A.J. Yuvaraj Vs. Deputy General Manager, Syndicate Bank and Another

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Court : Andhra Pradesh State Consumer Disputes Redressal Commission SCDRC Hyderabad

Decided On : Dec-22-1998

Judge : S. Parvatha Rao, President, the Honourable Mr. K. Ranga Rao, Member &Amp; the Honourable Dr. (Mrs.) Mamata Lakshmanna, Member

Appeal No. : F.A. No. 658 of 1998

Appellant : A.J. Yuvaraj

Respondent : Deputy General Manager, Syndicate Bank and Another

Judgement :

S. Parvatha Rao, President:

1. This is an appeal preferred by the unsuccessful complainant, Mr. A.J. Yuvaraj. He had preferred O.P. No. 1086/1994 against the respondents in this appeal before the Hyderabad District Forum complaining that he was not informed immediately by the N.S. Road branch of the Syndicate Bank i.e., the 2nd opposite party (2nd respondent before us), when they received demand draft No. 7268 dated 26.11.1992 for U.S. Dollars 3094.33 and that he came to know about it only after he addressed a letter dated 7.7.1994 to Barclays Bank of Zambia Limited, at Lusaka, Zambia and they replied that demand draft was sent to the 2nd respondent on 25.11.1992 itself. After that he approached the N.S. Road Branch (2nd respondent) and found that the said demand draft was lying with them for the

past two years. After he approached the 2nd respondent bank they initiated action to revalidate the draft by sending the same to Barclays Bank of Zambia Limited, at Lusaka and then got the amount remitted to the account of the appellant on 6.10.1994 after getting endorsement thereon. The complainant himself states in the complaint that he go this NRIs account transferred in N.S. Road branch of Syndicate Bank to Ameerpet branch of Syndicate Bank in 1987 itself. He also admits that after the transfer of his NRI account from the N.S. Road Branch in 1987 he had no NRI or any other account in that branch. He himself stated in his complaint as follows :

From the above it is clear that both the Bank branches must be aware of the transfer. The foreign remittance from Zambia will only come to N.S. Road branch because whatever the address given initially for remittance from Zambia and the amount will be remitted to this Bank only.

Subsequently I have been in and out of the country and whenever I checked up with the Ameerpet Branch the reply given to me was that the remittance had not yet come from Zambia which I assumed to be true.

Though initially the Manager of Ameerpet Branch who used to take interest in writing to Zambia which was forgotten by the followers and the issue was gathering dust in the shelves.

In my letter dated 7th July I wrote to Zambia Bank asking about the remittance for which they have replied that the money was sent to N.S. Road Branch on 25th November, 1992. Both these letters are enclosed for your kind perusal.

After the receipt of the letter I approached Ameerpet Branch who passed the buck to N.S. Road Branch. Then I approached N.S. Road Branch where to my shock the cheque has been lying for the past two years. (Emphasis supplied)

As already stated earlier, subsequently the draft was got renewed by the N.S. Road Branch by sending it to Barclays Bank of Zambia Limited, Lusaka and thereafter it was encashed on 5.10.1994. The appellant sought interest from the period 25.11.1992 and also payment of expenses incurred and also damages for mental torture and the opportunity loss for the capital assessing the same at Rs. 50,000/-.

2. On behalf of the 2nd opposite party counter was filed stating that the appellant closed his account in N.S. Road Branch in the year 1984 after his return to India and that the balance amount standing to his credit in his SB Account amounting to Rs. 6.75 Ps. was transferred at his request for opening a Resident S.B. Account at Ameerpet Branch, Hyderabad. It was further stated that at the time of closing of NRI/SB Account No. 33711 at N.S. Road Branch, Hyderabad the appellant did not give any instructions in respect of any remittances that were likely to be received to the said account. It is further stated as follows :

It is true that the D.D. bearing No. 7268 dated 26.11.1992 for U.S. Dollars ($) 3094.33 was received at N.S. Road Branch. The said DD was received without any covering letter and the same was kept for want of account number.

This opposite party denies that the account was transferred from N.S. Road Branch to Ameerpet Branch at Hyderabad in the year 1987.

It is submitted that the Account in N.S. Road Branch was closed in the year 1984 and was transferred to Ameerpet Branch, and the Complainant ought to have made necessary changes with the Issuing Bank in Zambia in respect of the Branch and the Account No. where the remittance was to be made.

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.... It is submitted that the complainant herein had approached the N.S. Road Branch for the first time on 6.8.1994 and was given the details of the same immediately, and the same are explained in detail in later paragraphs.

This opposite party denies that nothing was done in respect of the above D.D. received by the N.S. Road Branch, or that the averment of this opposite party that it had not received the covering letter, is a calculated act to conceal its blunder. It is denied after the issue was brought to the notice of the N.S. Road Branch by the complainant, the Officials at N.S. Road Branch were running helter and skelter.

This opposite party further submits as follows ;

It is submitted that the D.D. No. 7268 dated 26.11.1992 was received at N.S. Road Branch without covering letter and the said instrument was kept for want of account number. However, the instrument was booked on 17.2.1993 for realisation under FOCC/5/1993 to prevent the instrument from becoming stale. The said D.D. was returned on presentation for want of Payees endorsement. The complainant never made any enquiries at N.S. Road Branch in any manner from November, 1992 till 6.8.1994. Accordingly the said D.D. was kept at the N.S. Road Branch for lack of endorsement on the instrument by the complainant. It was for the first time that the complainant contacted the N.S. Road Branch on 6.8.1994. Immediately the said day itself the N.S. Road Branch of the opposite party got the complainants endorsement on the instrument and the same was sent to Zambia through Courier on the very same day requesting the Barclays Bank of Zambia at Lusaka, Zambia, either to revalidate the draft or remit the proceeds by T.T. to B.T. Company, New York. The same was received by the Bank at Zambia on 10.8.1994 and which was acknowledged by one Mr. F.C. Mataka. This opposite party thereafter had sent telex messages to the Bank at Zambia on 23.8.1994, 31.8.1994, 2.9.1994, 6.9.1994 and 12.9.1994, besides letters dated 6.8.1994, 13.8.1994, 5.9.1994 and 22.9.1994, requesting the Bank at Zambia to send a copy of the covering letter purported to have been sent with the original draft and the amount in question without delay. The Bank at Zambia finally sent a new International Money Order payable at New York bearing I.M.O. No. 1020 0004 97816 dated 9.9.1994. The said I.M.O. was realised at the Foreign Centre on 5.10.1994 and the amount was then transferred to Ameerpet Branch on 6.10.1994.

3. Considering all aspects of the matter the District Forum held that the complainant was right in his submission that the S.B. Account No. 33711 at N.S. Road Branch was transferred to the Ameerpet Branch of Syndicate Bank of India in 1987 and not in the year 1984. The complainant also filed a letter dated 17.4.1987 giving instructions for the said transfer. The District Forum held that the complainant admittedly did not contact the N-S. Road Branch for ascertaining whether the draft from Zambia was received and that for the first time he contacted that branch only on 6.8.1994 and thereafter the amount covered by the draft was

credited to the Ameerpet Branch account on 6.10.1994. The District Forum further held that as the appellant had not left any instructions with the N.S. Road Branch when his account was transferred to Ameerpet Branch he could not find fault with the N.S. Road Branch, and that as stated by the 2nd respondent no covering letter was sent alongwith the said draft when it was sent in 1992. On that basis the District Forum found that there was no negligence on the part of the 2nd respondent and that the silence of the complainant for about two years was really the cause of the delay in having the draft encashed. On that premise the District Forum dismissed the complaint.

4. The appellant has argued his case himself. He states that the transfer from the N.S. Road Branch to Ameerpet Branch was effected only in 1987 on the basis of his letter dated 17.4.1987 which was filed before the District Forum. He further submits that in that letter itself he gave instructions in respect of two foreign remittances, he expected. We have perused that letter and the so called instructions referred to by the appellant are as follows :

A sum of Rs. 42,435/- is still due to me from the National Bank of Commerce, Dar es Salaam, Tanzania. No letter was written from your end after the letter of FEX/ 2295/126/81/15.12.1981. I also wrote to them with copies to you vide letter dated 7th April, 1982 and 27th May, 1983 respectively. Kindly follow up now and send to me.

A sum of Rs. 35,000/- (Kurcha seven thousand only K7,000/-) was remitted through the Barclays Bank of Zambia, Box 31416, Lusaka, Zambia. Kindly write to them and follow up the payments.

Please write to them under advice to me. Also please transfer my Accounts NRI33711 to Syndicate Bank, Ameerpet Branch, immediately.

Please acknowledge receipt of this and reply me on the actions taken.

He further contends that so far as the first remittance in respect of Rs. 42,435/- was concerned, the 2nd respondent after receiving the amount of Rs. 42,435/- i.e., in Indian currency in about 1989, had the amount transferred to the Ameerpet

Branch and he expected that the same would be done in the case of the remittance in respect of Rs. 35,000/-. The appellant accepts that the present remittance, unlike the earlier remittance, was in Dollars and also that this remittance came only in 1992 and not before that. The instruction contained in respect of Rs. 35,000/- was only that the Branch should write to the Barclays Bank to follow up the payments. There was no other advice given so far as this remittance was concerned. The appellant contends that that should be implied. But we do not see how. Reading the instruction so far as Rs. 35,000/- is concerned, there is no mention therein that the draft in dollars should be transferred to Ameerpet Branch for follow up action. Moreover, in view of the fact that the N.S. Road Branch was alone having the foreign account of the appellant, it could not have transferred the draft in dollars to the Ameerpet Branch. The appellant accepts that position. Under the circumstances he could not find fault with the N.S. Road Branch for not transferring the amount in dollars directly to the Ameerpet Branch. We had already noticed that the appellant approached only the Ameerpet Branch and not the N.S. Road Branch for finding out whether the draft was received or not. That is an obvious mistake or negligence on the part of the appellant himself. Nothing prevented him from enquiring from the N.S. Road Branch as to whether the draft was received. Had he approached that Bank in time he would have immediately discovered that the draft was received by them in 1992 itself and he could have entrusted the same for realization after endorsement. No doubt, At most he could find fault with the N.S. Road Branch for not informing him about the receipt of the draft by addressing a letter to his address given in his letter dated 17.4.1987. But, after the appellant closed his account at the N.S. Road Branch in 1987, the draft was received after a lapse of about 5 years and in the absence of the covering letter the N.S. Road Branch could not have feed back in respect of his closed account. We find that the appellant has to blame himself for closing the foreign account at N.S. Road Branch and he ought to have continued that account till he received all the foreign remittances, with permission of the Appropriate Authority, if need be. The appellant contends that as he was approaching the Ameerpet Branch it must be presumed that the N.S. Road Branch also was in the knowledge of it because they are after all the Branches of the same Bank i.e., Syndicate Bank. But in this regard we have to observe that so far as Banks are concerned each Branch is treated as a separate entity so far as the accounts maintained by them are concerned. This has been held by the Supreme Court of India of Agencia Commercial International Limited v.Custodian of the Branches of Banco Nacional Ultramarino,AIR 1982 SC 1268 = (1982) 2 SCC 482. The Supreme Court elaborately considered the law in this regard and in particular, referring to its earlier decision in Delhi Cloth and General Mills Company Limited v. Harnam Singh,AIR 1955 SC 590, held as follows :

But it is also now generally agreed that in the case of a Bank which operates through its Branches, the Branches are regarded for many purposes as separate and distinct entities from the Head Office and from each other.

In United Bank of India v. Smt. Kanan Bala Devi, the Supreme Court held that notice to one Branch of a Bank cannot be treated as notice to all other Branches of the same Bank. That was of course a notice given in respect of death of a customer to one Branch. The Supreme Court held that notice to one Branch of Bank was no notice to other Branches.

In the result we uphold the order of the District Forum and dismiss the appeal. No costs.

Appeal dismissed.