(2004) 09 NCDRC CK 0080

In the National Consumer Disputes Redressal Commission

ALLAHABAD BANK APPELLANT

Vs

Kamlesh Kumar RESPONDENT

Date of Decision : 16-09-2004

Acts Referred:

Citation : 2005 3 CPJ 13

Hon'ble Judges : J.D.Kapoor , Rumnita Mittal J.

Final Decision : Appeal disposed of

Judgement

1. THIS appeal is directed against order dated 28.6.2002 whereby the appellant was directed to pay 118.53 for the FDR which matured on 21.11.1994 and 452.05 for the two FDs which matured on 8.4.1995 and 13.4.1995. The respondent was also directed to pay compensation of Rs. 5,000/- for the mental agony and Rs. 2,000/- towards costs of litigation.

2. ADMITTEDLY the respondent deposited a 3124.05 on 21.11.1992 as FD with the appellant at an interest @ 10% for two years compounded every six months. On 19.4.1993 another amount of 10,000/- was deposited on 8.4.1995 at 8% interest p.a. for two years. The amount payable on maturity of FDRs was also mentioned in the FDRs. However, the appellant paid in total less 118.53 on FDR which matured on 21.11.1994 than the amount payable as mentioned in FDR. The contention of the appellant is that interest was calculated on the basis of the directions received from the Reserve Bank of India from time-to-time and this fact was in the knowledge of the respondent as it was clearly stipulated in FDR that any interest payable on the deposit was subject to the RBI directives that will be issued from time-to-time.

On the date of issue of FDR on 21.11.1992, the prevailing rate of interest that the appellant has to pay was 10% for two years. However, on behalf of appellant that interest @ 8.75% w.e.f. 2.11.1992 and 7.25% w.e.f. 15.3.1993 were prevalent at the relevant time and the amount mentioned on the FDR was payable on the maturity was calculated at the rate of 10% because by then the said circular dated 2.11.2002 issued by RBI had not reached the appellant.

3. WE are afraid such a defence is not available we to the appellant as these are such actions which involve administrative mechanism between the RBI and the appellant. If there is change in the rate of interest subsequent to the date of issue of FDR the appellant is entitled to calculate interest prescribe by the RBI. However, in the instant case, it is contended that circular issued by the RBI was received by the Headquarters of the appellant on 18.11.2002 and took few days to reach the branch office of the appellant and, therefore, it was not in the knowledge of the branch office as to what was the prevalent rate of interest prescribed by the RBI and since the aforesaid stipulation on the FDR is a term of the contract, the parties are governd by the rate of interest prescribed by the RBI. WE do not agree with this contention. Consumer is not concerned with the administrative failure or lapse in not intimating the Branch of the Bank in time as to the prevalent rate of interest. Such lapse amounts to deficiency in service vis-a-vis the consumer. So far as the FDR dated 21.11.1992 is concerned, the respondent is entitled to claim interest @ 10% till the date when the circular issued by RBI and forwarded to the Branch Office of the appellant was received. There is no dispute with regard to the remaining FDR. The same is the nature of dispute with regard to FDR dated 19.4.1993 and the rate of interest will apply to those FDRs also as held in respect of FDR dated 21.11.1993. The appeal is decided accordingly with directions to the appellant to calculate the rate of interest at the rate prescribed by the RBI only from the date when the branch office received this circular and not at the prior point of time. Appeal disposed of.