



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
DATED: 22.04.2019

CORAM:

THE HONOURABLE MR.JUSTICE **G.R.SWAMINATHAN**

W.P. (MD) No.6935 of 2019

S.Ayisha

... Petitioner

Vs

1.The Registrar of Co-operative Societies,
170, Periyar E.V.R.High Road,
Chennai- 600 010.

2.The Managing Director,
Virudhunagar District Central Co-operative Bank Ltd.,
Arupukkottai Branch
Arupukkottai, Viruthunagar District.

3.The Branch Manager,
Viruthunagar District Central Co-operative bank Ltd.,
Arupukottai Branch, Arupukkottai
Viruthunagar District.

... Respondents

PRAYER: Petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus to direct the respondent to process the petitioner's application for educational loan to the tune of Rs.6,00,000/- in pursuant to the communication issued by the third respondent in his proceedings Nil dated 10.08.2018 without insisting for the collateral security in conformity with the proceedings issued by the first respondent vide his proceedings R.C.No.85645/2010 UB.2, dated 02.07.2010.

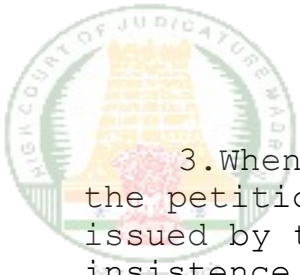
For Petitioner : Mr.Mohamed Imran
for M/s.Ajmal Associates

For R2 : Mr.D.Shanmugha Raja Sethupathi

ORDER

Heard the learned counsel on either side.

2.The writ petitioner is a woman belonging to BC Muslim Category. She is studying in second year of B.Arch., at Chennai. She had approached the second respondent bank for grant of Educational Loan to the tune of Rs.6 Lakhs. The second respondent bank called upon the petitioner to offer collateral security for disbursing the said loan amount. Aggrieved by the said stand of the bank this writ petition has been filed.



3. When the matter came up for hearing, the learned counsel for the petitioner placed reliance on the communication dated 02.07.2010 issued by the Registrar of Co-operative Societies and contended that insistence of collateral security is not justified.

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4. I am of the view that these non-statutory circulars cannot be enforced in writ proceedings. However, it is seen that as per G.O.Ms.No.14, Backward classes, Most Backward Classes and Minorities Welfare (MWRU) Department dated 22.02.2008, an applicant is entitled to get loan to the tune of Rs.2.5 Lakhs without furnishing collateral security but by offering personal security of a permanent employee working in Government/ PSU/ Bank/ Autonomous Bodies". The petitioner is willing to offer such a personal surety.

5. Therefore, this Court directs the second and third respondents to disburse the sum of Rs.2,50,000/- (Rupees Two Lakhs Fifty Thousand only) to the petitioner on the petitioner offering such a personal surety. Ofcourse, the entire amount cannot be disbursed in one lumpsum. The amount can be disbursed in five installments. The petitioner has already completed one year.

6. Considering the special facts and circumstances obtaining in this case, the respondent bank is directed to pay a sum of Rs.1,50,000/- covering first, second and third years. The learned counsel for the petitioner submits that the petitioner is in dire straits and that the petitioner may even be thrown out from the course, if the sum of Rs.1.5 Lakhs is not given immediately.

7. Therefore, the bank shall disburse a sum of Rs.1,50,000/- (Rupees One Lakh fifty thousand only) forthwith and within a period of four weeks from the date of receipt of a copy of this order to the petitioner, towards the first, second and third year of the petitioner's academic course. The balance amount of Rs.1,00,000/- (Rupees One Lakh only) will be disbursed to the petitioner for the fourth and fifth year in two installments.

8. Accordingly, this writ petition is allowed on these terms. No costs.

Sd/-

Assistant Registrar ()

// True Copy //

Sub Assistant Registrar()



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To

1.The Registrar of Co-operative Societies,
170, Periyar E.V.R.High Road,
Chennai- 600 010.

2.The Managing Director,
Virudhunagar District Central Co-operative Bank Ltd.,
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Arupukkottai, Viruthunagar District.

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Viruthunagar District Central Co-operative bank Ltd.,
Arupukottai Branch, Arupukkottai
Viruthunagar District.

+1. C.C. To Mr.D.Shanmugaraja Raja Sethupathi Advocate SR.No.61596

+1. C.C. To M/S.Ajmal Associated Advocate SR.No.61831

+1. C.C. To Special Government Pleader SR.No.61778

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SP/SAR-4/23.04.2019/3P/7C