(2001) 09 NCDRC CK 0049

In the National Consumer Disputes Redressal Commission

VIRENDER NARANG APPELLANT

Vs

Syndicate Bank RESPONDENT

Date of Decision : 20-09-2001

Acts Referred:

Citation : 2002 0 CTJ 886 : 2002 2 CPC 606 : 2002 3 CLT 484 : 2002 3 CPJ 279 : 2002 3 CPR 42

Hon'ble Judges : D.P.Wadhwa , J.K.Mehra , C.L.Chaudhry , Rajyalakshmi Rao , B.K.Taimni J.

Final Decision : Appeal dismissed with costs

Judgement

1. THE application for restoration is allowed. THE appeal is restored to its original number.

2. THE facts in brief are that the present appeal has been filed against the order dated 12th March, 2001 passed by the State Consumer Disputes Redressal Commission, Delhi, dismissing the complaint of the appellant against the respondent Syndicate Bank. THE grievance of the appellant is that he was availing the overdraft facilities from the respondent Bank since the year 1995. He started availing the over-draft limit of this Rs. 50,000/- which was later enhanced to Rs. 3.25 lakhs. THE appellant applied for further enhancement of the facilities from 3.25 lakhs to Rs. 5.50 lakhs. It is alleged that the appellant was assured that the enhancement of the limit would be granted. He has also alleged that the appellant informally was informed that he could operate his account on the assumption that the enhanced limit has been sanctioned. In the light of which the appellant had booked its sales of proportionately increased quantum. It is alleged that some officials of the respondent Bank had even shown an internal communication of the Bank indicating that further limit had been sanctioned. But the same only required to be officially communicated. However, later on, it transpired that the enhanced limit has not been granted. Further, it is alleged that the appellant received a letter from the Bank requiring imposition of further pre-conditions for release of the enhanced over draft limit. This is alleged to be

unwarranted. In fact, the grievance of the appellant is that he had a credit balance in a cumulative deposit account of Rs. 54,000/- which he was assured and would be transferred to the over draft account, but the respondent Bank instead of transferring it, communicated that this cumulative deposit account is being retained as security. THE case of the appellant is that on account of non-grant of additional overdraft limit, he has suffered serious prejudice and losses in business. We have perused the correspondence annexed to the appeal. THE letter of sanction of additional facilities clearly sets out that enhancement was subject to the appellant offering some collateral security, apart from the other clarifications sought by the Bank. This letter was received by the appellant on 12th August, 1999. THEreafter, another letter was written by the Bank on 17th August, 1999 requiring the appellant to complete the formalities and execute all necessary documents. On 31st August, 1999, the Bank pointed out that the appellant had to effectuate the arrangement, was required to maintain financial discipline. THE position was duly explained by the Bank. On 19th February, 2000, the Bank again wrote to the appellant complaining that the appellant had been diverting the sale proceeds to some account which was in breach of the agreement for over-draft. Even in reply to the legal notice the Bank had made its position clear, vide their reply dated 15th July, 2000, clearly pointing out the breach is committed by the appellant including the account remaining inoperative and overdrawn. This Commission has dealt with similar situations earlier. One such case which has been relied upon by the State Commission is that M/s. Special Machines, Karnal v. Punjab National Bank & Ors., reported as I (1991) CPJ 78 (NC), wherein this Commission had inter alia, held : "We have also held in quite a few cases that the complaints by borrowers from Banks against failure to provide adequate financing facility to an industry or business cannot form the subject-matter of adjudication under the Act since in the matter of grant of or withholding of further advances and insisting on margin money etc. the Banks have to exercise their discretion and act in accordance with their best judgment after taking into account various relevant factors and hence mere failure to provide financial facility or assistance cannot be said to constitute "deficiency in service" as defined in Section 2(1)(g) of the Act."

Even if there was any doubt about there being any deficiency, we find that in the light of the peculiar facts and circumstances of the present case, it cannot be said that the respondent Bank had acted unreasonably and in any event, we have not been shown any reason which would persuade us to take a view different from what has been taken by this Commission earlier which is referred to hereinabove. In this view of the matter, we do not consider that there is any case made out for us to interfere with the impugned order. THE appeal is accordingly dismissed with costs assessed at Rs. 10,000/-. Appeal dismissed with costs.

