IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.04.2023

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P. No.210 of 2020
and
W.M.P. No.240 of 2020

M.Theyaneswaran ... Petitioner

Vs

1. The Chief Manager,
M/s.State Bank of India,
Old Bangalore Road Branch,
M.M.Reddy Complex,
Old Bangalore Road,
Hosur – 635 109,
Krishnagiri District.

2. The Managing Director,
Transunion Cibil Ltd.,
One Indiabulls Centre,
Tower 2A-2B, 19th Floor,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013.
* Impleaded vide order dt. 5.8.2022 made in
made in W.M.P. No.22119 of 2020 ... Respondents

Writ Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorarified Mandamus, calling for the relating to the impugned proceedings dated 12.12.2019 passed in No.AGM:R4:COMPL:

on the file of the respondent herein, quash the same and consequently direct the respondent herein to sanction the educational loan of Rs.4,85,950/- under SBI student Loan Scheme to the petitioner for pursuing his MBBS course.

For Petitioner	: Mr.T. Govi Ganesan
For Respondents	: Mr.M.Karthikeyan for R1 Ms.C. Vidhya for R2

ORDER

This writ petition has been filed challenging the impugned Proceedings dated 12.12.2019 passed by the 1st respondent and to quash the same and consequently direct them to sanction the educational loan of Rs.4,85,950/- to the petitioner for pursuing his M.B.B.S. course.

2. It is the case of the petitioner that he applied for educational loan with the respondent bank for pursuing his M.B.B.S. Course and for which his father has given an undertaking to act as a co-applicant. However, the said application has been rejected by the 1st respondent vide their Proceedings dated 12.12.2019 stating the outstanding prevailing on the petitioner's father home loan account. He further submits that the outstanding lying in the petitioner's father home loan account cannot be

held against the petitioner and therefore, the petitioner is entitled for educational loan. Challenging the said impugned rejection Proceedings, dated 12.12.2019, the petitioner has filed this writ petition with the aforesaid prayer.

3. Learned counsel for the petitioner submits that the petitioner hails from a poor family and secured admission on merit. He also submitted that the petitioner has given an undertaking to the 1st respondent that he will repay the loan without any failure. But, without considering the same, the 1st respondent has rejected the petitioner's application for educational loan, which is unsustainable and illegal. Hence, he sought for quashment of the said proceedings dated 12.12.2019 and for issuance of appropriate directions to the 1st respondent in the above regard. Therefore, he prays for allowing of this writ petition.

4. Learned counsel for the 1st respondent / bank submitted that only based on the Cibil report, the application for educational loan of the petitioner has been rejected. Thus, based on a lower /negative Cibil ratings, which is an indicator of financial position of a person, the respondent could not sanction the said loan to the petitioner. Therefore, the impugned

Proceedings issued by the 1st respondent warrants no interference by this Court. Hence, he prays for dismissal of this writ petition.

5. Ms.C.Vidhya, learned counsel for the 2nd respondent conceded with the submissions made by the learned counsel for the 1st respondent and prays for dismissal of this writ petition.

6. Heard learned counsel on either side and perused the materials placed on record.

7. The facts in the case are not in dispute. Admittedly, the petitioner has applied for educational loan with the 1st respondent bank. Further on perusal of records, it reveals that due to outstanding balance stood on the petitioner's father home loan account, which reflected in the Cibil report, the 1st respondent has rejected the application of the petitioner seeking for sanction of educational loan. Normally,based on the cibil Score, the respondent / bank would be in a position to sanction loan, which is basically to ascertain the financial integrity. From the submissions, it is found that that due to lower / negative ratings in Cibil Score, the 1st respondent could not process the application, which cannot be interfered by this Court. In view of the above, the prayer sought for in this writ petition

cannot be granted.

8. For the aforesaid reasons, this writ petition stands dismissed. However, liberty is granted to the petitioner to work out the remedy in the manner known to law. No costs. Consequently connected miscellaneous petition is closed.

12.04.2023

Index: Yes/ No
Speaking order / Non speaking order
Neutral citation : Yes / No
vsi2

To
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M.DHANDAPANI, J.

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