(1999) 08 SC CK 0160

In the Supreme Court Of India

Case No : Civil Appeals No. 3525 Of 1995 With No. 8057 Of 1995

State Bank of Bikaner and Jaipur APPELLANT

Vs

Mike''s (P) Ltd. RESPONDENT

Date of Decision : 05-08-1999

Acts Referred:

Citation : (2000) 10 SCC 4

Hon'ble Judges : S. Saghir Ahmad, J;S. Rajendra Babu, J

Bench : Division Bench

Final Decision : Dismissed

Judgement

1. Ca No. 3525 of 1995 This appeal is directed against the order made by the National Consumer Disputes Redressal Commission. A claim was made before the Commission by the respondent for a sum of Rs 41,65,821.80 as compensation from the appellant. The respondent had certain credit facilities from the appellant. In the month of November 1987 a credit proposal was made by the respondent. The respondent claimed that he had received an order for Rs 60 lakhs from one buyer of Switzerland. For quite some time the arrangement made by him with the appellant worked well. In September 1988 it is stated that the Manager of the Bank visited the factory of the respondent to see its activities. He was pleased with the progress of the factory when the respondent placed his need for more funds. The Manager himself suggested to the respondent that he should at least be paid Rs 50,000 for sanctioning of Rs 60 lakhs. As the respondent was reluctant to indulge in corrupt practices the said Manager started harassing in releasing loan. It appears thereafter that the respondent made the assured payment of Rs 50,000 to the Manager. When that amount was paid by the respondent CBI laid a trap and arrested the Manager who was in possession of a sum of Rs 50,000. Thereafter there was a freeze of the account of the respondent. The respondent alleged that this action taken by the appellant was only in retaliation to the complaint made by him against the then Manager who was arrested by CBI. When the respondent met the officers of the Bank, the

Managing Director and the Regional Manager looked into the matter and found that the reasons for not releasing the funds were that the stocks were not adequate and the respondent had not closed the account with Canara Bank. This stand is reiterated before the Commission.

2. The Commission, however, proceeded to examine these aspects and was of the view that it accepted the case put forth by the respondent and granted a compensation in a sum of Rs 10 lakhs for the loss of the order suffered by him.

3. Whatever may be the circumstances in which the respondent may have complained against the Manager to whom a sum of Rs 50,000 was allegedly paid if there are good commercial reasons for not sanctioning the loan there cannot be any ground for payment of compensation or damages to the respondent at all. The reasons given by the Bank that the stocks with the respondent were inadequate and that he had not closed the account with Canara Bank should be sufficient to stop further loan being given. We find great difficulty in accepting the case set out in the course of the order of the Commission. It cannot be said that the entire set of officers in the Bank had ganged up against the respondent and they started acting in the manner noted by the Commission. In the circumstances, we find no justification for the Commission to have granted Rs 10 lakhs as compensation to the respondent. Therefore, we allow the appeal and set aside the order of the National Commission.

4. Ca No.8057 of 1995 Inasmuch as the connected appeal of the Bank has been allowed this appeal has got to be dismissed.

5. The amount deposited by the appellant in CA No. 3525 of 1995 shall be refunded to him with the interest that may have accrued so far.

6. Appeals are disposed of accordingly.