



Banking - Duties - There is always an element of trust between the bank and its customer. The bank's business depends upon this trust.

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We adopt the reasoning indicated above with great respect. Unless the bank is able to satisfy the Court of either an express condition in the [contract](#) with its customer or an unequivocal ratification it [will](#) not be possible to save the bank from its liability. The banks do business for their benefit. Customers also get some benefit. If banks are to insist upon extreme care by the customers in minutely looking into the pass book and the statements sent by them, no bank perhaps can do profitable business. It is common knowledge that the entries in the pass books and the statements of account sent by the bank are either not readable, decipherable or legible. There is always an element of trust between the bank and its customer. The bank's business depends upon this trust."

Canara Bank v. Canara Sales Corporation & Ors [AIR 1987 SC 1603],

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