(1992) 01 NCDRC CK 0036

In the National Consumer Disputes Redressal Commission

BANK OF MAHARASHTRA APPELLANT

Vs

M.S. NANDANWAR RESPONDENT

Date of Decision : 14-01-1992

Acts Referred:

Citation : 1992 3 CPJ 669

Hon'ble Judges : G.G.Loney , M.G.Gavai J.

Final Decision : Appeal dismissed

Judgement

1. THIS is an appeal against the order of District Forum, Yavatmal dated 26.8.91 passed in Complaint No. 10/91. The complainant approached the District Forum with a complaint alleging the deficiency in the service of Bank of Maharashtra Wani Branch, Wani.

2. THE complainant is the Account holder of opposite party. On 7.12.87, the complainant deposited Rs. 42,000/- in two separate fixed deposits. THE complainant was sanctioned the token cash credit limit on 9.12.87 against the hypothecation of term deposit receipts which the complainant was holding jointly in the name of himself and his wife. THE term of the deposit was to expire on 7.12.90. THE cash credit memo was upto Rs. 30,000/- . In May, 1990, the period of cash credit limit was extended for a further period of one year. It is further submitted that the complainant was to pay Rs. 22020.94 in his cash credit account. But the opposite party despite the complainant''s request to renew the term deposit for a further period encashed his term deposit on the date of its maturity. It is the case of the complainant that the term deposit was encashed by the opposite party without complainant''s advice. THE complainant, therefore, alleged that it is the deficiency in the service of the opposite party which has put him into loss of interest at the rate of Rs. 347/- p.m. THE opposite party opposed the complainant''s claim on the ground that the Bank can encash the fixed deposit if the Bank has to recover some amount from the Account holder against his loan. THE District Forum held that the complainant has proved his case and order the bank to pay the interest to the complainant on the balance amount of

Rs. 20,042.32/- from 14.3.91 and also pay Rs. 1000/- as compensation to the complainant. This order is impugned in this appeal. We have heard Shri Chandorkar, Advocate for the appellant and respondent in person. After hearing the arguments of both the sides and having perused the relevant papers, we find that the impugned order requires to be upheld. We find that there was clearly a deficiency in the service of the appellant-Bank. The first circumstance proved by the complainant is that his term deposit were credited into the Current Account without the advice from the complainant, thereby causing loss of interest to the complainant. We find from the record that the complainant had executed a promissory note to the bank as regards the cash credit facility. The term deposit receipts were hypothecated to the bank as a security for the cash credit facility. It is, therefore, clear that cash credit facility to the extent of Rs. 30,000/- granted to the complainant was fully secured by way of his term deposit receipts for the loan of Rs. 42000/- . Under these circumstances, there was no reason for the appellant-Bank to credit the amount of his term deposits in Current Account for the balance of Rs. 22,000/- only. There was additional security by way of promissory note executed by the complainant. In our view, encashing is fixed deposits receipts of the complainant without his consent and thereby causing loss to him of the monthly interest of Rs. 347/- amounts to deficiency in the service of the Bank. It is pertinent to note that the complainant had filed letter dated 3.12.91 and intimated to the Bank to renew his term deposit receipts for a fur there period. We, therefore, find that the District Forum, Yavatmal was correct in its view to pass the impugned order with compensation of Rs. 1000/- , In fact, the amount of Rs. 1000/- is justified since the complainant was required to attend the District Forum on nine hearings and, therefore, the amount of Rs. 1000/- awarded to the complainant can be treated as costs. We, therefore, find no substance in this appeal and hence, it is liable to be dismissed. ORDER 3. The appeal is hereby dismissed. The respondent be granted Rs. 500/- cost of this appeal by the appellant. Appeal dismissed.