IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 14.02.2019

CORAM

THE HONOURABLE Mrs. JUSTICE PUSHPA SATHYANARAYANA

W.P.No.44640 of 2016
and W.M.P.No.38435 of 2016

G.Kalaivani ... Petitioner

Vs

1.The Deputy Zonal Manager,
Zonal Office, (Educational Loan Dept.,)
Indian Bank,
Tiruvannamalai - 606 601

2.The Branch Manager,
Indian Bank,
Chengam Branch,
Tiruvannamalai District. ... Respondents

Prayer : Writ petition filed under Article 226 of the constitution of India praying for the issuance of Writ of Certiorarified Mandamus calling for the records of the 1st Respondent and quash the Impugned letter dated 05.08.2016 under Reference No. ZO/T.V.MALAI/EDU/2016-17 passed by the 1st Respondent as the same is perverse, arbitrary, illegal , untenable, smacks of malafide and colourable exercise of power and consequently directing the Respondents 1 and 2 to consider the Petitioners Educational Loan Application dated 11-07-2016 for pursuing B.Sc., nursing course in the Institution namely Noorie College of Nursing Andersonpet KGF 563 113, Kolar District, Krnataka, forthwith and pass such further or other orders as this court may deem fit and proper under the circumstances of the case and thus render justice.

For Petitioner : Mr.A.Vimal Raj for Mr. L.K.Manjunath

For Respondents : Mr.Mohammed Fayaz Ali

ORDER

The petitioner has come up with the above writ petition seeking for the relief of Certiorarified Mandamus calling for the records of the first respondent and to quash the impugned letter dated 05.08.2016 declining the educational loan proposal of the petitioner on the ground of not securing minimum percentage marks as prescribed for educational loan under Non-IBA scheme and also that the educational institution did not have satisfactory placement facility.

2.The case of the petitioner is as follows :

2.1. The petitioner, who has obtained 59.67% of marks in 12th standard, has joined B.Sc Nursing course at Noorie College of Nursing, Kolar, Karnataka under the management quota for the academic year 2014-15. Claimed to have come from a poor family, the petitioner has sought for education loan from the second respondent bank vide application dated 01.07.2016. The total fees payable to the said course is Rs.3,21,000/-. However, there is no response to the same from the second respondent Bank.

2.2. The petitioner came to know that by the impugned letter dated 05.08.2016 under Reference No.ZO/T.V.MALAI/EDU/2016-17 sent by the first respondent, the Deputy Zonal Manager, Indian Bank, to the second respondent, the Branch Manager Indian Bank, the loan application of the petitioner was declined stating that the petitioner has not secured minimum of 60% of marks for considering Educational Loan under NON-IBA scheme and also the placement facility offered by the college is very low.

2.3. Aggrieved by the same, the petitioner is before this court in this Writ petition.

3. Heard the submissions from both the sides.

4. The counsel for the respondents submits that the Non-IBA scheme was introduced on 10.10.2011 to provide alternate opportunity to the aspiring students, who secured admission under the management quota to pursue their Education. The eligibility criteria for applying for an education loan under the Non-IBA scheme are as follows :

1.ELIGIBILITY CRITERIA

Students/Course Eligibility

- The student should be an Indian national.
- Students who secured admission under 'Management Quota'
- Students who secured minimum 60% marks or equivalent grade in the qualifying examination.

- Students pursuing job oriented courses which are neither a degree or diploma
- Courses not considered under IBA scheme irrespective of basis of admission
- Studies abroad not covered under IBA educational loan scheme
- Any course with assured placement (not covered under IBA scheme)
- Entry level scoring should not be less than “BBB”.

5. The learned counsel for the respondents contended that the applicant/petitioner should have scored 60% in the qualifying examination and since she has not scored the requisite marks, she is ineligible for educational loan and the scheme framed by the IBA cannot be relaxed or violated and accordingly the loan application was rejected. In support of his contentions, the learned Counsel for the respondents placed reliance on the order of a Division Bench of this Court reported in 2012 (1) CTC 582 A.Kasinathan Vs. The Branch Manager, Canara Bank, Madurai, wherein, it was held that the guidelines issued by the IBA stipulating 60% marks for the students, who secured admission under "Management Quota" are not subject to judicial review, so long as the guidelines are within the zone of reasonableness.

6. A similar question as to whether the respondents are justified in prescribing such eligibility criteria fixing minimum marks for extending the education loan came up for consideration before another Division Bench of this Court in the case of The Branch Manager, Indian Overseas Bank Vs. A.Ravi, reported in 2014 (4) CTC 363, wherein, it was held as follows :

> “5. The issue as to whether a person admitted in the Management Quota, is eligible to get education loan, has already been settled by the announcement of the Union Finance Minister. It was stated therein that the students admitted in Management quota also entitled to get the education loan and all the banks were directed to adopt the said policy. A Review Meeting with the Chief Executives of the Public Sector Banks was conducted on 27.9.2012 and a decision was taken stating that the Honorable Minister brought out a number of areas in the implementation of Educational Loan Scheme, where the Government was constantly receiving grievances/ Complaints from affected students/parents. One of the grievance was that the meritorious students admitted under the management quota are denied Education Loan. The said position of was reviewed at the level of the Committee on Education Loan Scheme and thereafter the Management

Committee at its meeting held on 27.9.2012, based on the discussions took a decision and it was resolved that the managing committee considered the recommendation made by the IBA Committee on Educational Loan Scheme and after detailed discussions decided to incorporate a provision for financing meritorious students who pursue courses under management quota in an institution for a reason of convenience or choice of course.

6….. in the guidelines framed in the review meeting held on 27.9.2012 nowhere it is stated that education loan can be sanctioned only for those who have secured 60% and more marks.

7.In the light of the revised policy evolved in the review meeting held on 27.09.2012 at the instance of Honourable Finance Minister, Government of India we are unable to find any reason to interfere with the order of the learned single judge dated 02.06.2013 in allowing the writ petition."

7. It has been clarified that the guidelines provide only broad framework and though the prescription of 60% marks in the qualifying examination cannot be faulted with, in the present case the petitioner has secured admission under the 'Management Quota' with almost 60% (59.67%) and she cannot said to be ineligible for educational loan. It is also unfortunate that by now the petitioner would have almost completed the said course, but for the sufferings she had gone through, she cannot be denied of the Loan amount so as to remove the financial burden already placed upon her.

8. In the result, there shall be a direction to the second respondent to consider the petitioner's application forthwith and disburse the loan amount sought for by the petitioner. It is needless to mention that the requisite conditions stipulated by the bank are otherwise fulfilled. The said exercise shall be completed within a period of two weeks from the date of receipt of a copy of this order.

9. Accordingly, the Writ Petition is disposed of. There shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

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Sd/-
Assistant Registrar(CS IV)

//True Copy//

Sub Assistant Registrar

To

1. The Deputy Zonal Manager,
Zonal Office, (Educational Loan Dept.,)
Indian Bank, Tiruvannamalai - 606 601.

2. The Branch Manager,
Indian Bank,
Chengam Branch,
Tiruvannamalai District.

+1cc to Mr.Mohammed Fayaz Ali, Advocate, S.R.No.13331
+1cc to Mr.L.K.Manjunath, Advocate, S.R.No.14402

W.P.No.44640 of 2016

RR-CO
Kak(23/03/2019)