



WEB COPY

WP No.23152 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03-04-2024

CORAM

THE HONOURABLE MR.JUSTICE S.M. SUBRAMANIAM

WP No.23152 of 2023

B.C.Sowmiyashree

.. Petitioner

-VS-

1.The Regional Officer,
Regional Office of Union Bank of India,
No.313A, Annapuram, Gandhi Nagar,
Five Roads Junction,
Salem-636 004.

2.The Branch Manager,
Union Bank of India,
Five Roads Branch 2,
Salem, Santhosh Towers,
75/1, Brindavan Road,
New-Bus Stand,
Salem-636 004.

.. Respondents

Writ Petition is filed under Article 226 of the Constitution of India,
praying for the issuance of a Writ of Mandamus, directing the respondents



to sanction the Education Loan of Rs.1,03,14,000/- (a sum of Rupees One Crore Three Lakhs and Fourteen Thousand only) as per the petitioner's application in Application ID.2000310 dated 20.04.2023.

For Petitioner : Mr.C.Rajaguru

For Respondents : Mr.L.Sri Ram for
M/s.Chennai law Firm

ORDER

The relief sought for in the present writ petition is to direct the respondents to sanction the Education Loan of Rs.1,03,14,000/- (a sum of Rupees One Crore Three Lakhs and Fourteen Thousand only) as per the petitioner's application in Application ID.2000310 dated 20.04.2023.

2. The petitioner secured admission to MBBS Course in VELS Medical College and Hospital, which is a Deemed University. The petitioner submitted an application for Educational Loan, which was not sanctioned. Thus the present writ petition came to be instituted.

3. The learned counsel for the petitioner would submit that the petitioner has offered Collateral Security to respondents, worth of Rs.59



lakhs and despite the fact that the Collateral Security has been given, the Educational Loan has not been sanctioned by the respondents. Thus the present writ petition came to be instituted.

4. The learned counsel appearing on behalf of the respondents submitted the copy of the Master Circular issued for Union Education Scheme. The Circular is binding on the Nationalised Banks. As per the Circular, if the admission is secured through Management Quota, then security requirement would be 150%. Clause 14 of the Master Circular, reads as under:-

“14. Security

14.1. The security norms are as under:

Quantum of loan	Security
Upto Rs.4 lakh	No security is required. However, loan has to compulsorily covered under CGFSEL/CGFSSD
Above Rs.4 lakhs and upto Rs.7.50 lakhs	Suitable third party guarantee acceptable to the bank to be taken OR loan to be covered under CGFSEL.
Above Rs.7.50 lakhs	Tangible collateral security of minimum value equivalent of the loan amount and interest accumulation during course and moratorium period, acceptable to the bank. The property in the name of immediate



Quantum of loan	Security
	family member or any third party can be taken as security, provided the property owner(s) join in as co-applicant(s) or offer their personal guarantee. Residual age of the property must be 5 years more than the (course + moratorium + repayment tenure) put together. Note: If the admission is secured through management quota, then security requirement would be 150%.

5. In view of the Master Circular, the application submitted by the petitioner has not been considered.

6. The learned counsel for the petitioner would submit that the bank may consider and grant eligible Educational Loan, based on the Collateral Security provided by the petitioner.

7. In this context, the respondent-Bank shall verify the document produced by the petitioner and the eligible Educational Loan amount may be sanctioned, enabling the petitioner to utilise the same for her educational purposes.



8. It is made clear that the condition stipulated in the Master Circular, is to be scrupulously followed and the case of the petitioner is directed to be considered, based on the eligibility and in accordance with the Master Circular - Union Education Scheme. The said exercise is directed to be completed, within a period of six weeks from the date of receipt of a copy of this order.

9. With the above directions, the present writ petition stands disposed of. However, there shall be no order as to costs.

03-04-2024

Index : Yes/No
Internet: Yes/No
Speaking order/Non-Speaking order
Neutral Citation : Yes/No
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S.M.SUBRAMANIAM, J.

Svn

To

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