

AREA MANAGER, LIC HOUSING FINANCE LTD. Vs S. GOPAL

Court: NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

Date of Decision: Feb. 18, 1994

Citation: 1994 3 CPJ 310

Hon'ble Judges: S.A.Kader , R.N.Manickam , Ramani Mathuranayagam J.

Final Decision: Appeal partly allowed

Judgement

1. THE appeal is "" against the order of the District Consumer Disputes Redressal Forum, Madurai, dated 7.9.93 in O.P. No. 430/92. THE

Opposite Party is the Appellant.

2. THE Complainant, who is a Policy Holder for Rs. 1,00,000/-, has applied for a loan to the Opposite Party L.I.C. Housing Finance for Rs.

1,50,000/-. A loan of Rs. 1,35,000/- has been sanctioned on the security of the house property to construct which the loan has to be applied for.

But, before the loan could be disbursed a publication has been made in the Dina Malar, dated 12.5.92 to the effect that injunction has been

obtained against the complainant in O.S. No. 370/92 on the file of the Subordinate Judge, Madurai and on account of this litigation the loan has not

been disbursed. THE complainant has asked for the return of the documents and a sum of Rs. 250/- paid by him towards Registration Fee and Rs.

1,357/- for obtaining Lawyer's opinion. THE opposite party did not comply with the requests and hence the complaint.

The Opposite Party contended that in view of the pendency of the litigation, they could not disburse the loan. But, it was ready to return the

documents, but not the amount of Rs. 1,607/- received from the complainant, as the amount was registration of the application and for the

Lawyer's fee.

The District Forum directed the opposite party to refund the sum of Rs. 1,607/- and pay a compensation in the sum of Rs. 3,000/-.

3. THE loan has been offered by the opposite party on the security of Door No. 1, Madhana-gopalasamy Koil Street, (T.S. No. 1009) Madurai.

It is in respect of the western portion of this property, a suit has been filed by Minor Appu, Minor Madan and S. Vasantha and an interim

injunction has been passed restraining the Complainant herein and another S. Narayanan from demolishing the building or putting up any

construction. In view of the litigation, the Opposite Party L.I.C. Housing Finance has refused to disburse the loan. THE observation of the District

Forum was that the property offered as security are different property which is the subject matter of this litigation and can not be accepted. THE

property offered as security is a full property bearing Door No.1, while the suit is in respect of the western portion. Hence, the western portion of

the said property is the subject matter of the litigation. THE L.I.C. was, therefore, right in refusing to disburse the loan amount.

However, the failure on the part of the L.I.C. in returning the documents, as soon as the L.I.C. could not disburse the loan amount is not

excusable. The Complainant has asked for the return of the documents and the amount paid by him on 18.6.92. The amounts paid are: Rs. 250/-

towards Registration Fee and Rs. 1,357/- towards Lawyer's Fee. These amounts are not refundable, inasmuch as the L.I.C. register the name of

the Complainant and paid the Lawyer's fee to obtain the legal opinion. The Opposite Party has not acted fairly in retaining the documents. There

was no justification for retaining the documents till 13.3.93, when it returned these documents during the pendency of the complaint before the

District Forum. To this extent, there is deficiency of service on the part of the Opposite Party and the Complainant is entitled to claim

compensation therefor. The amount of Rs. 3,000/- awarded as compensation appears to be little high. We find that a sum of Rs. 2,000/- will be

sufficient to meet the ends of justice.

4. IN the result, the appeal is allowed in part and the order of the District Forum directing the Opposite Party/Appellant to refund the sum of Rs.

1,607/- is set aside. The order of the District Forum awarding compensation in the sum of Rs. 3,000/- is reduced to Rs. 2,000/-. The order for

cost will stand. There will be no order as to costs in this appeal. Appeal partly allowed.