(1992) 04 NCDRC CK 0044

In the National Consumer Disputes Redressal Commission

MAHAD CO-OPEERATIVE URBAN BANK LTD. APPELLANT

Vs

SHARAD GOVIND CHOTHE RESPONDENT

Date of Decision : 09-04-1992

Acts Referred:

Citation : 1992 0 CPC 414 : 1992 2 CPJ 419 : 1992 2 CPR 8 : 1993 1 CLT 174

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

Final Decision : Appeal dismirssed

Judgement

1. SHRI Sharad Govind Chothe and Smt. Pushpa Sharad Chothe, who care husband and wife respondents No. 1 and 2, respectively, herein, had deposited Rs. 1,10,000/- on 27.12.1985 with the present petitioner Bank on 27.12.1985. The period of fixed deposit was five years. The rate of interest was 12% with direction to credit quarterly interest on the said amount in the saving bank account of Smt. Chothe (respondent No. 2). In the complaint filed by the husband and wife before the District Consumer Disputes Redressal Forum. Raigad (Maharashtra State) against the present Bank they had alleged that at the time of deposit they were assured that the entire amount was fully secured. It was also given out by the Bank that they could take loan up to 80 percent of the deposited amount on payment of 14 percent interest. On these assurances they had deposited the amount. The grievances of the complainants was that the Bank had insured only Rs. 30.000/- out of the above amount while the remaining amount remained unsecured. Further, when the complainants took loan of Rs. 20,000/- on 15.12.1986, they were given to understand vide agreement of bond that compound interest would be charged with six monthly rests while in fact simple interest was charged with quarterly interest. The complainant''s allegation was that if they had known that simple interest would be charged they would not have allowed the remaining amount to be frozen and thus they suffered a loss of Rs. 24,000/-. The complainants made a demand upon the Bank for bonus under Monthly Income Scheme of Government of India but the Bank had expressed its inability in that regard.

2. IN their counter reply the Bank averred that the deposit of Rs. 30,000/- of each individual can be insured and the complainants were apprised of that fact at the time of deposit. Even if the remaining amount was not insured, it was quite safe. As far as Banks are concerned, there is no provision for bonus on deposits. It was also contended that as per directions of the Reserve Bank, interest with quarterly rests is to be charged and in the promissory note executed by the complainants compound interest was stated but in fact simple interest had been charged from them. It was further alleged that even after maturity, the complainant kept Rs. 30,000/- for a further period of three years. The District Forum found: (i) According to Circular dated 9.7.1980 of Deposit insurance and Credit Guarantee Corporation the limit of insurance in respect of any one deposit is Rs. 30,000/-, and the said term was included in the Pari- Patrak (pamphlet) issued by the Bank. Moreover, the complainants had not suffered any loss if their remaining amount was not insured.

(ii) The various schemes about bonus etc. floated by Government of India are not applicable to different institutions or bodies who issue their own schemes. The complainants were never assured by the appellant Bank that they would be given bonus on their deposits.

(iii) According to agreement of bond dated 15.12.1986, the interest on loan to be 2 percent more than the rate of interest on deposit of Rs. 30,000/- and the interest would be repaid on 30th June and 31st December and in case of default, the Bank was to add unpaid interest to the principal amount. In the promissory note the rate of interest was mentioned as 14 percent with quarterly rests without indication if it was compound or simple. The complainants were, however, aware that the interest would be charged quarterly.

The Bank in fact charged simple interest, in violation of the directions of the Reserve Bank of India asking the Banks to charge compound interest with quarterly rests on loans advanced by them. The appellant Bank thus showed indulgence to the complainants by charging simple interest though compound interest was payable by them according to the agreement of bond.

3. THE contention of the complainants that they would have invested the deposit after withdrawing it in other good schemes like Indira Vikas Patra was belied by the fact that after maturity of earlier deposit they again deposited Rs. 30.000/- with the appellant Bank. It may be mentioned here that after the filing of the complaint, Shri Chothe, respondent No. 1 by a letter complained about the delay of 38 days on the part of the Bank to credit Rs. 21/- being the amount of dividend warrant of Co-operative Banks. In that letter he had also complained that the Bank had debited Rs. 10.35 paise in his Saving Bank Account although repayment was made in time. The District Forum rejected these grievances as those were not part of the complaint.

4. THE District Forum awarded Rs. 2,000/- as compensation to the complainants as the Bank did not give correct instructions on vital points, i.e. interest as

regards loan facilities to the complainants and thus there was deficiency in the rendering of service. THE Bank was also ordered to pay Rs. 300/- as costs to the complainants. Feeling aggrieved, both parties filed appeals before the State Consumer Disputes Redressal Commission. Maharashtra at New Bombay. The complainants contended before them that they could not get the return from the deposit they expected and had they invested in other schemes like Indira Vikas Patra, they could get more benefit. That contention was not accepted by the commission as it was based upon hypothetical considerations . The Commission, however, remarked: ".... as regards the finding of fact regarding the late credit of dividend warrrants, we uphold the finding of District Forum that there was deficiency in the service of the Bank". The State Commission dismissed both the appeals. Feeling aggrieved, the Bank has filed this Revision Petition. We are of the opinion that this Petition is liable to be accepted. The findings of fact arrived at by the District Forum have been given above in detail. The District Forum refused to consider the plea of the complainants about the late deposit of the dividend warrant (not warrants as mentioned by the State Commission) as it had not been taken in the complaint and was raised only by means of a letter written subsequently. Thus the Order of the State Commission cannot be said to be based upon any finding of fact arrived at by the District Forum.

5. THE award of the District Forum also cannot be upheld. THE District Forum had found that according to the agreement of bond, the complainants had agreed to pay compound interest and that stipulation was in consonance with the directions issued by the Reserve Bank. If, by showing indulgence, the Bank charged simple interest in violation of those directions, it cannot be said by any stretch of imagination that the Bank rendered deficient services to the complainants on the ground that this fact was not disclosed to them at the time they took the loan.

6. FOR the foregoing reasons we accept this petition and set aside the Orders passed by the State Commission in the two appeals preferred before them by the parties. We also set aside the Order passed by the District FORum and dismiss the complaint of the complainants. We make no Order as to costs. Appeal dismissed.

