IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 08.01.2019

CORAM

THE HONOURABLE MR.JUSTICE D.KRISHNAKUMAR

W.P.No.8004 of 2011

A.Tamilvanan .. Petitioner

vs.

1.The District Manager,
Tamil Nadu Adi Dravidar Housing
And Development Corporation Limited,
Nagapattinam Dist.

2.The Branch Manager,
State Bank of India,
Thiruvenkadu Branch,
Nagapattinam District. .. Respondents

Prayer.: Writ petition filed under Article 226 of the Constitution of India praying to issue a writ of Certiorarified Mandamus to call for the records from the 2nd respondent pertaining to the impugned rejection order dated 27.05.2011 and quash the same and consequently to direct the 2nd respondent to provide Loan to the petitioner for purchasing of TATA-Victa.

(Prayer Amended as per order dated 30.08.2011 made in M.P.No.1 of 2011 in W.P.No.8004 of 2011)

For Petitioner : Mr.P.Vijendran
For R1 : No Appearance
For R2 : Mr.C.Mohan for M/s.King Patridge



O R D E R

This writ petition has filed by the petitioner praying to issue a writ of Certiorarified Mandamus to call for the records from the 2nd respondent pertaining to the impugned rejection order dated 27.05.2011 and quash the same and consequently to direct the 2nd respondent to provide Loan to the petitioner for purchasing of TATA-Victa.

2. According to the learned counsel for the petitioner, the petitioner has given an application to the second respondent to purchase the vehicle viz., TATA-Victa under the subsidy scheme. Therefore, the first respondent to sanction the subside amount Rs.25,000/- and he was recommended to the 2nd respondent- Bank to avail the loan for purchasing the vehicle.

3. It is further submitted that the petitioner had approached the second respondent and he abused the petitioner. The petitioner sent the representation through RPAD to the Assistant General Manager, SBI dated 23.02.2011. The petitioner has fulfilled all the requirements and formalities. But, the 2nd respondent did not sanction the loan amount to the petitioner for purchasing the vehicle. Hence, the petitioner has filed the present writ petition before this Court.

4. The second respondent has filed the counter affidavit, in which, it is stated that the enquiry revealed that the petitioner was a partner in a hotel and doing construction work and hence, the loan application was rejected. The petitioner failed to provide adequate collateral security and was also suppressed his business and construction work and he furnished the income certificate as if he was an agricultural coolie. For the aforesaid reasons, the said application was not considered to sanction the loan to the petitioner.

5. The learned counsel for the second respondent has relied upon the decision of this Court reported in Manupatra/TN/10782012 in the case of A.Kasinathan vs. Branch Manager, Canara Bank, at para No.21 of the Judgment, which reads as follows:

> " Banks should follow the fell known principles of sound lending, (i) safety - the foremost principle of sound lending is to ensure the safety of the funds lent. While lending money, the Banks must carefully consider the chance of its being repaid by the borrower along with interest; and (ii)
>
> Profitability - Commercial Banks are profit-earning institutions; and nationalized banks are no exception to this. They must employ their funds profitably so as to earn sufficient income out of which the banker is to pay interest to the depositors, salaries to the staff and to meet various other establishment expenses and distribute dividends to the shareholders. The rates of interest charged by bankers primarily

depend on the directions issued by the Reserve Bank of India.

6. The learned counsel for the second respondent has also further submitted that the said application was submitted in the year 2011 for sanctioning the loan. Now the petitioner can approach the concerned authority to make his application to sanction the loan amount to him. If otherwise, the petitioner is eligible, the same shall be considered independently, as per prevailing rules.

7. Considering the submissions made by the learned counsel for both sides, the writ petition is disposed of with liberty to the petitioner, to make fresh application to the second respondent to sanction the loan for purchasing the vehicle. On such application being made, the second respondent shall consider the same in accordance with prevailing norms and rules independently, without taking note of the earlier report submitted by the Branch Manager of the second respondent- Bank.

8. The writ petition is disposed of with the above direction. No costs.

Sd/-
Assistant Registrar(CS V)

//True Copy//

Sub Assistant Registrar

kkd

To

1.The District Manager,
Tamil Nadu Adi Dravidar Housing
And Development Corporation Limited,
Nagapattinam Dist.

2.The Branch Manager,
State Bank of India,
Thiruvenkadu Branch, Nagapattinam District.

+1 cc to Mr.P.Vijendran, Advocate Sr.No.2019
+1 cc to Mr.King & Patridge, Advocate Sr.No.1994

W.P.No.8004 of 2011

EV(CO)
CSL/03.04.2019