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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.04.2022

CORAM

THE HONOURABLE MR.JUSTICE M.GOVINDARAJ

W.P.No.9210 of 2011

Pandian Chemicals Limited
represented by its Managing Director
D.Manoharraaj
17-A, Vallabhai Road,
Chokkikulam,
Madurai 625 002

... Petitioner

Vs.

1.The Deputy Governor cum
Appellate Authority - Banking Ombudsman
Reserve Bank of India,
Central Office Building
Shahid Bhagath Singh Road,
Mumbai - 400 001.

2. Banking Ombudsman,
Office of the Banking Ombudsman for Tamil Nadu
and Union Territories of Puducherry and
Andaman & Nicobar Islands
Reserve Bank of India Building Second Floor,
Fort Glacis
16, Rajaji Salai,
Chennai - 600 001.

3. State Bank of India,
Commercial Branch,
6, West Velli Street,
Madurai - 625 001

... Respondents

Prayer:

Petition filed under Article 226 of the Constitution of India to issue a Writ in the nature of writ Certiorarified Mandamus to call for the records of the third respondent pertaining to Order No.CSD/BOS/8011/13.23.13/2010-11 dated



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16.03.2011 confirming the order of the Second Respondent bearing No.BO (Che)/14236/C-498/2009-10 dated 24.12.2009 and quash both the orders and consequently direct the second respondent to consider and pass orders on the complaint of the petitioner dated 18.06.2009 on merits.

For Petitioner : Mr.AR.Ramanathan

For Respondents : No appearance
(R.1 & R.2)

: Mr.R.Vigneswaran
(R.3)

O R D E R

The petitioner has availed financial credit facilities from the third respondent bank for Rs.3.80 crores. The respondents bank charged processing charge of Rs.280/- per lakh and the petitioner has made a request on 24.02.2006 to the third respondent for reduction of processing charge. The bank by its letter dated 11.07.2006 reduced the processing charge from Rs.280/- to Rs.140/- per lakh and also reduced the interest to 10%. However, this concession was only for the period from 16.11.2005 to 15.11.2006.

2. The petitioner filed a complaint dated 18.06.2009 to the Banking Ombudsman and it was rejected on the ground that the complaint does not fall within the purview of Clause 8 of Banking Ombudsman Scheme, 2006.

3. Learned counsel for the petitioner draws the attention of this Court to sub clause (k) of Clause 8 of Banking Ombudsman Scheme, 2006 and submits that levying charges without adequate prior notice to the customers falls within the purview of redressal of grievance by the Ombudsman. Therefore, the complaint given by the petitioner with regard to levying of processing charges without notice to the petitioner very well falls within the purview of Banking Ombudsman Scheme.

4. Learned counsel for the respondents in the counter stated that reducing of processing fee was for the period from 16.11.2005 to 15.11.2006 and on and after 15.11.2006 the usual charges will be levied. Accordingly, the present charge is Rs.400/- per lakh. But, there is no detail as to the communication sent to the petitioner with regard to revision of



processing charge or withdrawal of concession given to him.

5. There is force in the contention of the learned counsel for the petitioner and the matter has to be considered by Banking Ombudsman which very well falls within the purview of sub section (k) of Clause-8 of Banking Ombudsman Scheme, 2006.

6. Therefore, this Court is inclined to set aside the order passed by the Banking Ombudsman dated 24.12.2009 and accordingly, the order dated 24.12.2009 is set aside and the matter is remitted back for fresh consideration. The second respondent is directed to dispose of the complaint of the petitioner dated 18.06.2009 within a period of four weeks from the date of receipt of a copy of this order.

7. With the above direction, the writ petition is disposed of. No costs.

Sd/-
Assistant Registrar(CO)

// True Copy //

Sub Assistant Registrar

sr

To

- 1.The Deputy Governor cum
Appellate Authority - Banking Ombudsman
Reserve Bank of India,
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2. Banking Ombudsman,
Office of the Banking Ombudsman for Tamil Nadu
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+2cc to Mr.AR.Ramanathan, Advocate SR.No.26887

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EV(CO)
CB(03/06/2022)