial to see as to whether the candidate obtained the seat through the common entrance test or management quota. What is to be seen is ultimately a degree which is to be obtained by the candidate concerned and the employment potentiality of the said degree. In any case, as per the Indian Bank Association guidelines, no security is insisted upon for the educational loan upto Rs.4,00,000/-. Once the guidelines prescribe no security to be insisted upon for the educational loan upto Rs.4,00,000/-, the respondent bank cannot refuse to grant such loan to the petitioner's daughter under one pretext or the other.



7. Moreover, it has to be seen that the petitioner's daughter

has managed to complete the first year and fees has also been paid to the college by the petitioner. Unless the educational loan is sanctioned by the respondent bank, the petitioner and her daughter would be put to irreparable loss and hardship which cannot be compensated in future. Moreover this Court has to see that the model educational loan scheme has to be implemented in its letter and spirit in order to help the deserving students to realize their dream in pursuing higher studies and to advance their career prospects. The bank should take social responsibility for helping the poor students to realize their dreams. Until the banks extend their helping hand to make the students from the poorer background towards achieving their educational aspiration, it would be impossible for the students from poorer background to go after their ambition. The nationalized banks, like the respondent bank, have higher social responsibility in extending succour to such students and to help them to pursue their higher education. No doubt, this Court is conscious of the fact that the educational loan is being distributed from the public money that is invested in the banks, at the same time this Court is of the view that deserving students cannot be denied educational loan on the basis of certain technical reasons which do not advance the cause of the model educational loan scheme envisaged by the Government of India.

8. For the above said reasons, this Court is of the considered view that the petitioner's daughter is a deserving student after having secured high marks of 949 in Higher Secondary education and therefore, the entire educational loan for completing her B.Tech course in Sethu Institute of Technology, Kariapatti, Virudhunagar District has to be granted. Consequently, there shall be a direction to the respondent bank to sanction the educational loan to the tune of Rs.3,22,800/-(Rupees Three Lakhs Twenty Two Thousand and eight hundred only) to the petitioner's daughter without insisting upon any security in terms of Indian Banks Association guidelines within a period of two weeks from the date of receipt of a copy of this order. The petitioner is also directed to submit all the necessary documents as required by the bank.

9. The Writ Petition stands allowed as stated above. No costs.

Sd/-
Assistant Registrar(AS)

/True Copy/

Sub Assistant Registrar(CS-I)

- 1 CC TO Mr.S.Vinodh, ADVOCATE IN SR No.89301.
- + 1 CC TO Mr.Pala Ramasamy , ADVOCATE IN SR No.89363.
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