
(1992) 03 NCDRC CK 0050

In the National Consumer Disputes Redressal Commission

BRANCH MANAGER STATE BANK OF INDIA SURAT

APPELLANT

Vs

N. RAVEENDRAN NAIR

RESPONDENT

Date of Decision : 18-03-1992

Acts Referred:

Citation : 1992 3 CPJ 20

Hon'ble Judges : V.Balakrishna Eradi , Y.Krishan , B.S.Yadav J.

Final Decision : Appeal allowed

Judgement

1. IT is unfortunate that a controversy had arisen in this case between the State Bank of India represented by its branch at Surat and one of its Subsidiaries namely the State Bank of Travancore represented by its branch at Venganoor. The question that has arisen relates to the legality or other-wise of the refusal on the part of the State Bank of India, Surat to honour a demand draft on that Bank which had been signed and issued by the Manager of the branch of the State Bank of Travancore, Venganoor along with another Officer without furnishing therein the specimen signature number of the said Officer. IT is contended on behalf of the State Bank of India, Surat that it is mandatory under the circulars of the Reserve Bank of India that every demand draft should be signed by at least two officers of the issuing bank, if the amount covered by the draft is in excess of Rs. 50,000/-. As against this contention, it is urged on behalf of the State Bank of Travancore that under the Regulation -55, the Board of the State Bank of Travancore had published a notification in the Gazette of India, dated 12th July, 1986 empowering its Branch Managers to issue under their sole signatures demand drafts for unlimited amounts. Another sub-mission made on behalf of the State Bank of Travancore is that the Reserve Bank of India by its letter No. DBOD/B/P.C.C./28/C.496(I -86), dated 7th March, 1986 had permitted deviation from the two signatures discipline on the demand drafts in exceptional circumstances and hence it was clear that the requirement specified in its earlier circular that the demand drafts for amounts exceeding Rs.50,000/- should carry signatures of two Officials of the drawing bank was only directory. The State Bank of Travancore has also put forward the plea that the Branch of the State

Bank of India at Surat had previously honoured other demand drafts issued by its Venganoor Branch under the joint signatures of the Manager and the very same Accountant (who had signed in the D.D. presently in question) despite the specimen signature number not having been mentioned in the D.D. and that the omission to mention the specimen signature number was due to the fact that the number had not been circulated at that time. For a satisfactory resolution of these opposing contentions urged before us by the State Bank of India and State Bank of Travancore, we would like to have the assistance of the Reserve Bank of India since the matter turns very largely on the legal position as to the requirements regarding the issue of demand drafts for amount in excess of Rs. 50,000/- which were in force as on 21.5.1990 under the relevant circulars issued by the Reserve Bank of India. We would, accordingly, request the Reserve Bank of India to file a statement before this Commission within one month from today explaining the correct position which obtained under its circulars on the date specified above after duly taking into account the contention urged on behalf of the State Bank of India as well as all the contentions urged by the State Bank of Travancore which have been mentioned above.

2. THE Registrar will address a communication to the Governor of Reserve Bank of India in Bombay requesting for early compliance with the request aforementioned. Copies of this counter affidavit filed by the State Bank of Travancore and the Rejoinder affidavit filed by the State Bank of India, Surat, shall also be forwarded to the Reserve Bank of India along with the said communication. Post this case for further hearing after receipt of the statement from the Reserve Bank of India. Appeal allowed.