BEFORE THE TELANGANA STATE CONSUMER DISPUTES REDRESSAL COMMISSION : HYDERABAD.

F.A.No. 571 OF 2022
AGAINST ORDERS IN C.C.68/2020
DISTRICT CONSUMER COMMISSION, MAHABOOBNAGAR

Between:
T. Sanjeeva, S/o Anjaiah,
Aged 34 years, Occ.: Tailoring,
R/o H.No.2-30, Indira Nagar,
Jadcherla Village and Mandal, Mahabubnagar District.
…….Appellant/Complainant

And:
1. The Manager, Bajaj Finance Limited,
   Flat No.4A, 1st Floor, Padmavathi Nagar Colony,
   Near Bus Stop, Beside Srinivasa Super Market,
   Mahabubnagar-509 002.

2. The Managing Director, Bajaj Finance Limited,
   4th Floor, Ahmednagar Highway,
   Behind Hyatt Hotel, Viman Nagar,
   Pune, Maharashtra-411 014.
……..Respondents/Opposite Parties

Counsel for the Appellant/Complainant : Party-in-person

Counsel for the Respondents /Opposite Parties: M/s Sanjeev Kulkarni

QUORUM :

HON'BLE SMT. MEENA RAMANATHAN, I/c PRESIDENT
&
HON'BLE SRI. V.V.SESHUBABU, MEMBER – JUDICIAL

MONDAY, 25th THE DAY OF NOVEMBER
TWO THOUSAND TWENTY FOUR

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Order : (PER HON'BLE SRI. V.V.SESHUBABU, MEMBER– JUDICIAL)

1. The unsuccessful complainant filed appeal u/s 41 of Consumer Protection Act, aggrieved by the order dated 28.04.2022 in CC 68/2020, passed by the District Commission, Mahabubnagar, where under the complaint was dismissed without costs

2. The brief averments of the complaint are that the complainant has taken Personal Loan from the opposite parties for Rs.1,10,000/-; that from 02.06.2019 onwards, the complainant

paid every installment @ Rs.5,022/- per month without any delay up to 02.09.2020; that on 02.10.2020 even paid the installments in advance on 24.09.2020 itself and on the same day paid another Rs.4,500/-; that the opposite parties informed him that he failed to pay Rs.600/- as penalty and made several phone calls; that the opposite parties informed at the time of sanctioning loan that the rate of interest will be at 1.75% per month, but they have charged annual rate of interest at 35.01% which is beyond the agreed rate; that the opposite parties made several phone calls to PW1 and they have never agreed to receive the cash payment of the installment on 2nd of every month, thereby unnecessarily penalized the complainant with interest, hence, the complaint with a demand to pay Rs.1,00,000/- with interest and costs of Rs.5,000/- besides compensation of Rs.50,000/-.

3. The brief averments of the written version of Opposite Party No.1 & 2 are that the complaint is not maintainable either on facts or under law; that the complainant is put to strict proof of all the averments made in the complaint except, those that are admitted; that the complainant and the opposite parties are bound by the terms and conditions of the agreement of loan; that there is no "Consumer" and "Service Provider" relationship, as such Commission is not having jurisdiction to decide the dispute; that the complainant having taken a loan of Rs.1,10,000/- on 21.04.2019, agreed to repay the same in 24 installments with interest @ 35.01% with EMI of Rs.5,022/- commencing from 21.04.2019; that out of the loan amount Rs.1,01,347/- was only disbursed and the balance of amount of Rs.8,653/- was deducted towards incidental and processing charges; that the complainant made a part payment of Rs.45,000/- on 24.09.2020 and committed default in the payment of Rs.17th EMI, dated 02.10.2020 and also bouncing charges of Rs.600/-; that the Government scheme for lower rate of interest during the period from 01.03.2020 to 31.08.2020 is not applicable as loan does not exceed Rupees two crores; that with a malafide intention to escape

from the legal liability, the complaint is filed; that the opposite parties deducted the amounts as per guidelines of the RBI and as per the terms and conditions of the agreement. With this, requested to dismiss the complaint with costs.

4. Before the Commission below, complainant filed evidence affidavit as PW1 and marked Ex. A1 to A.11 One Sri M.Aravind, Legal Manager filed evidence affidavit as DW1 for the opposite parties and got marked Ex.B1 to B2.

5. The Commission below, settled the following points for discussion viz..:

- **Whether the complainant is a "Consumer" as defined under Sec.2(7) of the C.P.Act, 2019?**
- **Whether there is any deficiency in service and unfair trade practice on the part of the opposite parties as alleged?**
- **Whether complainant is entitled for the reliefs sought for him?**
- **To what relief?**

6. Having heard both sides, the Commission below, basing on the material available on record, passed the order as stated supra. Aggrieved by the same, the present appeal is filed by the complainant with the following grounds:

- The order of the Commission below is contrary to law, weight of evidence and probabilities of the case.
- The Commission below passed orders in a hurried and with a hasty manner without perusing the document;
- The Commission below failed to appreciate that the repayment schedule for 24 months of the loan does not find place in any of the documents filed by the opposite parties and so, the documents themselves falsifies the claim, that repayment schedule was arranged for 36 months.

- The Commission below failed to observe that there is no default in the payment of installments by the complainant and he even paid advance installments.
- That the Commission below failed to appreciate that as per Ex.A8, the rate of interest is only 1.75%.
- The Commission below failed to observe that two cheques issued by the complainant are still with the opposite parties which they are bound to return.
- The Commission below failed to observe that during the moratorium period due to COVID, interest shall not be levied , but it was done by the opposite parties as per Ex.A19 which is against the directions of RBI.

With these grounds and others that will be urged at the time of arguments, requested to set aside the order of the Commission below and award the amounts as pleaded in the complaint.

7. Now the points for determination in the appeal are :

(1) Whether the opposite parties have charged more interest than what is mentioned in the loan agreement?
(2) Whether there was any delay in the payment of installments by the complainant?
(3) Whether there is any deficiency of service on the part of the opposite parties?
(4) Whether the order under appeal is sustainable as per law?
(5) Relief?

8. Heard the arguments of both sides. The Respondents have filed calculation memo of IRR towards clarification of variation in the rate of interest. For the sake of convenience the parties will be addressed as they arrayed in the impugned order.

9. **<u>POINTS 1 to 5:</u>** Ex.B1 is the statement of account of PW1 which shows Rs.1,11,000/- loan was sanctioned, repayable with annual rate of interest with 35.01%, in 24 monthly installments @ Rs.5,022/- per month and it is a fixed rate of interest. The installment commences from 02.06.2019 and last installment

payable is dated 02.05.2021. Upfront charges and future interest component was shown; so also future principal component. Ex.B2 is the PLCS Agreement i.e. Personal Loan Agreement signed by both sides. As per Schedule-I, in case of default for dishonor a cheque Rs.600/- shall be paid towards bounce charges and for Rs.65/- will be collected for out station cheques. Penal interest will be collected @ Rs.200/- per month. As per schedule –II, the flat rate of interest was at 20.95% and rate of interest on reducing the balance was @ 35.01% and loan tenure was mentioned as 36 months. It shows the tenure of repayment of loan is different from Ex.B1 and B2. If the installment of Rs.5,022/- is multiplied with 24, the amounts comes to Rs.1,20,528/-. At the same time, if it is multiplied with 36, comes to Rs.1,80,792/-. When the loan amount itself is Rs.1,10,000/- and when it was repayable in 24 months i.e. for two years, the opposite parties are only entitled for rupees around Rs.9,000/-. Then what is sanctioned. Therefore, it is highly improper to fix the EMIs for 24 months. What all the payments made by PW1 are noted in Ex.B1. Installments are regularly paid with few days delay from 08.06.2019 to 02.09.2020. The next installment was paid on 29.04.2020, which shows delay. The 18th installment was paid on 02.11.2020 and the 19th installment was paid on 02.12.2020. No document is filed by PW1 to show the payment of either 24 installments or 36 installments. As per Ex.A3 payment of Rs.45,000/- was made on 25.09.2020 which was adjusted. After going through the document, we are of the view that the interest was charged as per agreement and installments fixed for EMIs are 36 but not 24. PW1 also not prompt in the payment of installments as 2nd of every month and made payments belatedly. In such, case naturally the opposite parties will collect the penal charges as stipulated in the agreement. Therefore, there are no grounds to come to a conclusion that, the opposite parties were deficient in extending service and also made any unfair trade practice. So, these points are answered against appellant and in favour of the respondents.

10. In the result, the appeal is dismissed without costs by confirming the order dated 28.04.2022 in CC 68/2020 passed by the District Consumer Commission, Mahabubnagar.

Dictated to the Stenographer and typed by her on the System and corrected by me and pronounced by us in the Open Court on this the 25th day of November' 2024.

Sd/-	**Sd/-**
I/c PRESIDENT	**MEMBER-JUDICIAL**

Dated : 25.11.2024

*AD