(1998) 11 NCDRC CK 0057

In the National Consumer Disputes Redressal Commission

JALGAON JANATA SAHAKARI BANK LTD. — APPELLANT

Vs

RISHIKESH PRABHAKAR KULKARNI — RESPONDENT

Date of Decision : 02-11-1998

Acts Referred:

Citation : 1999 1 CPC 558 : 1999 1 CPR 396 : 1999 3 CPJ 557

Hon'ble Judges : A.A.Halbe , Rajyalakshmi Rao J.

Final Decision : Appeals dismissed in limine

Judgement

1. MR. Justice A.A. Halbe, President-All these appeals are disposed of by common judgment since they arise out of identical complaints respectively bearing numbers 18/98, 19/98,20/98,21 /98 and 22/98 by District Forum, Dhule directing the appellants to pay amount of deposit at flat rate of interest of 12.5% plus cost of Rs. 500/- to the complainants. Argument advanced on behalf of appellant Bank is that on fixed deposits made by complainants the rate of interest was the rate fixed payable from time-to- time under the guidelines by Reserve Bank of India and District Forum was not justified in stipulating flat rate of interest 12.5%. Heard learned Advocate for the appellant Bank at length at the stage of admission. Without dilating on detailed facts of each complaint, we may briefly state that various complainants deposited sizable amounts as Fixed Deposit with appellant Bank under Dhanlaxmi Asthchakra Yojna. The rate of interest applicable was 12.5% for each chakra comprising period of 46 days was to bear interest and if depositor did not withdraw the amount with interest, said amount of fixed deposit plus accrued interest would be re-invested for further period of 46 days. This was the procedure which was to continue upto 8 chakras (p.x.) when the depositor reclined the deposited amount with interest 12.5%, appellant Bank refused to give interest at rate of 12.5%. We may here observe that Bank did not despatch cheques for fixed deposits to the respective complainants and statements made by learned Advocate of the appellant that Bank had shown readiness to refund amount did not appear to be sensible. All the said and done, amount is enjoyed by the appellant Bank, even at present.

2. THE main centre of controversy is interest @ 12.5% payable by appellant Bank. According to the appellant Bank deposits were governed by guidelines by Reserve Bank of India and during the tenure of eight chakras, interest rate payable on fixed deposit was changed by Reserved Bank from time-to-time. It had been reduced and hence Bank is liable to pay interest on the fixed deposit at reduced interest rate. Learned Counsel for the appellant Bank relied on case of Konkan Mercantile Co-op. Bank Ltd. v. Abdul Sattar Ahmed Bondre, decided by National Commission and reported in 1998 (2) CPR (3) (NC). National Commission found that the Bank had paid more interest than directed by Reserve Bank of India. National Commission held that if the interest rate is reduced, Bank would modify said agreement so as to bring it in lines within the directives of the Reserve Bank of India. Now in that case, even on deposit receipt, it was stated that rate of interest was liable to be varied from time-to-time. Now in this case, in the first instance we find that, this is the scheme of re-investment of the fixed deposit for period of 46 days each time, to be repeated 8 times, in all period would be about 368 days a period little more than one year. In the first instance this is in the nature of re- investment plan and re-investment plan was guided by attractive rate of interest of 12.5% if the Reserve Bank of India had reduced interest rate, the appellant Bank was under obligation to inform the depositors that deposits in next period would bear interest at lesser rate. We find that, no such intimation has been given when as a matter of fact, it was absolutely necessary at the expiry of period of every 46 days. Depositors had option to withdraw from the scheme, and it was likely that if interest rate was reduced, the depositors might have withdrawn the amount mid-way before expiry of total period of 368 days. Since, the depositors (complainants) continued to re-invest their deposit with interest for the entire period of 368 days, we are sure that Bank did not inform them about reduced rate of interest. This was obligatory and Bank has failed to render proper service in this regard. The appellant Bank has not been able to satisfy, that said deposits were under specific stipulation that interest rate would be as per directives of Reserve Bank of India. The District Forum, Dhule has analysed this aspect very clearly in its judgment. The District Forum has also relied on judgment of State Commission, Kerala in case of Vijayam v. British Bank of Middle East. The Commission observed that the common depositors would not be aware of such directives of Reserve Bank of India. Apart from this aspect, it was a very peculiar scheme "Dhanlakshmi Asthchakra Yojna" persons would be inclined to re-invest only on the basis of very attractive rate of interest, when the deposits were called for interest rate mentioned was 12.5%. We are doubtful as to whether in such re-investment plan, guidelines of Reserve Bank of India could be pressed into service. We therefore feel that judgment of the District Forum deserves to be upheld. Accordingly we pass the following order : ORDER All these appeals are dismissed in limine. Order of the District Forum, Dhule is confirmed. Appeals dismissed in limine.

