
(1996) 01 NCDRC CK 0029

In the National Consumer Disputes Redressal Commission

BIHAR STATE HOUSING BOARD

APPELLANT

Vs

CHAIRMAN-CUM-MANAGING DIRECTOR

RESPONDENT

Date of Decision : 12-01-1996

Acts Referred:

Citation : 1996 0 NCDRC 90 : 1996 1 CLT 548 : 1996 1 CPC 195 : 1996 1 CPJ 228 : 1996 1 CPR 30

Hon'ble Judges : V.BALAKRISHNA ERADI , B.S.YADAV , S.S.CHADHA , R.THAMARAJAKSHI , S.P.BAGLA J.

Advocate : RANJIT KUMAR , ANNU MOHANA , SANJEEV SEN , G.JOSHI

Judgement

1. THIS complaint by the Bihar State Housing Board under Section 21 of the Consumer Protection Act, 1986 challenges the inaction and deficiency in service on the part of the opposite party in not transferring various amounts deposited with it to the relevant account of Provident Fund Commissioner.

2. IT is alleged in the complaint that the complainant is a statutory body being Government of Bihar Undertaking and the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 were enforced on the establishment of the complainant in the month of September, 1987 w.e.f. 31.10.80. In terms of the applicability of the said Act, the complainant approached the United Commercial Bank, Frasher Road, Patna for opening the C.P.F. accounts of the member of the staff of the complainant. The Manager of the said Bank vide their letter dated 2nd November, 1979 assured the complainant of its prompt and efficient services. The Bank further assured of maintaining individual account of each employee working in the Board and also of maintaining consolidated account to facilitate an enquiry of the Provident Fund Account of any date and two copies of the Statement of the Provident Fund Account would be supplied to the Board. The Bank also informed that the Provident Fund amount would be invested in Fixed Deposit Accounts by transferring from the consolidated account so that the benefit of the higher rate of interest may be passed to individual Provident Fund Account of the employee

which would enable them to earn compound interest on their Provident Fund Account about 12%%. Acting on these assurances of the services offered by the Bank, according to the complainant, it opened the Provident Fund Account with the Bank and the amount of the employees' contribution and the employer's contribution were deposited in the relevant account through challans since September, 1987 regularly as per the directions of the Regional Provident Fund Commissioner. The amount of the employee's contribution as well as employer's contribution upto August, 1987 aggregating Rs. 64,35,558.53 as principal amount was already deposited with the said Bank prior to the enforcement of the said Act. It is alleged that after the enforcement of the Act, the complainant sent various letters and reminders to the Bank to immediately get the amount transferred into the relevant accounts as directed by the Provident Fund Commissioner, but the Bank failed to take the necessary action to render needful services. It is further alleged that a notice under Sub-section 3 of Section 8F of the said Act was issued by the Assistant Provident Fund Commissioner. In response to the said notice the Bank released a sum of Rs. 44.00 lakhs out of the total amount of Rs. 64,35,558.53 which was immediately transferred. The balance amount of Rs. 20,35,559.53 as principal along with interest accrued on the entire deposit is still lying with the opposite party-Bank.

3. IN the meanwhile some recovery proceedings were initiated against the complainant, the details of which need not be noticed, when the complainant again asked the Bank to pay Employees' Provident Fund contributions amounting to Rs. 20,35,558.53 as the balance of the principal amount alongwith the interest accrued thereon. The case is that the Bank has defaulted in rendering the services which it had undertaken to do so and the said deficiency in rendering the services has been admitted by them in their reply to the legal notice and also in the later communications. The contention is that Section 2(g) read with Section 2(o) of the Consumer Protection Act clearly covers the dispute in the present case.

4. ON being noticed the opposite party in its version admitted that the total credit in the aforesaid Provident Fund Account of the complainant since the inception of the Account till March24,1994 was a total sum of Rs. 62,24,146.65 which does not include the interest earned on the Provident Found Account. It is stated that the payments made by the Bank either to the employees or to the Recovery Officer of the Provident Fund Commissioner, Patna totals to Rs. 62,29,146.65. In other words the entire principal amount deposited in the aforesaid Provident Fund Account has been fully paid by 25th March, 1994. It is stated that even though the complainant started the account loosely called as the Fixed Deposit Account but they never asked for the F.D.R. receipts as credits and deposits were being made from the said account and this could not be treated as a regular Fixed Deposit Account. The said account was a P.F. Account and the nature of the same was more or less a running account inasmuch as amounts were deposited and at times payments were made to the aforesaid P.F. Account. According to the Bank even though the aforesaid P.F. Account was not

strictly subjected as a Fixed Deposit Account, the complainant being an Undertaking of the Government the Bank had given full advantage to the complainant of the amounts in the said account being treated as under fixed deposit account earning maximum rate of permissible interest on fixed deposit account on optimum period of fixed deposit with quarterly rests which is the maximum which any commercial Bank could grant to a most favoured account holder with itself. The total amount of interest due according to the bank came to Rs. 6,56,700/- and this has already been credited to the account of the complainant. It is evident from the respective versions of the parties that the dispute arises out of the banking transaction in respect of the complainant's account with opposite party from the year 1980 to 1994 in respect of the deposits of provident fund of the employees and employer's contribution and absence of some entries of deposits forms the dispute, as also the rate of interest payable from time to time on the credits as against actually credited, the amounts withdrawn by and paid to the employees involving numerous c-edit and debit entries. The dispute in respect of the amount deposited can be settled only by reconciliation of accounts as well as by proof of such deposits by producing counter foils of deposit slips or other evidence. It will also be necessary to go into the Reserve Bank of India's instructions from time to time laying down the rate of interest payable on such deposits or whether any Bank could deviate from the guidelines issued by the Reserve Bank of India. In our view, it is a fit case to leave the parties to their remedies by way of a civil suit or other remedies as the dispute relates to accounting between the parties.

5. THE complaint is dismissed, without any opinion being expressed on the merits of the case leaving the parties to bear their own costs.