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In the National Consumer Disputes Redressal Commission

STATE BANK OF INDIA — APPELLANT

Vs

Meena Walia and Ors. — RESPONDENT

Date of Decision : 01-02-2013

Acts Referred:

Citation : 2013 2 CPJ 58

Hon'ble Judges : J.M.MALIK J.

Judgement

1. THIS order shall decide the above detailed five revision petitions, which entail similar facts and questions of law. The complainants, namely, Meena Walia, Dr. Jagtar Singh, Ramesh Chander and Sheetal, Deepak Rattan and Monica Rattan, Munish Rattan obtained separate house loans in the year 2004 -05 from the State Bank of India through its Chief Manager, Railway Road, Kapurthala. The opposite party/petitioner/bank had given two options to the respondents - complainants for the repayment of the loan amount, firstly, the loan was to carry floating rate of interest which could vary from time -to -time as per the instructions of the Government and R.B.I. and the second was to opt for fixed rate of interest, which was 1% more than the prevalent rate on house loan interest at that time. The complainants opted for the second option. All the complainants paid the installments regularly. The grievance of the complainants was that the opposite party had illegally changed the rate of interest from 8% per annum to 8.5%, 8.75%, 9.25%, 9.75% and to 14.5% without any intimation to the complainants. The complainants had made an application in the year 2007 before the Bank for not changing the fixed rate of interest as agreed between the parties. A protest note was also sent to the opposite party -Bank. The grievance of the complainants is that excess rate of interest was charged from them.

2. ON the other hand, the Bank submitted that they are authorized to charge the enhanced rate of rent as per memorandum of term loan of agreement. Relevant part of which is Clause 2(b) and Clause 2(o). It was also submitted that vide letter dated 15.5.2009, the bank had intimated the complainants that it shall reset fixed rate of interest in the end of every two years. Separate complaints

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were filed before the District Forum, which allowed the complaints. Vide order dated 6.4.2010, the District Forum directed the bank to charge Fixed Deposits rate of interest as mutually agreed between the parties and adjust the amount of excess interest already charged by Bank.

3. AGGRIEVED by that order, the Bank filed 5 different appeals before the State Commission The State Commission vide its order dated 14.2.2012 dismissed the appeal. Paras 26 and 27 of the impugned order are reproduced hereunder: 26. In view of the above discussion, we are of the view that the orders under appeals are legal and valid and there is no infirmity in the same. There is no ground to interfere in the impugned orders and the same are affirmed and upheld. The appeals of the appellant are dismissed with costs of Rs. 10,000 each, which was paid to the each respondent within one month from the receipt of the copy of the order.

27. The said amount of Rs. 10,000 in each appeal be recovered from the official of the appellant, who tried his best to obtain the signatures of the respondent/consumer on the blank documents to cheat the respondent/consumer. The act of the official was also against the ethics of the policies of the R.B.I.

4. THEREAFTER , they filed the above detailed revision petitions. We have heard the learned Counsel for the parties at length. Relevant portion of the order dated 4.7.2012 of this Commission is reproduced hereunder: The Counsel for the petitioner is further directed to file an affidavit of authorized officer as to how the rate of interest stood increased from 8% to 14.5% with certain intervals along with circulation issued by RBI.

More than 6 months have elapsed but the learned Counsel for the petitioner did not file the affidavit and the circulars issued by R.B.I.

5. BOTH the parties were heard. This is an undisputable fact that in the year 2004 -05, the parties entered into an agreement, The complainant''s selected the second option for payment of interest. Consequently, the petitioner is entitled to charge 8% plus 1%. Both the Counsel agreed to that proposal. It may be also mentioned here that State Bank of India could not produce any agreement wherein it was stated that after the lapse of two years, the rate of interest would change or it would be taken as per R.B.I. guidelines. The Bank cannot change it unilaterally. The consent of the other party is required. It should be given an opportunity to ponder over the new rates. The Bank cannot enhance it arbitrarily. Furthermore, no circular from R.B.I. saw the light of the day. No affidavit was filed by the petitioner in support of his case. Consequently, we hold that the petitioner is entitled to get the interest @ 8% plus 1%, meaning thereby the total rate of interest is @ 9% from the date of paying of the loan till its realization.

6. NOW , we advert to the second question raised by the parties which pertains to para Nos. 26 and 27 of the order passed by the State Commission. The costs imposed by the State Commission are upheld but the same would not be

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recovered from the officers of the petitioner. Generally, it is seen that the public on its own accord signs the blank documents. They have no time to go through the entire documents. They repose faith in the bankers. On the contrary, it is the duty of the customer to read over all the documents and thereafter it should fix the signatures. No body can compel any person to sign a blank paper without reading it. One is supposed to have signed the papers with open eyes and at his own peril. Consequently, para 27 only is set aside. The amount be recovered from Bank itself but not from their officers. All the five revision petitions stand disposed of. The Bank is further directed to deduct 9% of the interest and return the money as well as costs to the complainants within 45 days as ordered by the lower Court otherwise it will carry interest @12% till its realization. No costs.

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