IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13.08.2025

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THE HONOURABLE MR. JUSTICE C. KUMARAPPAN

Writ Petition No.9063 of 2024

K.Anbuselvi ... Petitioner

..Vs..

1.The Manager,
Indian Bank,
Sillarahalli Branch,
Pappireddy Taluk,
Dharmapuri District.

2.The General Manager,
Indian Bank,
No.254-260, Avvai Shanmugam Salai,
Pudupet, Gopalapuram,
Chennai-14.

3.The Principal,
Padmavathi College of Pharmacy,
Periyanahalli, Karimangalam Taluk,
Dharmapuri District. ... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a writ of Certiorarified Mandamus, to call for the records relating to the impugned order passed by the 1st respondent dated 06.12.2023 rejecting the petitioner's educational loan application dated 01.05.2022 (Application E.D.No:1568657) for sanction of educational loan of Rs.5,16,000/- for the academic year 2023-2026 payable to the 3rd respondent college, quash the same and issue consequential direction to the respondents 1 and 2 herein to sanction educational loan within a limited time frame.

For Petitioner : Ms.T.Malar Magal
For Mr.R.Thamaraiselvan

For Respondents : No appearance

ORDER

The present writ petition has been filed challenging the impugned order dated 06.12.2023 passed by the first respondent.

2. It is the specific contention of the petitioner that she is currently pursuing her third-year B.Pharm degree at the third respondent's college. The learned counsel for the petitioner submits that the petitioner belongs to the Scheduled Caste community and comes from an economically disadvantaged background, with her father earning only Rs.72,000/- per annum as a daily wage labourer. It is further submitted that the petitioner hails from a very poor and downtrodden family. Having secured admission to the B.Pharm course at the third respondent's institution, the petitioner applied for an educational loan of Rs.7,03,000/- from Indian Bank. However, her loan application was rejected solely on the ground that her father does not have a Credit Investigation Bureau of India Limited (CIBIL) report. It is also

pointed out that, as per the Indian Banks' Association's Model Education Loan Scheme for pursuing Higher Education in India and Abroad, 2015 (as amended in 2016) the primary factors to be considered are the student's employability and future earning potential, and not the CIBIL score of the student's parent. Hence, prayed to interfere with the same.

3. In spite of one M/s.Hemalatha Suresh, name printed as counsel for the first and second respondents, no one is representing for the respondents on 12.08.2025 and again today i.e., (13.08.2025). This Court heard the learned counsel for the petitioner and has perused the counter statement filed by the first and second respondents.

4. While perusing the counter statement, it appears that the only objection raised by the respondents is that though the petitioner initially applied for an educational loan of Rs.5,16,000/- on 01.06.2022, she failed to follow up despite reminders from the first respondent. Hence, her application was initially rejected. Again, when the petitioner approached this Court and pursuant to the directions issued, her application was reconsidered. However, it was once again rejected on the ground that her father's CIBIL

score was less than 575. Therefore, as per the respondents' counter statement, their contention is that the petitioner is not eligible for an education loan.

5. I have given my anxious consideration to either side submissions and also perused the materials available on record.

6. The main contention put forth by the learned counsel for the petitioner is that the petitioner is now pursuing her third-year B.Pharm course at the third respondent's college, and that securing an educational loan would be of immense help to her to complete her education. It is not in serious dispute that the petitioner belongs to the Scheduled Caste community as well as comes from a downtrodden family. In the absence of any statutory provision or guideline mandating consideration of the father’s CIBIL score before sanctioning educational loan, rejecting the petitioner’s loan application solely on that ground is not justifiable.

7.In this connection, it is also relevant to refer the Judgment of this Court in ***W.P.No. 6286 of 2011 dated 18.08.2011*** in ***Miss.S.Hannah Dotris***

vs. Assistant General Manager, State Bank of Mysore, Chennai, wherein this Court after referring to the guidelines in Paragraph 18, observed that the scope of education has wider both in India and in Abroad, covering new courses in diversified areas. The Court emphasized that the development of human capital is a national priority, and every effort must be made to ensure that no deserving student is denied the opportunity to pursue higher education due to lack of financial support.

8. The learned counsel also invited the attention of this Court about the another order passed by this Court in ***W.P.(MD).No.5296 of 2018 dated 10.04.2018*** in M.***Hariharasudhan vs. The Union of India, New Delhi and 3 others*** wherein this Court strongly criticized the Ministry of Finance as well as the Indian Bank that "the rejection of applications on the ground that the CIBIL reports of the applicant's/student's family members is nothing but willful disobedience of various earlier orders of this Court. For ready reference this Court deems it to appropriate to extract para 7 of the order dated 10.04.2018 in W.P.(MD).No.5296 of 2018:

> *"7. Before parting with the order, I am constrained to observe that the nationalised banks have been time and again rejecting applications, on the ground that the CIBIL*

reports of the applicant/student's family members are quoted as a disqualification for the student to avail the loan. In my view, such reasoning would amount to willful disobedience of the various orders of this Court being passed, for which the concerned nationalised bank would be liable for contempt of this Court orders. In the instant case, the Head office of Indian Bank, Chennai shall endeavour to issue necessary directions to all its branches through out the State of Tamil Nadu to refrain from rejecting educational loan applications on the aforesaid grounds."

9. Apart from that, the learned counsel for the petitioner has also relied upon the Model Educational Loan Scheme for pursuing Higher Education in India and Abroad, 2015 (as amended in 2016) which clearly states that "the assessment of the loan for the student will be based on the employability and future earning potential of the student upon completion of the course and not the parental income/ family wealth". Therefore, this Court has consistently held that rejecting educational loan applications based on the CIBIL score of the applicant's father or family members is contrary to law. Even as per the applicable regulations, the primary criterion for sanctioning an educational loan is the student's employability and future earning potential. However, in the case on hand, while looking at the impugned order it reveals that the petitioner's application was simply rejected solely based upon the CIBIL score of the petitioner's father, which

is contrary to the above established legal position. Therefore, this Court finds there is infirmity in the impugned order dated 06.12.2023.

10. In the result, the Writ Petition is allowed. The impugned order dated 06.12.2023 passed by the first respondent is hereby quashed. The respondents 1 and 2 are directed to sanction the educational loan amount of Rs.5,16,000/- (Rupees Five Lakhs and Sixteen Thousand only) for the academic year 2023-2026 payable to the third respondent's college within a period of four (4) weeks from the date of receipt of a copy of this order. No costs.

13.08.2025

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Index : Yes
Speaking Order : Yes /No
Neutral Citation Case: Yes/No
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C. KUMARAPPAN, J.

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