

(1994) 10 NCDRC CK 0002

In the National Consumer Disputes Redressal Commission

BELLATHI PRIMARY AGRICULTURAL CO-OPERATIVE BANK LTD. APPELLANT
Vs
SELVARAJ RESPONDENT

Date of Decision : 10-10-1994

Acts Referred:

Citation : 1994 0 NCDRC 154 : 1994 2 CPC 588 : 1994 3 CPJ 161 : 1994 3 CPR 400 : 1995 1 CLT 268

Hon'ble Judges : V.BALAKRISHNA ERADI , Y.KRISHAN , B.S.YADAV J.

Advocate : D.K.GANESAN , R.M.KRISHNA

Judgement

1. THESE are four Revision Petitions filed by M/s. Bellathi Primary Agricultural Co-operative Bank Ltd. against the orders of the State Commission, Tamil Nadu at Madras. As these petitions arise out of a common order passed by the State Commission and hence these are being disposed of together by this order.

2. THE respondents here were the complainants before the District Forum in the original complaints and the revision petitioner herein was the opposite party in those proceedings. They will be referred to as such in this order. To encourage the use of non-conventional energy sources in rural areas, the Government formulated a scheme for supply of Gobar Gas Plants in the country side. The total estimated expenditure to be incurred on the erection of the Gobar Gas Plant was Rs. 10,000/-. This amount was to be provided by way of a loan by the Agricultural Co-operative Bank on the recommendation of the Block Development Officer. Out of this amount, Rs. 6,250/- is the amount to be paid on behalf of the loanee for the Gobar Gas Plant and the balance of Rs. 3,750/- is given as loan in cash to the individual beneficiaries. Thus, the amount of loan repayable by the beneficiaries to the bank is Rs. 10,000/- out of which Rs. 4,400/- is paid by the State Government to the Bank after the plant is installed by way of subsidy to the beneficiary. The Block Development Officer/State Government releases the subsidy to the Bank thereby reducing the liability for the payment of a loan by the farmer beneficiaries. The question that needs to be considered in this case is the amount whereon the bank is entitled to recover interest for the farmer

beneficiaries.

3. IN these cases, the bank released the loan amount of Rs. 10,000/- for erection of Gobar Gas Plant but the Block Development Officer/State Government failed to given the subsidy of Rs. 4,400/- each by way of repayment of the loan to the bank. As such, the bank collected interest on the entire amount of the loan outstanding in the name of the respondents.

4. THE beneficiaries protested against the recovery of interest on the full amount of the loan viz. Rs. 10,000/- as against Rs. 5,600/- only, the balance being repaid by way of subsidy to be received from the State Government. The District Forum allowed the complaint of the farmer beneficiaries and ordered refund of interest amount collected on part of the loan amount which would have been repaid by the State Government in the form of subsidy. In addition, it allowed Rs. 200/- as costs. In appeal, the State Commission held that the complainants have borrowed Rs. 5,600/- only, the subsidy amounting to Rs. 4,400/- being payable to the Bank directly by the Government. It therefore, upheld the orders of the District Forum.

5. IT is evident from the record and the facts of the case as recited above, that the Bank had advanced in each case a sum of Rs. 10,000/- as loan. Consequently interest was payable to the bank on the full amount of the loan. Repayment of the loan was partly through the subsidy paid to the bank on behalf of each of the farmer loanees by the State Government. Only when the "subsidy" is actually paid the loan amount gets proportionately reduced. Till then the liability for interest will be for the full amount of the loan. Such being the legal position, we hold that there has been no deficiency in service on the part of the Bank in charging interest on the full amount of Rs. 10,000/-. The deficiency is on the part of the State Government which was to refund a part of the loan amount in the form of subsidy to the farmers and to be credited to the loan account with the Bank. In the result, these revision petitions are allowed and the orders of the State Commission and the District Forum are set aside. There is no order as to costs.