IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.09.2024

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.9622 of 2024
And
W.M.P.No.10655 of 2024

J.Jeevan Rahul Raja ... Petitioner

Vs.

The Branch Manager
Canara Bank
Selaiyur Branch
Chennai – 600 073. ... Respondent

Prayer:

Petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus directing the respondent to sanction the education loan of Rs.6,40,000/- (Rupees Six Lakh and Forty Thousand) expeditiously.

For Petitioner : Mr.V.J.Arulraj
For Respondent : Mr.Raghunathan
for M/s.T.S.Gopalan & Co.

O R D E R

The petitioner has filed this writ petition seeking issuance of Writ of Mandamus directing the respondent to sanction the education loan of Rs.6,40,000/- (Rupees Six Lakh and Forty Thousand Only) expeditiously.

2.The case of the petitioner is that the petitioner applied for educational loan through online on 09.11.2023 and his application was rejected. Thereafter the petitioner sent a letter undertaking to repay the loan amount to the respondent on 23.01.2024 and since there was no reply, sent a legal notice on 10.02.2024 and since there was no response, has filed this writ petition.

3.The learned counsel appearing for the petitioner submitted that as per the Credit Guarantee Fund Scheme for Education Loans [CGFSEL] introduced by the Human Resource Development (Department of Higher Education) vide Notification dated 16.09.2015, the loan amount applicable is Rs.7.5 Lakhs without any collateral and third party guarantee, however, the respondent forcing the petitioner to provide collateral security is not sustainable and further submitted that this Court may issue direction to the respondent to sanction the education loan of Rs.6,40,000/- (Rupees Six Lakh and Forty Thousand Only) expeditiously.

4.Per contra, the learned counsel appearing for the respondent submitted that the very same Notification makes it clear that 'eligible borrower means new or existing borrower with Indian Nationality who meets eligibility criteria prescribed under IBA Model Educational Loan Scheme for pursuing higher education in India and abroad and executed loan documents with the lending institution to avail education loan. Parents/ guardians will be the co-borrowers/ joint borrowers. In case of a married person, joint borrower can be either spouse or the parent(s)/ parents-in-law.' In the present case, petitioner's father had very bad CIBIL score and hence the respondent insisted the petitioner to produce third party guarantee of the relatives and further submitted that if the petitioner produces any credit worthy third party guarantee, educational loan will be sanctioned to the petitioner.

5.In view of the submission made by the learned counsel appearing for the respondent, this Court directs the petitioner to produce credit worthy third party guarantee before the respondent. If such guarantee is produced by the petitioner, the respondent is directed to consider the request of the petitioner for educational loan and pass appropriate orders, as expeditiously as possible.

M.DHANDAPANI,J.
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6.The writ petition is disposed of. No costs. Consequently, the connected miscellaneous petition is closed.

24.09.2024

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Speaking Order/ Non Speaking Order
Index: Yes/ No
Internet: Yes/ No

To

The Branch Manager
Canara Bank
Selaiyur Branch
Chennai – 600 073.

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