**IN THE HIGH COURT AT CALCUTTA**
**(Ordinary Original Civil Jurisdiction)**
**ORIGINAL SIDE**

**Present:**

**The Hon'ble Justice Krishna Rao**

**CS 16 of 2019**

**Jai Balaji Jewellers Private Limited**
**Versus**
**Standard Chartered PLC**

Mrs. Suparna Mukherjee
Mr. Ratul Das
Mr. Arup Nath Bhattacharyya
Mr. Arya Bhattacharyya
Mr. S. Dey

… for the plaintiff.

Mr. Amritam Mondal
Ms. M. Dutta

… for the defendant.

Hearing Concluded On : 18.08.2023

Judgment on : 05.10.2023

**<u>Krishna Rao, J.:</u>**

**1.** The plaintiff has filed the present suit praying for declaration that the mandate of the defendant for keeping the account of the plaintiff on hold and "debit freeze" status is illegal and unauthorised, decree for delivery up and cancellation of debit freeze mandate of the defendant in respect of the plaintiff's Account No. 32205223080 on 29th September, 2018, decree declaring that the restriction of debit transaction of the account of the plaintiff imposed by the defendant on and from 29th September, 2018, is illegal and decree for a sum of Rs. 70,00,000/- along with an interest.

**2.** The plaintiff was an incorporated company from 23rd March, 2006, under the provision of Companies Act, 1956, inter-alia, for the purposes of :

(a) To take over the existing running partnership business of M/s. Sri Balaji Jewellers of 20, Sir Hari Ram Goenka Street, Kolkata – 700007, with all assets, liabilities, licenses and goodwill of the firm after incorporation of the company with an agreement.

(b) To carry on in India or elsewhere the business to manufacture, produce, design, modify, build, encourage, refine, repair, process, prepare, fabricate, alter, dismantle, provide, exchange, remove, set, convert, finish, polish, cut, fit, trim, contract, sub-contract, supply, turn to account, let on hire, buy, sell, import, export, wholesale, retail and to act as agent, broker, adatia, job worker, consignor, contractor, vendor, collaborator, stockiest, distributor or otherwise to deal in all shapes, sizes, varieties, designs, applications, combinations and uses of apparel, ornaments, gems, jewelleries, goods, watches, clocks, cutleries, fabrics, utensils, antiques, articles and things, their parts, accessories, fittings, components, ingredients and materials thereof made partly or wholly of gold, silver, platinum or other precious, metals such as city gold and alloys thereof together with precious, semi-precious, imitation, synthetic, natural or other varieties of stones and materials.

**3.** The plaintiff in course of its business and to carry on day to day financial transactions, has opened two bank accounts, one with IDBI Bank, Meridian Plaza branch, Account No. 0196102000029494 and the other account with the defendant bank at its branch at Mahatma Gandhi Road Branch, Kolkata – 700007. The nature of the account of plaintiff bank with the defendant bank, is a Cash Credit Account being Account No. 32205223080.

**4.** The plaintiff had circulated the details of its Cash Credit Account Number being 0196102000029494, amongst its customers for the purpose of payment by the customers through various mode and means including Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT) and by physical instruments.

**5.** On or about July' 2002, the Reserve Bank of India issued a Master Circular with respect of 'Know Your Customer' (KYC) directives for "Validation Check" of all account holders of various banks and financial institutions. All the account holders, by this direction, were directed to give their detailed information to the banks and/or financial institutions with which they are holding their accounts.

**6.** As per the submissions made by the plaintiff, the defendant bank carried out the due process of KYC of the plaintiff's account at the time of opening of the account with the defendant bank at its Mahatma Gandhi Road Branch.

**7.** The plaintiff had complied with all the directions given by the defendant bank and had also cooperated with the defendant bank as required for validation check of the account of the plaintiff being No. 32205223080.

**8.** Sometimes in the year of 2014/15, the plaintiff found out that its Mahatma Gandhi Road Branch was transferred to Salt Lake Branch, located at Plot No. BP-3, Salt Lake, Sector-V, Kolkata – 700091. Upon enquiry with the defendant, the defendant had informed that the reason behind taking such unilateral decision, is that as per some policy decision of the defendant bank, several branches of the defendant bank were being closed and due to those unavoidable circumstances and also to accommodate and carry on uninterrupted services towards its customers, the defendant had transferred the said account of the plaintiff from the branch at Mahatma Gandhi Road to the Branch at Plot No. BP-3, Salt Lake, Sector-V, Kolkata - 700091.

**9.** The plaintiff had stated that at no point of time they neither had any office nor any branch or outlet at Salt Lake or even near the vicinity of Salt Lake, and also not even the directors of the plaintiff residing near Salt Lake or in Salt Lake. The plaintiff however, did not object to such act of the defendant considering, it carries on its majority transactions through internet/online banking.

**10.** On 1st of November, 2017, the defendant called upon the plaintiff to submit documents for periodic review of the account by validating the 'KYC' details of the account of the plaintiff. By the said letter it was also informed to the plaintiff that in case there are any changes in details of the account then to submit requisite documents as mentioned in the over leaf of the said letter pertaining to the plaintiff and its associated individuals like directors/ partners/ proprietor/ authorized signatory/ trustee/ controlling shareholders (holding 10% and above) latest by 1st March, 2018, and it was also mentioned by the defendants that all the documents has to be self-attested and shall be verified against original, and all documents are required to be duly certified by the Directors or company Secretary.

**11.** In pursuance to the letter dated 1st November, 2017, sent by the defendant, the plaintiff on 18th December, 2017 submitted its letter dated 16th November, 2017, annexing the documents as mentioned herein below:

(a) Memorandum and Article of Association of the plaintiff.

(b) Copy of PAN Cards of the plaintiff and its Directors.

(c) A copy of the Registration Certificate.

(d) A copy of MGT-7 and MGT-9.

(e) A copy of AOC-4.

(f) New CDD Declaration.

(g) Declaration for nature of business of the plaintiff.

**12.** The defendant bank duly received the documents sent by the plaintiff. However there was no communication or intimation from the defendant regarding any further requirement for completing the process of reviewing the account of the plaintiff in view of the KYC Master Circular of the Reserve Bank of India. Therefore, the plaintiff assumed that the defendant had duly accepted its letter dated 16th November, 2017 along with the documents without any demur. The plaintiff was also of the view that the process of review of KYC of the account of the plaintiff was duly completed by the defendant bank.

**13.** After a lapse of almost 8 months that is on 24th September, 2018, one of the employees of the plaintiff namely Mr. Nitesh Patwari received a phone call from and unknown person representing himself to be an employee of the defendant bank who thereby informed the plaintiff that the director of the plaintiff company was required to visit the bank at 19, Netaji Subhas Road, Kolkata – 700001.

**14.** Mr. Laxmi Kant Fulfagar, being one of the directors of the plaintiff company, who is the person in-charge of the business, was very sick and due to his illness was admitted in the hospital on 18th of September, 2018 and was discharged on 21st September, 2018, with an advise of complete bed rest. Mr. Laxmi Kant Fulfagar, was again hospitalized on 24th September, 2018. Therefore, it was not possible for Mr. Fulfagar to visit the defendant bank, and on the said ground the plaintiff had sought for some time from the defendant bank, and also intimated the defendant bank that Mr. Laxmi Kant Fulfagar will visit their branch at 19, Netaji Subhas Road, Kolkata – 700001, once he recovers from his illness.

**15.** Inspite of the request made by the plaintiff, the defendant had sent an electronic mail on 28th September, 2018 at 9:19 p.m. mentioning that the account of the plaintiff would be on hold by the end of that month, as Mr. Fulfagar failed to visit the defendant's office on 27th September, 2018, and the plaintiff was again asked to visit the defendant bank's N.S. Road regional office for discussion about the same.

**16.** Mr. Fulfagar on 29th September, 2018, contacted Mr. Pratyush Singh, the Relationship Manager of the Account of the plaintiff over telephone and intimated him about all the ongoing circumstances. During their conversation, Mr. Pratyush Singh informed Mr. Laxmi Kant Fulfagar that, the defendant bank was in requirement of some details in connection with a legal proceeding that was instituted against the plaintiff in the year 2009, at Nowgaon Assam.

**17.** Though, the said case had no connection with the bank account of the plaintiff as the said case was dismissed long back on or about 2nd June, 2011 but as per the request made by the defendant bank, the plaintiff's representatives met with the Relationship Manager of the defendant bank on 29th September, 2018, at 19, Netaji Subhas Road, Kolkata – 700001 and handed over a copy of the order dated 2nd June, 2011 of the case, bearing G.R. No. 2458/10. On receipt of the order, the Relationship Manager, Mr. Pratyush Singh, had assured the plaintiff that the account of the plaintiff would not be held up.

**18.** On or about 1st October, 2018, the plaintiff had come to know that although the defendant bank had allowed the cheques/ NEFTs etc. to be credited/deposited in the bank account of the plaintiff but did not allow the cheques/RTGs issued by the plaintiff to be honoured and also refused to debit the NEFT transaction in respect of payment of ICICI Bank Car Loan as mandated to the defendant bank by the plaintiff. Upon enquiring about such situation, the plaintiff was informed that the account of the plaintiff is still on hold by way of 'Debit Freeze'.

**19.** Upon being aware of the account being on 'Debit Freeze', the plaintiff on 3rd October, 2018, visited the defendant bank's Regional Office at 19, Netaji Subhas Road, Kolkata – 700001. The plaintiff was once again instructed by the defendant bank, to submit all the required papers and documents for carrying out review of the KYC of the account of the plaintiff. Thereafter the defendant bank duly accepted all the documents submitted by the plaintiff again. The defendant assured the plaintiff that the account would be activated by 4th October, 2018, and the plaintiff was also advised to send one e-mail for their official purpose to regularize the account.

**20.** The plaintiff continuously on 4th October, 2018 and on 5th October, 2018 called upon the defendant bank both orally and by way of electronic mails to give access to their account as they have complied with all the necessary instructions given by the defendant bank. The plaintiff had also requested the defendant bank to take steps to give access to the plaintiff's account before the Durga Puja festive season, the business of the plaintiff came to a peak and without having access to its account through which the entire transactions of the plaintiff was carried out, the business of the plaintiff is suffering irreparable loss and the plaintiff was also failing to make payments to its lenders and suppliers. The plaintiff had also met the concerned Officer of the Loan Department being one Ms. Hena, who intimated that the account of the plaintiff has not been hold by the loan department and informed to contact the KYC Department.

**21.** The plaintiff had gone through a lot of agony and harassment that had been done by the defendant bank, the plaintiff being aggrieved by the same, had lodged several complaints on 8$^{th}$ October, 2018 and 11$^{th}$ October, 2018, the complaint numbers being 20181008452515 and 20181011456085, with the Customer Care of the defendant bank but inspite of receipt of the complaint, the defendant bank took no steps nor did they contacted the plaintiff.

**22.** The plaintiff again on 12$^{th}$ October, 2018, had sent an electronic mail to the defendant bank by indicating about the same issues. Thereafter again on 14$^{th}$ October, 2018, the plaintiff issued another electronic mail, where the plaintiff requested for regularization of the account within 24 hours. The plaintiff once again on 20$^{th}$ October, 2018, lodged another complaint with the Customer Care of the defendant bank but they did not get any response to the complaint lodged by the plaintiff.

**23.** Thereafter on 8th November, 2018, after a lapse of almost 6 weeks, the Assistant Manager, Review Fulfilment of the defendant bank called upon the plaintiff through his mobile number being 9051153786 at around 11:26 A.M. and asked the plaintiff to submit of Form 3CB and Form 3CD along with the latest balance sheet of the plaintiff company, the phone call was also followed by an electronic mail on the same date which was duly received by the plaintiff at around 11:46 A.M. Upon receiving such email and phone call, the plaintiff without any delay issued a letter where the plaintiff attached the Form-3CB and Form-3CD for the financial year 2017-18 and also balance sheet as on 31st March, 2017.

**24.** The plaintiff thereafter was again asked to submit a current list of directors and shareholders along with reason for non-filling of the balance sheet with the Registrar of Companies (ROC), to which the plaintiff had responded by saying that on an earlier occasion as per the request made by the defendant bank the plaintiff had already submitted all necessary forms including Form-MGT-7 and MGT-9 for the financial years as on 31st March, 2017.

**25.** The plaintiff at all times being extremely cooperative to the defendant bank, the plaintiff was hopeful that the account will be 'Defreezed', but considering the acts of the defendant bank's employees it was crystal clear that the defendant bank and its officers were deliberately acting in a manner, which was deplorable and was deliberately insulting.

**26.** On 16th November, 2018, the plaintiff again received an email where the defendant bank mentioned that the documents which were submitted/sent by the plaintiff does not specify the nature of the business that the plaintiff runs. To this the plaintiff replied through an email on 19th November, 2018 recording that the alleged requirement of the defendant was not only vague but irrelevant and was also without jurisdiction and was purposive.

**27.** Inspite of receipt of writ of summons, the defendant has neither entered appearance in the suit nor had filed written statement. As per the certificate issued by the Deputy Registrar, (Ct.&J) dated 26th August, 2022, by an order dated 31st October, 2022, this Court has placed the matter in the list of "undefended" suit.

**28.** To prove the case, the plaintiff has examined Mr. Laxmi Kant Fulfagar, who is one of the directors of the plaintiff company.

**29.** During his examination all together 35 documents were marked as exhibits 1 to 35.

**a.** **'Exhibit-1'** is the Board Resolution of the plaintiff firm authorising its one of the directors to namely Laxmikant Fulfagar to institute the suit and to proceed with the suit against the defendant.

**b.** **'Exhibit-2'** shows that the plaintiff company was incorporated in March, 2006.

**c.** **'Exhibit-3'** is the document which proves that on 1st November, 2017, the defendant bank had sent a letter where it had asked the plaintiff to update the KYC of their account with the defendant bank.

**d.** **'Exhibit-4 Collectively' -** is the reply to the letter dated 1st November, 2017 wherein the plaintiff had complied with the requirements of the defendant bank. The plaintiff has enclosed all the documents as required by the defendant.

**e.** **'Exhibit-5'-** is a letter dated 30th November, 2017 wherein the plaintiff company had sent declaration for Company's nature of business.

**f.** **'Exhibit-6' -** is an email dated 28th September, 2019, the plaintiff had replied to an email dated 27th September, 2018, where the plaintiff were asked to be present in the bank else as a consequence of absence of the plaintiff, the account which is held by the plaintiff will be put on hold.

**g.** **'Exhibit-7' –** are copies of email dated 3rd October, 2018, wherein the plaintiff stated that the plaintiff himself met with the RM of the bank, and the RM assured that they will release the hold and email dated 5th October, 2018, wherein again the plaintiff had stated about the whole incident.

h. **'Exhibit-8' –** an email dated 8th October, 2018, sent by the plaintiff to the defendant, wherein again the plaintiff explained about the scenario of the plaintiff being deprived of using its account with the defendant bank.

i. **'Exhibit-9' –** an email dated 12th October, 2018, sent by the plaintiff to the defendant bank, which was written by the plaintiff itself because the plaintiff was unable to operate its account.

j. **'Exhibit-10' –** a letter dated 14th October, 2018, sent by the plaintiff to the defendant, as a notice against account kept on "hold", as all the cheques and RTGS were dishonoured, and it was also mentioned by the plaintiff that the defendant bank had not given any valid reason for doing the same.

k. **'Exhibit-11' –** a letter dated 8th November, 2018, which was a reply to the defendant's query sent by the plaintiff, with some attachments, i.e. Form 3CB and 3CD for the financial year 2017-2018, Balance Sheet as at 31.03.2018.

l. **'Exhibit-12' –** an email dated 8th November, 2018, sent by the defendant to the plaintiff, asking for a list of directors and shareholders of the company and also reason for not filling ROC.

m. **'Exhibit-13' –** an email dated 16th November, 2018, sent by the defendant to the plaintiff mentioning about a telephonic conversation between them, wherein the defendant had asked the plaintiff for some documents.

n. **'Exhibti-14' –** an email dated 19th November, 2018, sent by the plaintiff to the defendant as a reply to defendant's email dated 16th

November, 2018, and the plaintiff had duly submitted the documents required and asked by the defendant, i.e. MGT-9 of FY 16-17, which does not come under the plaintiff's jurisdiction.

**o.** **'Exhibit-15' –** a letter dated 22nd November, 2018, which was sent by Plaintiff's Advocate to the defendant bank, to make the account of the plaintiff operative.

**p.** **'Exhibit-16' –** a letter dated 10th December, 2018, which was received by the plaintiff on 13th December, 2018, as a reply to the legal notice sent by the plaintiff's Advocate to the defendant, wherein the defendant had said that the plaintiff has not submitted required documents for KYC and NOB.

**q.** **'Exhibit-17' –** a letter dated 27th December, 2018, sent by the plaintiff to the defendant bank, in pursuance to their letter dated 10th December, 2018, the plaintiff in this letter had denied the allegations that were made by the defendant by saying that the plaintiff could not submit documents for KYC and NOB.

**r.** **'Exhibit-18' –** a massage dated 27th December, 2018, sent by the Bank to the plaintiff stating that they were unable to complete KYC Procedure for the plaintiff's account, and if the plaintiff fails to submit the original required documents, the account of the plaintiff will be put on hold by 31st December, 2018.

**s.** **'Exhibit-19' –** a letter dated 28th December, 2018, prepared and sent by the plaintiff by attaching the required documents for fulfilment of KYC Process, and it was duly served upon the defendant.

**t.** **'Exhibit-20' –** several letters, which were received by the plaintiff, from its suppliers and stuffs regarding the payment due upon the plaintiff.

**u.** **'Exhibit-21' –** Three salary cheques dated 1st October, 2018 of L.K. Fulfagar that had been paid to the staff of the plaintiff, which were returned by the Standard Chattered Bank and thereafter the same were returned to the plaintiff by its staff.

**v.** **'Exhibit-22' –** letters and pay-slip 20th October, 2018, sent by the plaintiff to the ICICI Bank, to clear the outstanding amount due regarding a loan taken by the plaintiff from the ICICI Bank.

**w.** **'Excibit-23' –** documents which shows that the plaintiff had taken a loan from LIC, to pay off the dues of its employees, else the plaintiff was threatened that its employees will take legal steps against the plaintiff.

**x.** **'Exhibit-24' –** copies of the ledger account of the company's suppliers and also the TDS Certificates of the interest that the plaintiff had paid to the suppliers.

**y.** **'Exhibit-25' –** cheque return memos issued by the different banks which were given to the staff of the plaintiff. The first memo was issued by Bank of Baroda, bearing the Cheque No. 000522, the second memo was issued by the Dena Bank, bearing the Cheque No. 000521 and the third memo was issued by the Bank of India, bearing the Cheque No. 000523.

z. **'Exhibit-26' –** an email dated 20th October, 2018, sent by the plaintiff to the defendant, they have asked for memo account since no response was received by the plaintiff from defendant's end.

aa. **'Exhibit-27' –** an email dated 8th November, 2018, sent by the plaintiff to the defendant, with the documents attached to the email, which was asked by the defendant.

bb. **'Exhibit-28' –** order dated 7th February, 2019, passed by this Hon'ble Court, in the G.A. No. 302 of 2019, in the suit being no. CS. 16 of 2019, wherein the court had directed the bank to defreeze the plaintiff's account.

cc. **'Exhibit-29' –** a copy of the order dated 8th July, 2019, passed by this Hon'ble Court, wherein the G.A No. 302 of 2019 was disposed off.

dd. **'Exhibit-30' –** letter dated 29th September, 2019, sent by the Standard Chattered Bank, to the plaintiff, for KYC Confirmation, requesting the plaintiff to complete the KYC Procedure by 13th January, 2020.

ee. **'Exhibit- 31' –** an email dated 30th December, 2019, sent by the Advocate of the Plaintiff, to intimate the defendant bank that on the first week of December, 2019, the plaintiff's account was again put on hold and the defendant needs to defreeze the account.

ff. **'Exhibit-32' –** a letter dated 24th May, 2022, sent by the defendant bank to the plaintiff for closing of the plaintiff's account within 30 days of receiving of such letter.

**gg.** **'Exhibit-33' –** a letter dated 25th June, 2022, sent by the plaintiff to the defendant bank, wherein the plaintiff had requested the defendant bank to immediately issue Pay-Order/Banker's Cheque drawn in plaintiff's favour for the amount standing to the credit of the plaintiff's bank account.

**hh.** '**Exhbit-34' –** Director's report to the members, auditor's report and balance sheet of the company, which were duly prepared by the Chartered Accountant of the Plaintiff for the accounting year of 2018-2019.

**ii.** **'Exhibit-35' –** Certificate issued under section 65B of Indian Evidence Act, 1872.

**30.** Considered the plaint, evidence of the plaintiff and the documents brought on record. The plaintiff is an incorporated company which is established from Exhibit-2. The plaintiff is engaged in the business of whole sale and retailer of gold and silver jewellery, utensils and ornaments. The plaintiff to carry its day today financial transactions has opened its one bank account with the defendant bank and the nature of the account of the plaintiff is a cash credit being Account No. 32205223080. The plaintiff for its smooth business has circulated its cash credit account number to all its customers for the purpose of payment through various mode including RTGS, NEFT and by physical instruments.

**31.** After filing of the suit, the plaintiff has also filed an application being G.A. 1 of 2019. Exhibit 28, By an order dated 7th February, 2019 this Court had passed the following order:

> *"Bank will immediately release for operation applicant's Account No. 32205223080 on communication made of this order removing restriction as indicated in the letter dated 8th December, 2018."*

In compliance of the order dated 7th February, 2019, the bank allowed the plaintiff to operate the bank account. Again in the month of December' 2019, the defendant had again freezed the debit transaction of the account of the plaintiff on the allegation of non-compliance of "KYC" though the plaintiff has already furnished all documents to the bank time to time when the bank required the same.

**32.** Reserve Bank of India Circular No. RBI/DBR/2015-16/18 updated on 20th April, 2018, did not provide for partial freezing of account. As Regulation 39 of the Circular was deleted with effect from 20th April, 2018. The circulars of the Reserve Bank of India are mandatory applicable to all the banks in India and the defendant bank is also bound to act in terms of the circulars. In the case reported in ***2023 SCC OnLine Cal 788 (Dreamlight Vyapaar Pvt. Ltd vs. Karur Vysya Limited and Others),*** the Coordinate Bench of this Court held that:

> ***"6.*** *It may also be stated that RBI circulars have statutory force and are binding on the constituent Banks and FIs who are under a statutory obligation to comply with the mandates of the circular, refer : Central Bank of India v. Ravindra, (2002) 1 SCC 367 where the Supreme Court held that the power conferred by*

> *sections 21 and 35-A of the Banking Regulation Act, 1949 is coupled with a duty to act and that the Reserve Bank of India, as the prime banking institute of the country, is entrusted with a supervisory role and is empowered to issue binding directions having statutory force in the interest of public."*

**33.** The creditors of the plaintiff issued demand notice to the plaintiff as the creditors of the plaintiff were not in a position to make transaction with the plaintiff in the said account due to debit freeze imposed on the account of the plaintiff and the plaintiff has proved the said notice being Exhibit 20. The cheques issued by the plaintiff to its employees being the salary were also dishonoured and the same are exhibited as Exhibit '21' Collectively. The loan payments required to be made on behalf of the plaintiff are marked as Exhibit '22' Collectively. Exhibit '25' collectively proves non clearance of cheques due to debit freeze. The plaintiff had obtained loan from the Life Insurance Company to clear pending loan of the plaintiff and the said documents were marked as Exhibit '23' collectively. The plaintiff has produced its Auditor Report for the Financial Year of 2018-19 which reflect the losses incurred by the plaintiff in comparison to the Financial Year 2017-18. The Audit report is also marked as Exhibit '34'. The plaintiff has relied upon various electronics documents through which several communications were made in between the plaintiff and the defendant and the plaintiff has submitted required documents to the bank and the plaintiff has proved the said documents by submitting a certificate under Section 65B of the Indian Evidence Act, 1872.

**34.** During the pendency of the suit, further correspondences were made between the plaintiff and the defendant bank and the said documents were brought on record by way of additional documents. Exhibit '32' is the communication from the bank dated 24th May, 2022 wherein the bank has informed the plaintiff that the bank is not willing to continue with the account of the plaintiff. The bank has not provided any reasons as to why the bank do not intent to continue with the bank account of the plaintiff.

**35.** This Court by an order dated 7th February, 2019, relying upon the circular dated 20th April, 2018, passed an order directing the defendant bank to immediately release for operation of account of the plaintiff and the defendant has complied the order. By an order dated 8th July, 2019, this Court disposed of the said application being Exhibit '29'. After disposal of the application, the bank has again freeze the account of the plaintiff in the First week of December' 2019, the said act of the bank also proves that the bank has intentionally and to harass the plaintiff has freeze the debit transaction without any reasons.

**36.** Defendant though appeared in the interlocutory application but had not entered its appearance in the suit and have not filed written statement thus it is presumed that the defendant had admitted the averments made in the plaint. In the Audit Report Exhibit '34' the revenue from operation shows that due to the debit freeze of the account of the plaintiff, the plaintiff has suffered severe financial loss for the year 2018 and when the account of the plaintiff regularised as per the order of this Court, the sale product of the plaintiff has increased. The plaintiff has also proved that the defendant bank has freeze the debit-credit of the plaintiff during the festive seasons particularly during Durga Puja and Dashera, which is the peak season of the business at Kolkata, West Bengal.

**37.** In view of the above, this Court is of the opinion that the defendant has illegally hold the account of the plaintiff by way of debit freeze and the said act of the plaintiff bank was in violation of the Circular dated 20th April, 2018, issued by the Reserved Bank of India. The communication dated 24th May, 2022, issued by the Bank, wherein the plaintiff was directed to close the account, no reason assigned in said communication and arbitrarily issued the said letter. The plaintiff has closed the account, as per the communication dated 24th May, 2022 so that, the plaintiff can operate his bank account through some other banks for smooth functioning of business. As regard compensation, from the evidence and the documents it is proved that due to the illegal act of the defendant bank by freezing the debit account of the plaintiff, the plaintiff had suffered severe financial loss and was not in a partition to smooth running his business. Thus the plaintiff is entitled to get compensation. The defendant bank is directed to pay compensation of Rs. 10,00,000/- (Rupees Ten Lakhs) only to the plaintiff within sixty days from the date of this Judgment. If the defandant failed to pay the compensation of Rs. 10,00,000/- to the plaintiff within sixty days, the plaintiff is entitled to get interest at the rate of 15% per annum till realisation of the amount.

**38.** **C.S. No. 16 of 2019** is thus **disposed of**. Decree be drawn accordingly.

**(Krishna Rao, J.)**