

M. Selvaraj Vs. the Assistant General Manager.

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Court : Chennai

Decided On : Apr-27-2012

Judge : D. Hariparanthaman, J.

Acts : [Constitution of India](#) - Article 226

Appeal No. : W.P.(MD)No.3872 of 2011

Appellant : M. Selvaraj

Respondent : The Assistant General Manager.

Advocate for Pet/Ap. : Mr. D. Sivaraman, Adv

Judgement :

Prayer

Writ Petition filed under Article 226 of the [Constitution of India](#) praying for issuance of a Writ of Mandamus to direct the respondents to sanction a sum of Rs.3,35,190/- to the petitioner's daughter towards educational loan as per the loan application dated 23.11.2010.

ORDER

1. The daughter of the petitioner passed Higher Secondary Examinations during March 2010. She has secured 1017 marks out of 1200. Because of high marks,

she secured admission in Anna University of Technology, Trichirappalli and she joined B.E., in Electrical and Electronic Engineering at Thirukkuvalai Campus, Thirukkuvalai. On 23.11.2010, the petitioner made an application to the second respondent, seeking educational loan for her daughter to the tune of Rs.3,35,190/- for the four year course. Since no order was passed, sanctioning the loan, he filed the present writ petition to direct the respondents to sanction the amount of Rs.3,35,190/- to her daughter towards educational loan as per the loan application dated 23.11.2010.

2. The writ petition was filed on 30.03.2011 and Notice of Motion was ordered on 31.03.2011.

3. In the meantime, the second respondent passed an order dated 24.03.2011, sanctioning a sum of Rs.1,47,400/- as the educational loan to the daughter of the petitioner. The said letter dated 24.03.2011 is placed before this Court and the same is extracted hereunder:- With reference to your letter dated 19.03.2011, we have to advise that the loan eligibility amount has been calculated by taking into account the university fees structure and other fees fixed by Hon. Justice N.V.Balasubramaniam Committee. Accordingly, the loan of Rs.1,47,400/- was sanctioned.

2. Please contact our Lalgudi branch for disbursement of the eligible loan for each semester.

4. From the letter of the second respondent dated 24.03.2011, it is seen that the loan was sanctioned only towards tuition fees. However, the learned counsel appearing for the Bank has produced the sanction order, as per which the following amounts were sanctioned:-

(i) Admission and other Fees - -----

(ii) Semester Fees - Rs. 46,480/-

(iii) Refundable Deposit - Rs. 5,000/-

(iv) Hostel Fees - Rs. 96,000/-

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Total: Rs. 1,47,480/-

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5. However, the claim of the petitioner is as follows:-

(i) Tuition Fees + Semester Fees - Rs. 87,790/-

(ii) Essential Books, Stationery, Equipments, if any + Computer Lab Tab. - Rs. 75,000/-

(iii) Examination Fees - Rs. 12,000/-

(iv) Maintenance Expenditure Hostel - Rs. 1,52,400/-

(v) Insurance Premia for the duration of loan and start up period - Rs. 8,000/-

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Total - Rs. 3,35,190/-

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6. It is to be noted that the petitioner made an application in the printed format as provided by the respondent Bank. The petitioner does not make any claim outside the application form. These are all the Heads, which are provided in the Application Form itself. Therefore, the Bank shall not confine to the Tuition Fees as fixed by the Hon'ble Mr. Justice N.V.Balasubramaniam Committee.

7. The learned counsel appearing for the Bank admits that upto Rs.4,00,000/- towards educational loan, no security is required.

8. In this case, the petitioner claimed only a sum of Rs.3,35,190/-, which is less than Rs.4,00,000/-. It is also to be noted that the daughter of the petitioner admitted in the prestigious Anna University of Technology, Trichirappallai at Thirukkuvalai Campus since she obtained higher marks.

9. I had an occasion to consider a similar case in S.SIVAPRAKASH ..VS.. BRANCH MANAGER, INDIAN BANK, KURINJIPADI BRANCH (2011 (8) M.L.J. 1024), where the Indian Bank refused to sanction the loan amount as claimed, which is less than Rs.4,00,000/-. Paragraphs 10 to 13 of the said case are relevant, which are extracted hereunder:-

10. Furthermore, the Fee Structure for Educational Loan relied on by the learned counsel for the first respondent states that the hostel fee is Rs.24,000/- per year, while they sanctioned a sum of Rs.25,000/- towards hostel fee, as per the policy of the Bank. Hence, I do not find any merit in the submissions made by the learned counsel for the first respondent Bank.

11. On the other hand, the application issued by the first respondent Bank makes it clear that the student could ask for Educational Loan as charged by the Institutions under various heads and if it exceeds a sum of Rs.4,00,000/-, he should provide security to the satisfaction of the Bank. It is admitted that the IBA / RBI's Scheme of Educational Loan provides loan to an extent of Rs.4,00,000/- without security and if it exceeds beyond Rs.4,00,000/-, security is insisted. At this juncture, the relevant portion of the application form relied on by the learned counsel for the petitioner is extracted hereunder:-

1. Date of receipt of loan application: IBA / RBI's Scheme

Final Reply:

Details of Fees / Other Expenses payable (as per the letter / estimate given by the Institution) Rs. per annum

Particulars	I Year	II Year	III Year	IV year	V Year	Total
i. Tuition Fees	12,500	12,500	12,500	12,500	12,500	62,500
ii. Cost of Books, Stationery etc.,	12,500	12,500	12,500	12,500	12,500	62,500
	12,500	12,500	12,500	12,500	12,500	62,500

iii. Cost of Equipment	-----	iv. Examination Fees	-----
47,500	47,500	v. Hostel Expenses,	47,500
1,90,000	Room Rent	Mess Charges	

Sundry Charges

vi. Others

(Please Specify)

Total (A) 60,000 60,000 60,000 60,000 2,40,000

12. It is made clear that the petitioner is entitled to claim Educational Loan under various heads and there is no limitation on the hostel fee, as per the application issued by the first respondent. As stated above, the second respondent College issued a Bonafide and Expenditure Certificate dated 11.08.2010 wherein Rs.47,500/- per year is meant for hostel fee. It is not the case of the first respondent that it is not a truthful one. On the other hand, it is the case of the first respondent that the second respondent has charged an exorbitant rate. The first respondent could not question the rate charged by the second respondent College. The first respondent has only to see as to whether the amount claimed as loan is a bona fide one. Since the petitioner's claim is below Rs.4,00,000/-, the first respondent is bound to sanction the educational loan, without insisting any security.

13. In these circumstances, the first respondent Bank is directed to sanction a sum of Rs.60,000/- per year i.e., Rs.47,500/- towards hostel fee and Rs.12,500/- towards tuition fee, in total a sum of Rs.2,40,000/- for four years, as prayed for by the petitioner and to pay the balance amount to the petitioner, within a period of two weeks from the date of receipt of a copy of this order.

10. In these circumstances, the respondents / Bank is directed to pass a fresh order on the application of the petitioner dated 23.11.2010 in the light of the observations made and also taking into account the decision of this Court in S. SIVAPRAKASH ..VS.. BRANCH MANAGER, INDIAN BANK, KURINJIPADI BRANCH (2011 (8) M.L.J. 1024) (cited above) within a period of three weeks from the date of receipt of a copy of this order.

11. The learned counsel appearing for the petitioner submits that though the second respondent has sanctioned the amount of Rs.1,47,400/- by the letter dated

24.03.2011, so far the amount has not been disbursed.

12. In my view, the second respondent Bank shall have no objection in disbursing the amount of Rs.1,47,400/- to the daughter of the petitioner since the Bank itself passed the said order on 24.03.2011. Hence, the second respondent is directed to disburse the said amount of Rs.1,47,400/- to the daughter of the petitioner within a period of two weeks from today.

13. This Writ Petition is ordered accordingly. However, there will be no order as to costs.

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