(2002) 01 AP CK 0091

In the Andhra Pradesh High Court

Case No : Writ Petition No. 1547 of 2002

T.K. Srinivasulu APPELLANT

Vs

Union of India (UOI) and Others RESPONDENT

Date of Decision : 30-01-2002

Acts Referred:
Constitution of India, 1950 — Article 226

Citation : AIR 2002 AP 335 : (2002) 2 ALD 381 : (2002) 2 ALT 293 : (2002) 110 CompCas 578

Hon'ble Judges : Ar. Lakshmanan, C.J;I. Venkatanarayana, J

Bench : Division Bench

Advocate : Party in Person, for the Appellant; C.V. Ramulu, SC for Central Government, K. Srinivas Murthy, SC for Reserve Bank of India and Government Pleader for Home, for the Respondent

Final Decision : Dismissed

Judgement

1. This writ petition has been filed by one Dr. T. K. Srinivasulu with the following prayer:

........to issue a writ of mandamus or any other appropriate writ, order or direction, declaring the action of the 3rd to 9th respondent-Banks in charging 60 to 84% per annum as interest and other charges as unauthorized, illegal and void and consequently to direct the 1st, 2nd and 10th respondents to ensure the 3rd to 9th respondents to refund all the excess interest and other charges collected from the credit card holders by recasting their credit card accounts in addition of the interest @ 22% per annum from 1994 to 1998 as per the Special Banking Services Regulations and in addition of the interest @ 12% per annum from 1-1-1999 as per Prime Lending Rate, Interest Act, Money Lending Act and pass such other order or orders at this Hon''ble Court may deem fit and proper in the circumstances of the case.

2. A general statement has been made by the petitioner that the respondent-Banks are charging interest @ 60% to 84% p.a. which, according to the

petitioner, is unauthorized and illegal and consequently he seeks directions to the respondents as above. It is not the case of the petitioner that he has borrowed any money from any of the respondent-Banks. According to him he is only a credit cardholder and that the Banks including Standard Chartered Bank are charging interest exorbitantly. It is stated that for a loan of Rs. 28,000/-which was taken in June, 2000 a sum of Rs. 68,391-40 Ps., becomes repayable in February, 2002 because of such exorbitant rate of interest. He placed before us a xerox copy of a statement stated to have been furnished by the Standard Chartered Bank, Bangalore. When we asked for the original of it the petitioner has placed before us the original letter dated 24-1-2002 which relates to the SCB Card No.4129 0473 8050 5742 of the petitioner. The said letter was sent by the said Bank by way of a reply to the complaint given by the petitioner to the Reserve Bank of India seeking clarification regarding the financial charges levied to his credit card account. The bank denied all the allegations and then stated that the credit card product is an unsecured overdraft facility that the bank provided to the customers. It was further clarified that the cash-advance fee was revised to 2.5% of the transaction value subject to a minimum of Rs.75/- (effective 15-6-1998 for Visa Card and 1-2-1999 for Master Card) and that cash advance fee is not a part of the interest charged on the outstanding. Regarding the interest charges the bank has replied stating that the interest charges currently would be levied at 2.95% to the petitioner''s card account if (i) no payment is made or (ii) partial payment is made or (iii) cash is withdrawn on the card even though a total payment towards the previous statement has been made (this is applicable from 15-1-1999 for Visa Cards and from 1-2-1999 for Master Cards). Regarding late payment charges the bank informed that the petitioner''s card account attracts late payment charges in case (i) the minimum amount due is not paid on or before the payment due date or (ii) a payment is made, but is short of the minimum amount which is subject to minimum of Rs.75/- and maximum of Rs.500/-. Further, in case no payment is made for two consecutive months, an additional late fee of Rs.100/- would be levied to the card account. With regard to the outstanding balance on the petitioner''s account, the bank has clarified that he had accepted and used the card and bound by the terms and conditions thereto and further that the payments made by the petitioner are irregular and therefore, the card account of the petitioner has attracted various financial charges levied as per the terms and conditions. The bank also informed the petitioner that the revolving credit facility of the card is an integral feature of the card and the petitioner is liable to pay the financial charges levied on his expenses for availing the same. The bank has also enclosed a reconciliation sheet to the said letter for reference of the petitioner and requested him to clear the entire outstanding amount of Rs.68,391-60 as on date to facilitate them to close the account.

3. A close scrutiny of the letter sent by the Standard Chartered Bank, Indian Bank Card Centre, 3rd and 4th Floor, Raheja Point, Magarath Road, Bangalore to the petitioner clearly reveals that the said reply was sent by way of reply to a

complaint made by the petitioner to the Reserve Bank of India.

4. The letter of the Standard Chartered Bank goes to show that the payments made by the petitioner were irregular. Under such circumstances we are of the opinion that the bank is entitled to charge the penal rate of interest as per the terms and conditions of the transaction in question. Further the petitioner is seeking relief not only to himself but also to all other card holders and borrowers in general. In our opinion such a writ petition is an abuse of the process of law and therefore the same is liable to be dismissed. Accordingly we do so.

